

DECEMBER 16, 2015

Kansas Board of Regents
Curtis State Office Building
1000 SW Jackson, Suite 520
Topeka, KS 66612

2015-2016
Shane Bangerter, Chair
Zoe Newton, Vice Chair

KANSAS BOARD OF REGENT MEMBERS:

Joe Bain	Shane Bangerter	Ann Brandau-Murguia
Bill Feuerborn	Dennis Mullin	Dave Murfin
Zoe Newton	Daniel Thomas	Helen Van Etten

FORESIGHT 2020

A Strategic Agenda for the State's Public Higher Education System

1. Increase higher education attainment among Kansas citizens
2. Improve alignment of the state's higher education system with the needs of the economy
3. Ensure state university excellence

FORESIGHT 2020

A 10-Year Strategic Agenda for the State's Public Higher Education System



Foresight 2020 is a 10-year strategic agenda for the state's public higher education system. Originally adopted by the Kansas Board of Regents in 2010, updated in 2012, and modified in 2015, the plan sets long-range achievement goals that are measurable, reportable, and ensure the state's higher education system meets Kansans' expectations. Find each year's progress report at: kansasregents.org/foresight_2020.

INCREASE HIGHER EDUCATION ATTAINMENT

Aspirations

- ★ Increase to 60 percent the number of Kansas adults who have earned a certificate, associate or bachelor's degree by 2020.
- ★ Achieve a ten percentage point increase in retention and graduation rates by 2020.

Measures

- ★ Number of certificates and degrees awarded by universities, community and technical colleges
- ★ Attainment Model progress
- ★ Graduation rates: 4/5/6-year rates for universities and 2/3/4-year rates for community and technical colleges
- ★ First to second year retention rates at universities, community and technical colleges
- ★ Student Success Index rates
- ★ Comparison of state demographics with higher education participation levels, including race/ethnicity, Pell Grant eligibility, and age
- ★ Comparison of postsecondary attainment in Kansas to the nation, by age groups
- ★ Adult Education: participation, percent served among working-age adults in Kansas without a high school diploma or its equivalent, and percent transitioning to postsecondary within 3 years of enrollment
- ★ Number of adults with college credit but no certificate or degree who are returning to complete a certificate, associate/bachelor degree
- ★ Seamless Transition: total number of courses approved for guaranteed transfer and number of Reverse Transfer degrees awarded systemwide

IMPROVE ECONOMIC ALIGNMENT

Aspirations

- ★ Respond to business and industry expectations for graduates and ensure all technical programs meet expectations of quality.
- ★ Reduce workforce shortages in select high-demand fields by increasing the number of certificates and degrees awarded, including in science, technology, engineering, and mathematics (STEM) fields.

Measures

- ★ Percent of graduates employed and average wages in Kansas, by award level
- ★ Number of certificates and degrees awarded in selected high-demand fields, and progress made on special state initiatives
- ★ Summary findings from latest K-TIP Report, providing systemwide analysis of all approved postsecondary CTE programs, by program
- ★ Percent of certificates/degrees awarded in STEM fields
- ★ Student performance on assessments tracking industry-requested "Foundational Skills" –
 1. Mathematics/Analytical Reasoning
 2. Written and Oral Communication
 3. Critical Thinking/Problem Solving

ENSURE STATE UNIVERSITY EXCELLENCE

Aspiration

- ★ Improve regional and national reputations of state universities.

Measures

- ★ Comparison to peers for each of the six state universities on established metrics
- ★ Private giving to universities
- ★ Total research dollars awarded, highlighting federal research dollars (as percent of total) and specific industry support secured
- ★ University Excellence Profile: select rankings, Composite Financial Index, and assessment of economic impact

BOARD GOALS 2015-2016

Approved by the Kansas Board of Regents



1. The Board will develop policy to address concealed carry and open carry laws on state university campuses in Kansas, in advance of the July 1, 2017 expiration of the legal exemption now in place.
2. The Board will study current campus Title IX practices, policies, and procedures and develop a Board policy to add uniformity to current university practices, policies, and procedures.
3. The Board will further the implementation of Credit for Prior Learning in Kansas, with an emphasis on serving active and veteran service members and their families.
4. The Board will explore and identify which are the best strategies to attract Kansans with some college but no degree back to higher education to complete a certificate or degree.
5. The Board will identify strategies for university and college engagement with business and industry with the purpose to increase economic prosperity for Kansans. The strategies will have a national and global reach and focus on innovation and talent development to keep Kansas business competitive.
6. The Board will review current collaborative efforts between institutions and determine if there are other areas where efficiencies can be implemented.

In addition, multi-year Board goals from the previous academic year will be continued.

KANSAS BOARD OF REGENTS ACADEMIC AFFAIRS STANDING COMMITTEE
2015-2016 AGENDA TOPICS

- BAASC 15-01: Developmental education: high school course pilot; differentiated math pathways; assessment scores for placement in remedial/credit-bearing courses; co-requisite remediation
- BAASC 15-02: General education transfer policy: Appoint committee to review KBOR's general education transfer credit policy
- BAASC 15-03: Credit for Prior Learning (CPL): Work with campuses to maintain and expand use of CPL, with emphasis on military credit
- BAASC 15-04: State Authorization Reciprocity Agreement (SARA): Assess the impact of SARA, for which KBOR is the Kansas State Authorization Portal
- BAASC 15-05: Qualified Admissions (QA): Monitor the impact of new QA requirements now in effect

KANSAS BOARD OF REGENTS GOVERNANCE COMMITTEE
2015-2016 AGENDA TOPICS

- GOV 15-01 Review Committee Charter and adopt agenda/schedule for the year – **Completed**
- GOV 15-02 Review Board Member COI disclosures and make recommendations to address any actual or perceived conflicts – **Completed**
- GOV 15-03 Consider Board discussion topics for the year – **Completed**
- GOV 15-04 Consider next steps for developing weapons policy – **Completed**
- GOV 15-05 Receive university annual campus security reports
- GOV 15-06 Review CEO assessment process
- GOV 15-07 Review proposed revisions to policies as they arise
- GOV 15-08 Review proposed regulation amendments as they arise
- GOV 15-09 Review new board member orientation process
- GOV 15-10 Recommend CEO monetary compensation for FY17
- GOV 15-11 Discuss next steps toward developing a policy, as needed, for consistency in handling Title IX complaints

KANSAS BOARD OF REGENTS FISCAL AFFAIRS AND AUDIT STANDING COMMITTEE
2015-2016 AGENDA TOPICS

- FAA 15-01 Review and Adopt Committee Organization, Agenda, and Work Plan – **Completed**
- FAA 15-02 Finalize Revisions to Higher Education Unified Appropriations Request for 2016 Legislative Session – **Completed**
- FAA 15-03 Review FY 2017 KBOR Office Operating Budget – **Completed**
- FAA 15-04 Staff Overview of the Board’s Tuition Setting Process and Discussion of Expectations – **Completed**
- FAA 15-05 Staff Overview of Board’s Capital Budgeting Process – **Completed**
- FAA 15-06 Receive Accountability Report on Major State Investments
- FAA 15-07 Receive Internal Audit Plans and Meet with State University Internal Auditors
- FAA 15-08 Review State Universities’ Annual Financial Reports, including Key Financial Statistics and Ratios and Current Year Spending to Budget
- FAA 15-09 Receive Ten-Year Debt Capacity Plans for Each of the State Universities and Assessment from KDFA of Debt Affordability
- FAA 15-10 Review and Approve Capital Improvement Requests and Five-year Capital Improvement Plans to be Forwarded to the Board (Board Approves in May)
- FAA 15-11 Review and approve Johnson County Educational Research Triangle (JCERT) Budgets (KU, KUMC, KSU)
- FAA 15-12 Develop Unified State Appropriation Request for 2017 Session (FY 2018 and FY 2019)

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MEETING INFORMATION AND SCHEDULE

Unless noted, all meetings take place at the Curtis State Office Building (CSOB) at 1000 SW Jackson, Suite 520, Topeka, Kansas, 66612 in the meeting room indicated. Addresses for offsite meetings can be obtained by contacting the Kansas Board of Regents office at 785-296-3421.

Wednesday, December 16, 2015

Time	Committee/Activity	Location
8:15 am - 9:30 am	System Council of Chief Academic Officers	Kathy Rupp Room
9:30 am or Adjournment	Council of Chief Academic Officers	Kathy Rupp Room
8:30 am - 10:00 am	Governance Committee	Conference Room B
10:00 am - Noon	Council of Faculty Senate Presidents	Kan-Ed Conference Room
10:00 am - Noon	Students' Advisory Committee	Conference Room C
10:15 am - 11:50 am	Fiscal Affairs & Audit Standing Committee	Board Room
11:00 am - Noon	Academic Affairs Standing Committee	Kathy Rupp Room
11:00 am - Noon	Council of Presidents	Suite 530
Noon - 1:15 pm	Lunch <i>Board of Regents & President Flanders</i>	Conference Room B
Noon - 1:15 pm	Lunch <i>Council of Chief Academic Officers</i>	Kathy Rupp Room
1:30 pm	Board of Regents Meeting	Board Room
6:00 pm	Dinner <i>Board of Regents, President Flanders, State University CEOs, and Spouses</i>	Topeka Country Club

Thursday, December 17, 2015

Time	Committee/Activity	Location
8:30 am	Breakfast <i>Board of Regents, President Flanders, and Council of Faculty Senate Presidents</i>	Suite 530

MEETING AGENDA

The Kansas Board of Regents will meet in the Board Room located in the Curtis State Office Building at 1000 SW Jackson, Suite 520, Topeka, Kansas, 66612.

Wednesday, December 16, 2015

- I. Call To Order** Regent Bangerter, Chair
 - A. *Approve Minutes*
November 18, 2015 Meeting *p. 4*

- II. Introductions and Reports**
 - A. *Introductions*
 - B. *Report from the Chair* Regent Bangerter, Chair
 - C. *Report from the President & CEO* Blake Flanders, President & CEO
 - D. *Report from Council of Presidents* President Martin
 - E. *Report from Council of Faculty Senate Presidents* Lorie Cook Benjamin
 - F. *Report from Students' Advisory Committee* Jessie Pringle

- III. Standing Committee Reports**
 - A. *Academic Affairs* Regent Van Etten
 - B. *Fiscal Affairs & Audit* Regent Feuerborn
 - C. *Governance* Regent Bangerter

- IV. Approval of Consent Agenda**
 - A. *Fiscal Affairs & Audit*
 - 1. Authorize Lease Agreement with KSU Foundation – KSU Greg Hoffman, Director of Facilities *p. 11*

- V. Consideration of Discussion Agenda**
 - A. *Academic Affairs* Regent Van Etten
 - 1. Act on Performance Agreement Reports for AY 2014 Gary Alexander, VP, Academic Affairs *p. 13*

 - B. *Fiscal Affairs & Audit* Regent Feuerborn
 - 1. Act on FY 2017 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities Elaine Frisbie, VP, Finance & Administration *p. 16*

 - 2. Approve Allocation of FY 2017 Rehabilitation and Repair Appropriation – System Greg Hoffman, Director of Facilities *p. 44*

 - 3. Authorize Amendment to the Budget for Student Union – KSU *p. 54*

4. Act on Amendments to the Summary of Approval Requirements Policy and the Capital Improvement Projects Policy p. 55

5. Act on Amendments to the Financial Reporting Policy p. 60
Elaine Frisbie
VP, Finance & Administration

6. Adopt Bond Resolution for the Renovation and Expansion of Seaton Hall; Approve the Execution of Various Documents in Connection Therewith – KSU p. 63
Julene Miller,
General Counsel

7. Adopt Bond Resolution for the Renovation, Expansion and Equipping of the Student Union; Approve the Execution of Various Documents in Connection Therewith – KSU p. 69

- C. *Other Matters*
 1. Act on the Kansas Postsecondary Technical Education Authority Recommendation Regarding the Plan to Fully Implement the Postsecondary Tiered Technical Education State Aid Act p. 75
Rita Johnson,
VP, Workforce Development

 2. Act on Non-Budgetary Legislative Proposals p. 76
Matt Casey,
Director, Government
Relations

VI. Adjournment

MINUTES OF PREVIOUS MEETING(S)

I. Call To Order

Regent Bangerter, Chair

A. Approve Minutes

KANSAS BOARD OF REGENTS MINUTES November 18, 2015

The November 18, 2015, meeting of the Kansas Board of Regents was called to order by Chair Shane Bangerter at 1:36 p.m. The meeting was held in the Rhatigan Student Center on the Wichita State University campus, 1845 N. Fairmount, Wichita, Kansas. Proper notice was given according to law.

MEMBERS PRESENT:

- Shane Bangerter, Chair
- Zoe Newton, Vice Chair (By Conference Call)
- Joe Bain (By Conference Call)
- Ann Brandau-Murguia
- Bill Feuerborn
- Dennis Mullin
- Dave Murfin
- Daniel Thomas
- Helen Van Etten

WELCOME

Chair Bangerter thanked Wichita State University for hosting the Board meeting this month.

APPROVAL OF MINUTES

Regent Van Etten moved that the minutes of the October 14, 2015 regular meeting and the October 21-22, 2015 special meeting be approved. Following the second of Regent Feuerborn, the motion carried.

INTRODUCTIONS

President Bardo welcomed everyone to Wichita State and introduced the men’s bowling team, who won the intercollegiate bowling title in 2015. He also introduced ten student scholars who attend Wichita State.

GENERAL REPORTS

REPORT FROM CHAIR

Chair Bangerter reported earlier in the day, the Regents attended a press conference where Spirit AeroSystems Inc. announced the creation of a \$576,000 scholarship program. The program will include 18 four-year scholarships valued at \$32,000 each. These scholarships will go to engineering and business students who attend Kansas State University, the University of Kansas, and Wichita State University. Chair Bangerter stated this program is a good example of aligning higher education with industry, which is one of the Board’s goals.

GOVERNANCE

Regent Bangerter reported the Governance Committee reviewed a draft policy that addresses concealed carry on the state university campuses. Board staff will continue to collect feedback from the campuses on the draft policy. Regent Bangerter stated the Committee plans to forward a proposed policy for the Board’s consideration either at the December or January Board meeting. This will allow state universities time to develop institutional level policies and procedures to implement the Board’s policy before the statutorily authorized exemption expires on July 1, 2017.

REPORT FROM PRESIDENT AND CEO

President Flanders reported that earlier in the week he attended the Midwestern Higher Education Compact meeting in Chicago. One of the topics that was discussed are the requirements of the Higher Learning Commission regarding faculty credentials for those faculty who are teaching courses eligible for concurrent credit to high school students. It is important to make sure all the faculty who are teaching these courses are appropriately credentialed to maintain accreditation. President Flanders noted the System Council of Academic Officers and the Board's Vice President for Academic Affairs are working to develop a system response.

REPORT FROM SYSTEM COUNCIL OF PRESIDENTS

President Inbody presented the System Council of Presidents' report. The Council received a demonstration of the LiveSafe App. This campus safety application allows individuals to share information with friends and safety officials about incidents that may be occurring on the campus. President Inbody stated if a high number of institutions purchase this App., it will reduce the overall cost per student.

REPORT FROM COUNCIL OF PRESIDENTS

President Martin presented the Council of Presidents' report. The Council received reports from the Council of Chief Academic Officers, the Council of Business Officers, the Council of Government Relations Officers, the Council of Student Affairs Officers, and the University Support Staff Council. The Academic Officers reported on new program requests and the proposed non-academic transcript notation policy. The Business Officers stated it will cost the state universities \$3 million to implement the University Support Staff leave equalization initiative. Dr. Martin stated the CEOs want to move forward with implementing this initiative and noted Board staff was asked to draft policy language for the Council of Presidents' review. Additionally, the Council received and commented on the draft policy regarding concealed carry and approved Fort Hays State University's Bachelor of Science in Sociology, which is on the Board's consent agenda.

REPORT FROM COUNCIL OF FACULTY SENATE PRESIDENTS

The Council of Faculty Senate Presidents' report was presented by Lorie Cook Benjamin. The Council met with the Council of Government Relation Officers to discuss messaging. The Council also worked to finish developing the council's faculty and staff survey regarding weapons possession.

REPORT FROM STUDENTS' ADVISORY COMMITTEE

Jessie Pringle presented the Students' Advisory Committee report. The Committee discussed its student survey on concealed carry, which is currently open to all state university students at each of the campuses. It will close on November 25. The Committee also discussed its legislative initiative – Life Line 911.

Pringle, on behalf the Students' Adversity Committee, urged the Regents and the University CEOs to take the issue of creating inclusive campuses seriously. She stated the conversations regarding inclusion are happening across the nation. Chair Bangerter thanked Pringle for her leadership and stated that the Board takes these issues very seriously. The Board supports an environment that allows people of all faiths, colors, and nationalities to feel safe and welcome. He urged the Student Body Presidents to use these difficult times to be "statesmen" and stand up for what is right.

STANDING COMMITTEE AND OTHER REPORTS

ACADEMIC AFFAIRS

Regent Van Etten reported the Board Academic Affairs Standing Committee met by conference call on November 3. The Committee reviewed the academic items on the Board's agenda. The Committee also reviewed the Performance Agreement Reports for academic year 2014. These reports will be placed on the Board's December agenda for consideration.

FISCAL AFFAIRS AND AUDIT

Regent Feuerborn presented the Board Fiscal Affairs and Audit Standing Committee report. The Committee reviewed the university housing rate proposals and the EPSCoR proposals. Board staff gave an overview of the Board’s capital budgeting process and the Educational Building Fund. The Committee also discussed the University of Kansas’ Central District Project including the lease and sublease. The Committee recommended approving the lease, sublease and the bonding with the condition that the Board staff review the final documents.

APPROVAL OF CONSENT AGENDA

Regent Feuerborn moved, with the second of Regent Thomas, that the Consent Agenda be approved. The motion carried.

Academic Affairs

BACHELOR OF SCIENCE IN SOCIOLOGY – FHSU

Fort Hays State University received approval to offer a Bachelor of Science in Sociology. No additional resources or costs are associated with the program.

Fiscal Affairs & Audit

FY 2016 CAPITAL IMPROVEMENT PROJECT PLAN AMENDMENT – KSU

Kansas State University received authorization to amend its FY 2016 Capital Improvement Plan to include the Mosier Hall Magnetic Resonance Imaging (MRI) Enhancement Project. The estimated cost of the project is approximately \$2.6 million, which will be funded with Veterinary Health Center revenues. The program statement for the project was also approved.

FY 2016 REHABILITATION AND REPAIR LIST AMENDMENT – KU

The University of Kansas received approval to amend its FY 2016 Rehabilitation and Repair list to include the Applegate Energy Center Chiller Replacement. The estimated cost of the project is \$1,295,000. It will be funded with the following Repair and Rehabilitation transfer funds:

<u>PROJECTS</u>	<u>FROM</u>	<u>TO</u>
Campus Interior Maintenance	\$200,000	\$105,000
Research Support Facility Improvements – Phase 2	\$1,200,000	\$100,000
Applegate Energy Center Infrastructure	\$100,000	\$1,295,000
Total	\$1,500,000	\$1,500,000

BREAK

The Chairman called for a break at 2:24 p.m. and resumed the meeting at 2:45 p.m.

CONSIDERATION OF DISCUSSION AGENDA

Presentation

UPDATE ON WICHITA STATE UNIVERSITY’S STRATEGIC PLAN

President Bardo gave an update on Wichita State University’s strategic plan. WSU’s plan consists of the following goals: 1) Guarantee an applied learning or research experience for every student by each academic program, 2) Pioneer an educational experience for all that integrates interdisciplinary curricula across the university, 3) Capitalize systemically on relevant existing and emerging societal and economic trends that increase quality education opportunities, 4) Accelerate the discovery, creation and transfer of new knowledge, 5) Empower students to create a campus culture and experience that meets their changing needs, 6) Be a campus that reflects

– in staff, faculty and students – the evolving diversity of society, and 7) Create a new model of assessment, incentive and reward processes to accomplish our vision and goals. President Bardo shared some potential metrics to measure progress and played a short video.

(Handout filed with the Official Minutes)

Academic Affairs

COLLEGE OF SCIENCE, TECHNOLOGY AND MATHEMATICS; RELOCATE DEPARTMENTS; AND CREATE A NEW DEPARTMENT – FHSU

Gary Alexander, Vice President for Academic Affairs, presented Fort Hays State University’s requests to create a new College of Science, Technology and Mathematics, relocate certain academic departments, and create a new department. Dr. Alexander gave some background on how these items moved through the Board process. When Fort Hays State University brought this item to the Council of Academic Officers, the proposed college was titled as “College of Science, Technology, Engineering and Mathematics.” The Academic Officers voted down the request because the majority of the members argued Fort Hays State University lacks an Engineering program sufficient to justify the new name. The Academic Officers did vote to support the creation of a new college with “Engineering” removed from the title. When this item was brought before the Council of Presidents, the Council was split in their support, but the original proposal was passed. After going through the council process, Fort Hays State University decided to forward its request to the Board as a “College of Science, Technology, and Mathematics.”

Dr. Alexander stated Fort Hays State University is also seeking to relocate a number of academic departments and create a new Department of Applied Business Studies, to be housed in the College of Business and Entrepreneurship. Regent Van Etten moved to approve the new College, the new department, and relocating the departments listed below. Regent Murguia seconded, and the motion carried.

- Move the Department of Applied Technology from the College of Education to the College of Science, Technology and Mathematics
- Move the Departments of Chemistry; Computer Science and Information Systems Engineering; Geosciences; Mathematics; and Physics from the College of Arts, Humanities and Social Sciences to the College of Science, Technology and Mathematics
- Move the Department of Agriculture and Department of Biological Sciences from the College of Health and Behavioral Science to the College of Science, Technology and Mathematics¹
- Move the Department of Psychology from the College of Arts, Humanities and Social Sciences to the College of Health and Behavioral Sciences
- Create a new Department of Applied Business Studies, to be housed in the College of Business and Entrepreneurship.

¹ The paper in the Board agenda book listed this item as “Move the Department of Agriculture and Department of Biological Sciences from the College of Arts, Humanities and Social Sciences to the College of Science, Technology and Mathematics.” After the meeting, Fort Hays clarified the Department of Agriculture and Department of Biological Sciences are actually housed in, and be moved from, the College of Health and Behavioral Science.

Fiscal Affairs and Audit

FY 2017 HOUSING AND FOOD SERVICE RATE ADJUSTMENT PROPOSALS SUBMITTED BY STATE UNIVERSITIES (FIRST READING)

Proposed rates for housing and food service for FY 2017 were presented by Vice President Frisbie. The Board will act on the proposed rate adjustments at its December meeting.

EPSCoR PROPOSALS

Vice President Alexander presented the proposed EPSCoR proposals. The EPSCoR Program Review Committee recommends funding the following projects:

- 1) For the Kansas IDeA Network of Biomedical Research Excellence (K-INBRE), located at the University of Kansas Medical Center, the Committee recommends \$125,000 for FY 2016 to support four grant proposals to increase the Medical Center's competitiveness for NIH funding. This award provides a 16:1 leverage for state funds (federal:state).
- 2) For the Kansas NASA EPSCoR program at Wichita State University, the Committee recommends \$50,000 per year for FY 2016, FY 2017 and FY 2018. The total funding from NASA is \$375,000 (\$125,000 per year for three years). This award provides a 2.5:1 leverage for state funds (federal:state).
- 3) For the Center for Environmentally Beneficial Catalysis (CEBC), located at the University of Kansas, the Committee recommends \$225,000 for FY 2016. This award provides approximately 15.6:1 leverage for state funds (federal:state).

Regent Feuerborn moved to approve the Committee's recommendations. Regent Van Etten seconded, and the motion carried.

LEASE AND SUBLEASE BETWEEN THE UNIVERSITY OF KANSAS AND KU CAMPUS DEVELOPMENT CORPORATION AND BOND FINANCING FOR THE CENTRAL DISTRICT DEVELOPMENT PROJECT – KU

Greg Hoffman, Director of Facilities, introduced the University of Kansas' request to enter into a ground lease and sublease with the KU Campus Development Corporation, a newly created, University-affiliated, controlled non-profit corporation. The annual lease payment will be approximately \$21.5 million plus the cost of operations and maintenance over a term that will not exceed 40 years. The payments will be funded with housing revenues, parking revenues, student fees and tuition funds. No State General Fund appropriations will be used. KU also requests approval of the issuance of bonds by the KU Campus Development Corporation, a controlled, affiliated corporation. The bonds are not to exceed \$350 million and will be used for KU's Central District Development Projects. Debt service on the bonds will be paid by the KU Campus Development Corporation using the lease payments it receives from KU.

Director Hoffman stated the Central District Development Projects includes several components: 1) an Integrated Science Building, 2) a residence hall and dining facility, 3) apartment-style housing, 4) a new student union, 5) a parking facility, 6) and a new Central Utility Plant. He stated KU has followed all the Board's processes and policies. The Board first heard about KU's Central District Project two years ago when the University presented its Campus Master Plan. Since then key components of the project have been included in the University's Five Year Capital Improvements Plan. The Legislative Joint Committee on State Building Construction was also given briefings on the project and its components. He also noted when compared to the traditional square footage costs published in the Board's biennial 'Report on State University Deferred and Annual Maintenance,' the University is seeing an average savings of 7-10% in square footage costs for the various types of construction within this project.

Chancellor Gray-Little stated the KU Central District Project is a combination of needs and aspirations for the University. The primary element in the project is the new Integrated Science Building, which will enhance the University's ability to attract and retain students and faculty. She noted the current science facility on campus is over 60 years old and beyond the point of renovation. She noted the additional housing and parking are needed because the University anticipates continued growth in its international and out-of-state student enrollment. The Chancellor stated she understands this is a large project but believes the University has developed a plan that is financially sound. It was also noted that the Chancellor has reviewed detail of the project with individual Board members, several Legislators, and the Governor.

Regent Feuerborn stated the Board Fiscal Affairs and Audit Committee has received several presentations from KU and has been reviewing the details of the project. The Board discussed the cost and scope of the project. Several of the Regents had concerns about the State's liability. However, since the bond will be issued through a non-profit corporation, the State will not have any liability and the liability on the University will essentially be limited to the agreed-to amount of the lease payments. The Board also discussed the final negotiated contract. The Board Fiscal Affairs and Audit Standing Committee recommended that Board staff review the final negotiated contract before KU signs to confirm that the scope of the project will not vary to a sizeable degree. After discussion, the Board decided the Fiscal Affairs and Audit Standing Committee members, on behalf of the Board, should review the key terms of the final negotiated contract rather than Board staff.

Regent Murguia moved to approve the lease and sublease between KU and the KU Campus Development Corporation and the bond financing request, all contingent upon the Board Fiscal Affairs and Audit Standing Committee's approval of the final negotiated contract terms. Regent Mullin seconded, and the motion carried. Regent Feuerborn stated the Committee will convene a meeting once the contract is ready to be reviewed.

RAZE BURGE UNION, CENTRAL DISTRICT IMPROVEMENT – KU

Director Hoffman presented the University of Kansas' request to raze the Burge Union as part of the Central District Project. Regent Feuerborn moved to approve contingent upon the final approval of the negotiated Central District Project contract terms. Regent Mullin seconded, and the motion carried.

Governance

AMEND K.A.R. 88-3-8a AND 88-26-7 AND REVOKE K.A.R. 88-3-12; IN-STATE TUITION RATES FOR ACTIVE ARMED FORCES AND VETERANS

Associate General Counsel Theresa Schwartz presented proposed permanent regulations. The purpose of the amendments to the three regulations (K.A.R. 88-3-8a, 88-26-7, and 88-3-12 revocation) is to align with current federal and state law. Associate General Counsel Schwartz stated in the 2015 session, the Kansas Legislature enacted House Bill No. 2154, which impacts the tuition rate available to and paid by current military, veterans, and their respective spouses or dependent children. Regent Murguia moved, and Regent Van Etten seconded, that the proposed amended regulations be approved. On a roll call vote, the following Regents voted affirmatively to adopt the motion: Regent Bangertter, Regent Murguia, Regent Feuerborn, Regent Mullin, Regent Murfin, Regent Thomas, Regent Van Etten, Regent Bain, and Regent Newton. Motion carried.

(Regulations filed with Official Minutes)

Other Matters

REPORT FROM KANSAS POSTSECONDARY TECHNICAL EDUCATION AUTHORITY

Rita Johnson, Vice President of Workforce Development, presented the Kansas Postsecondary Technical Education Authority (TEA) report. Vice President Johnson stated she provided the Board's feedback regarding the tiered funding proviso plan to the TEA members at their last meeting. The TEA will finalize their recommendation and present it to the Board at the December meeting.

Additionally, Vice President Johnson presented the annual Kansas Training Information Program (K-TIP) report. This report contains data on the number of career technical program enrollments, program graduation rates, the number of graduates exiting who are employed and the average wage.

(PowerPoint filed with Official Minutes)

NON-BUDGETARY LEGISLATIVE PROPOSALS

Matt Casey, Director of Government Relations, presented the proposed non-budgetary legislative items. Last month the Board reviewed the following proposals: 1) Authority to Sell Property Located in Riley County, Kansas, 2) Private Postsecondary Technical Edits, 3) GED Credential Fee Change, 4) Fee for Kansas Law Enforcement Training Center, 5) Removal of the Johnson County Community College Exception from the Postsecondary Education Performance-Based Incentives Fund, and 6) Foresight 2020 Strategic Plan Concurrent Resolution. Regent Mullin moved to approve, and Regent Van Etten seconded. The motion carried.

ADDITIONAL NON-BUDGETARY LEGISLATIVE PROPOSALS (FIRST READING)

Director Casey introduced additional non-budgetary legislative items for first read. These items include: 1) creating the Kansas Innovation Act, 2) pursuing legislation that will allow Wichita Area Technical College/Wichita State University to be merged into a strategic alliance, and 3) pursuing a technical edit to the University of Kansas Medical Center’s police jurisdiction. Regent Bangerter asked for clarification on the meaning of “strategic alliance.” President Bardo stated his vision is that Wichita Area Technical College would become a School of Technology and Applied Science at Wichita State. These items will be presented to the Board in December for final action.

ADJOURNMENT

At 4:43 p.m., Regent Murfin moved to adjourn. Following the seconded of Regent Van Etten, the motion carried.

Blake Flanders, President and CEO

Shane Bangerter, Chair

CONSENT AGENDA

II. Introductions and Reports

- A. *Introductions*
- B. *Report from the Chair* Regent Bangerter, Chair
- C. *Report from the President & CEO* Blake Flanders, President & CEO
- D. *Report from Council of Presidents* President Martin
- E. *Report from Council of Faculty Senate Presidents* Lorie Cook Benjamin
- F. *Report from Students' Advisory Committee* Jessie Pringle

III. Standing Committee Reports

- A. *Academic Affairs* Regent Van Etten
- B. *Fiscal Affairs & Audit* Regent Feuerborn
- C. *Governance* Regent Bangerter

IV. Approval of Consent Agenda

- A. *Fiscal Affairs & Audit*
 - 1. **Authorize Lease Agreement with KSU Foundation – Greg Hoffman, Director of Facilities**
KSU

Kansas State University requests approval to enter into a ten-year lease-purchase agreement with the KSU Foundation for property referred to as Knox Lane land. The property is an 85-acre tract of land located on the east side of Manhattan, adjacent to the east of land owned by the City of Manhattan. The College of Agriculture is requesting the purchase for use by the Department of Animal Sciences and Industry. An appraisal was completed with the market value estimated at \$825,000 which is the purchase price of the property. An environmental assessment of the property indicated no environmental concerns. The total lease cost of \$825,000 will be paid from the Animal Science and Industry restricted fees fund balance. It is the intention of the KSU Foundation to gift the property to the university when the Foundation has been fully reimbursed for all acquisition and holding costs.

Property Legal Description:

Tract 1:

Part of the Northeast Quarter (NE¼) of Section Eight (8), Township Ten (10) South, Range Eight (8) East of the 6th Principal Meridian, described as follows: Beginning at the Northeast corner of Section 8, thence West 25.06 chains, thence South 28.11 chains to the North bank of the old channel of the Big Blue River; thence Southeast along North Bank of said River to East line of said Section 8; thence North along the East line of said Section 8 to the point of beginning, in Riley County, Kansas; LESS that tract conveyed to The Manhattan Chamber of Commerce, a Kansas Corporation, described in Warranty Deed recorded in Book 334, Page 54, in the office of the Register of Deeds of Riley County, Kansas, described as follows: Part of the East Half (E½) of Section Eight (8), Township Ten (10) South, Range Eight (8) East of the 6th P.M., in Riley County, Kansas, more particularly described as follows: Parts of Governments Lots 5 and 6 and the abandoned channel of the Big Blue River adjacent thereto, beginning at a point on the Riley-Pottawatomie County line which is North 23°44' West (west line of Section 8 is assumed North) from a point which is 660 feet West and 2537 feet South of the Northeast corner of said Section 8; thence in a westerly direction along the Riley-Pottawatomie County line to the West line of the East Half of Government Lots 5 and 8 as extended across the said abandoned channel; thence North along the West line of the East Half of said Government Lot 5 to the center of the abandoned channel of the Blue River

(considered midway between contour elevations 1002 as established in 1959); thence in easterly directions along the center of the abandoned channel of the Blue River to a point 1657 feet West of the Northeast corner of said Section 8; thence North to a point 1657 feet West of and 1884 feet South of the Northeast corner of said Section 8; thence East to a point 1264 feet West of and 1853 feet South of the Northeast corner of said Section 8; thence Southeast to a point 1032 feet West of and 1930 feet South of the Northeast corner of said Section 8; thence Southeast to a point 860 feet West of and 2082 feet South of the Northeast corner of said Section 8; thence South 23° 44' East to the Riley-Pottawatomie County line and the point of beginning;

Tract 2:

A tract of land lying in Lot Seven (7), Section Eight (8), Township Ten (10) South, Range Eight (8) East of the 6th P.M., in Pottawatomie County, Kansas, more particularly described as follows: Beginning at a point on the East line of Section 8, which is 3,076 feet South of the Northeast corner of Section 8. thence Northwesterly to a point which is 446 feet West and 2849 feet South of the Northeast corner of Section 8, thence Northwesterly to a point which is 660 feet West and 2537 feet South of the Northeast corner of Section 8, thence North 23 degrees 44 minutes West (West line of Section 8 is assumed North) to the Pottawatomie-Riley County line, thence Easterly along the Pottawatomie-Riley County line to a point which is on the East line of Section 8 and is 2588.25 feet South of the Northeast corner of Section 8, thence South on the East line of Section 8 a distance of 487.75 feet to the point of beginning; LESS a tract of land conveyed to The City of Manhattan, Kansas, described in Deed recorded in Book 217, Page 118, in the Pottawatomie County Register of Deeds Office, described as follows: A tract of land in Lot Seven (7) and the East Half (E½) of Section Eight (8), Township Ten (10) South, Range Eight (8) East of the 6th P.M., in Pottawatomie County, Kansas, that lies East of a fence accepted as the property line, described as follows: Beginning at a point on the East line of said Section 8, that is S. 0 degrees 03 minutes 41 seconds W. 2904.30 feet from the Northeast corner of said Section 8, being Corner No. 9 and marked by a ½ inch iron bar, thence S. 0 degrees 03 minutes 41 seconds W. 134.97 feet along the East line of said Section 8 to the Manhattan Levee North right of way line and Corner No. 14, marked by a ½ inch iron bar, thence N. 64 degrees 35 minutes 21 seconds W. 23.79 feet along the said Manhattan Levee North right of way line to a property line fence and Corner No. 15, marked by a ½ inch iron bar, thence N. 0 degrees 25 minutes 23 seconds E. 119.41 feet along said property line fence to Corner No. 16, marked by a ½ inch iron bar, thence N. 75 degrees 32 minutes 11 seconds E. 21.43 feet to the point of beginning. LESS a tract of land conveyed to The City of Manhattan, Kansas, described in Deed recorded in Book 217, Page 119, in the office of the Register of Deeds of Pottawatomie County, Kansas, described as follows; A tract of land in Lot Seven (7) and the East Half (E½) of Section Eight (8), Township Ten (10) South, Range Eight (8) East of the 6th P.M., in Pottawatomie County, Kansas, described as follows: Beginning at the intersection of the Manhattan Levee North right of way line and a fence accepted as the property line that is S. 0 degrees 03 minutes 41 seconds W. 3039.27 feet and N. 64 degrees 35 minutes 21 seconds W. 23.79 feet from the Northeast corner of said Section 8, being Corner No. 15 and marked by a ½ inch iron bar, thence N. 64 degrees 35 minutes 30 seconds W. 329.61 feet along the said Manhattan Levee North right of way line to Corner No. 17 marked by a ½ inch iron bar, thence N. 40 degrees 14 minutes 42 seconds E. 43.50 feet to Corner No. 18, marked by a ½ inch iron bar, thence S. 69 degrees 45 minutes 42 seconds E. 287.95 feet to the said property line fence and Corner No. 19, marked by a ½ inch iron bar, thence S. 0 degrees 25 minutes 23 seconds W. 75.02 feet along said property line fence to the point of beginning.

DISCUSSION AGENDA

V. Consideration of Discussion Agenda

A. Academic Affairs

1. Act on Performance Agreement Reports for AY 2014

Regent Van Etten
Gary Alexander,
VP, Academic Affairs

Summary and Recommendation

In accordance with K.S.A. 74-3202d and the Board-approved Performance Agreement Guidelines, thirty-four institutions submitted reports on AY 2014 compliance with their performance agreement. These reports are presented to the Board for action. Staff concur with the Board Academic Affairs Standing Committee (BAASC) in recommending approval of the institutional reports and accompanying funding recommendations.

Background

In accordance with K.S.A. 74-3202d, institutions negotiate a new performance agreement with the Board. Currently this is done on a three-year cycle and *Foresight 2020* provides the foundation for the performance agreements. The current performance agreements cover AY 2014 – AY 2016. For the agreement, each institution developed six or seven indicators that support *Foresight 2020* and established a baseline for each indicator. At its December 2013 meeting, the Board approved the current performance agreements.

To be eligible for any new state funds² appropriated, each institution annually submits a report updating the Board on its progress toward meeting each of the indicators in its performance agreement. The Board evaluates this report and annually determines funding levels. Funding levels awarded in one reporting year do not affect funding levels in subsequent years.

In August 2015, institutions submitted performance reports covering AY 2014. Any new state funds awarded in July 2016 are dependent upon an institution’s AY 2014 performance.

The Board-approved Funding Guidelines award new state funds based on the following three outcomes for the indicators in the performance agreement: (1) maintaining the baseline; (2) improving on the baseline; or (3) declining from the baseline, with credit given for maintaining or improving the baseline. Awarding of new funds is based on the following levels of compliance:

- 100%: The institution maintained the baseline or improved from the baseline in at least 51% of the indicators (i.e. four or more indicators). The institution qualifies for 100% of any new state funds for which it is eligible.
- 90% or 100%: In cases where the institution maintained the baseline or improved from the baseline in exactly 50% of the indicators (i.e. three indicators), the institution qualifies for 90% of new state funds for which it is eligible, though the Board has the discretion to award 100%.

² Performance funding applies to all new state funds received by (1) state universities for operating grant increases; (2) community colleges and technical colleges for tiered technical state aid and non-tiered course state aid increases; (3) Washburn university for operating grant increase; and (4) any postsecondary institution for other state funding increases, such as capital outlay aid, or technology grant funding. This provision will also apply to any new state funds received by any postsecondary institution under the original 1999 Senate Bill 345 provisions for 2% performance grant funding, codified in K.S.A. 71-260, 72-4480, 72-6503 and 76-771 which continue in force.

- 90%: The institution maintained the baseline or improved from the baseline in less than 50% of the indicators. The institution qualifies for 90% of any new state funds for which it is eligible.
- 0%: The institution maintained the baseline or improved from the baseline in one or fewer indicators or failed to submit a report. No new state funds are awarded to the institution.

Recommendation

Twenty-nine institutions qualify for 100% of any new funding for which they are eligible because they maintained the baseline or improved from the baseline in at least 51% of the indicators in their performance agreements. BAASC recommends these institutions be awarded 100% of any new state funds.

Five institutions, Washburn University, Coffeyville Community College, Colby Community College, Fort Scott Community College, and Independence Community College, qualify for 90% of any new funding for which they are eligible because they maintained or improved from the baseline in exactly half of their indicators. While the Funding Guidelines give BAASC the discretion to recommend 100% funding for these five institutions instead of 90%, the Committee recommends awarding these institutions 90% of any new state funds.

The AY 2014 Performance Reports are available at:

http://kansasregents.org/academic_affairs/performance_agreements.

University/College	Funding Recommendation
Emporia State University	100% funding
Fort Hays State University	100% funding
Kansas State University	100% funding
Pittsburg State University	100% funding
University of Kansas	100% funding
University of Kansas Medical Center	100% funding
Wichita State University	100% funding
Washburn University	90% funding
Washburn Institute of Technology	100% funding
Allen Community College	100% funding
Barton Community College	100% funding
Butler Community College	100% funding
Cloud County Community College	100% funding
Coffeyville Community College	90% funding
Colby Community College	90% funding
Cowley Community College	100% funding
Dodge City Community College	100% funding
Fort Scott Community College	90% funding
Garden City Community College	100% funding
Highland Community College	100% funding
Hutchinson Community College	100% funding
Independence Community College	90% funding
Johnson County Community College	100% funding
Kansas City Kansas Community College	100% funding
Labette Community College	100% funding
Neosho County Community College	100% funding
Pratt Community College	100% funding
Seward County CC/ATS	100% funding
Flint Hills Technical College	100% funding
Manhattan Area Technical College	100% funding
North Central Kansas Technical College	100% funding
Northwest Kansas Technical College	100% funding
Salina Area Technical College	100% funding
Wichita Area Technical College	100% funding

B. Fiscal Affairs & Audit

1. Act on FY 2017 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities

Regent Feuerborn
 Elaine Frisbie
 VP, Finance & Administration

Background

According to Board policy (Ch.II,D.1c.(i)(1), the state universities submit housing and food service rates to the Board for first reading in November, with final action taken by the Board in December. Accordingly, all six universities submitted proposals which, if approved, will take effect July 1, 2016 at KU, KSU and WSU and fall semester 2016 at ESU, FHSU and PSU for the academic year 2016-2017.

Housing and food service operations are auxiliary enterprises; therefore, user fees must cover the total cost of operation. The six universities have different housing and food service rate structures due to factors such as the amount of outstanding debt, occupancy rates, age of facilities, and economies of scale related to the capacity of the housing and food service operation. In order to illustrate the level of the proposed rate increases for each university, the following table compares the current and proposed annual (two semester) rate at each institution for a typical double occupancy room and board contract.

	Current “Typical” Rate AY 2014-2015	Current “Typical” Rate AY 2015-2016	Proposed “Typical” Rate AY 2016-2017	\$ Increase AY 2016 over AY 2017	% Increase AY 2016 over AY 2017
KU	\$9,290	\$9,558	\$9,824	\$266	2.8%
KSU	\$7,910	\$8,230	\$8,520	\$290	3.5%
WSU	\$10,282	\$10,572	\$10,694	\$122	1.2%
ESU	\$7,034	\$7,383	\$7,768	\$385	5.2%
PSU	\$7,156	\$7,372	\$7,572	\$200	2.7%
FHSU	\$7,280	\$7,477	\$7,669	\$192	2.6%

- KU – Renovated Residence Halls Double Room, plus Rock Chalk Unlimited Access Dining Plan
- KSU – Residence Halls, Double Room plus 14 Meal Plan
- WSU – Housing Facility Plan 3, 2 Shared Bed/1 Bath plus 15 Meal Plan with \$400 Shocker Dollars
- ESU – Central Double Room Rate plus 14 Block Meal Plan
- PSU – Residence Halls, Double Room plus Unlimited Meal Plan
- FHSU – Residence Hall Double Room Rate plus Open Access Meal Plan

Each university describes in their respective documentation the business case for the various proposed increases. Furthermore, each state university provides summary financial information for its housing system. Generally, the proposed increases are driven by anticipated inflationary costs and facility maintenance and enhancements. Each university indicates the proposed increases were reviewed by the appropriate campus groups with student representation.

The College Board’s “Trends in College Pricing” reports on the prices charged by colleges and universities in 2015-2016, how prices have changed over time, and how they vary within and across types of institutions, states, and regions. The report includes a calculation of average room and board charges weighted by the number of undergraduates living in college housing. The average room and board charge for four-year, public institutions in the Midwest is \$9,186 this year. The average Midwest room and board charge for AY 2015-2016 increased 2.4% over the prior year. States included in the Midwest region are: Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, and West Virginia. The national average room and board for four-year, public institutions is \$9,455 for AY 2015-2016, a 3.4 percent increase over the prior year. The report can be found at <http://trends.collegeboard.org/college-pricing>.

As another point of comparison, the Consumer Price Index for All Urban Consumers (commonly referred to as CPI-U) as reported by the U.S. Bureau of Labor Statistics specific for food and housing for the time period October 2014 to October 2015 were reported at 1.6 and 2.1 percent respectively.

THE UNIVERSITY OF KANSAS
Department of Student Housing
Fiscal Year 2017 Business Case for Increasing Student Housing and Dining Rates

I. PROPOSED RATES FOR FISCAL YEAR 2017

The University offers a variety of housing and dining options for students who desire to live on campus. The double room in a Renovated Residence Hall is the most common option for students who wish to live in a residence hall and is reported as the residence hall standard.

The proposed rate for a renovated residence hall double room will increase from \$5,590 to \$5,738 or 2.65%. Residential dining plan rates proposed for 2016-17 will increase 2.88% on average. The charge for the Crimson Flex dining plan (\$3,848) plus a renovated residence hall double room (\$5,738) equals \$9,586, an overall 2.81% increase for Fiscal Year 2017.

Rates are established to cover costs of maintenance, materials, applicable food, utilities, salaries, and benefits to maintain a qualified staff and operate facilities. The proposed housing rates incorporate projected cost increases, the most significant of which include utilities, maintenance, salaries, and employee benefits. Rates for 2016-17 are proposed following study and review by staff in Student Housing, KU Dining Services, and the Student Housing Advisory Board (SHAB), which consists of faculty, staff, and students, including representatives from the Association of University Residence Halls (AURH); the Apartment Living Association (APLA); and, the All Scholarship Hall Council (ASHC). The proposals were reviewed by SHAB at the September 4, September 18, and September 25 meetings. In addition to SHAB meetings, the Student Housing director and Assistant Director for Residential Dining met with student government leaders and student groups for further discussion and to answer questions. These rates have been reviewed and recommended by the Vice Provost for Student Affairs. SHAB approval of these rates was confirmed by vote at the October 2, 2015 meeting.

Rates for on-campus housing and dining plans proposed to be effective July 1, 2016:

RESIDENCE HALLS

	2015-16	2016-17	\$ Incr.	% Incr.
Traditional Residence Halls				
Double Room (<i>2 residents per room</i>)	\$4,372	\$4,488	\$116	2.6
Single Room*	\$5,806	\$5,956	\$150	2.6
Renovated Residence Halls				
Double Room (<i>Ellsworth, Hashinger, GSP</i>)	\$5,590	\$5,738	\$148	2.6
Double Room w/Bath; 4-Person Suite (<i>Lewis, Templin, Ellsworth</i>)	\$5,908	\$6,064	\$156	2.6
2-Person Suite (<i>any</i>) & 2-Person Studio (<i>Ellsworth</i>)	\$6,150	\$6,150	\$0	0.0
Double Room as Single* (<i>Ellsworth, GSP, Hashinger</i>) & 1-Person Suite (<i>Templin</i>)	\$7,448	\$7,642	\$194	2.6
Residence Halls New in 2015-16 and 2016-17				
4-Person, Double Suite (<i>2 residents/bedroom</i>)	\$7,100	\$7,288	\$188	2.6
2-Person, Double Suite (<i>2 residents/bedroom</i>)	\$7,100	\$7,288	\$188	2.6
2-Person, Single Suite (<i>1 resident/bedroom</i>)	\$9,230	\$9,230	\$0	0.0

Contract rates listed above are for the academic year, including Thanksgiving and Spring breaks, and include utilities, data/internet, and basic cable television.

* 2-person room contracted by a single resident on a space-available basis

APARTMENTS

Sunflower Duplex Apartments

	2015-16	2016-17	\$ Incr.	% Incr.
Two Bedroom Apartment	\$727	\$747	\$ 20	2.7

This monthly contract rate includes water and sanitation. All other utilities, including data service, are paid by residents to service providers. Most apartments are unfurnished and are short-term, transitional housing for new faculty and staff relocating to Lawrence.

Jayhawker Towers Apartments

	2015-16	2016-17	\$ Incr.	% Incr.
Two-Bedroom Apartments				
4 residents per apartment, <i>cost per resident</i>	\$3,562	\$3,662	\$100	2.8
2 residents per small apartment, <i>cost per resident*</i>	\$5,008	\$5,148	\$140	2.8
2 residents per apartment, <i>cost per resident</i>	\$6,094	\$6,266	\$172	2.8
Renovated Two-Bedroom Apartments				
4 residents per apartment, <i>cost per resident</i>	\$4,592	\$4,722	\$130	2.8
2 residents per apartment, <i>cost per resident</i>	\$7,918	\$8,144	\$226	2.8

Contract rates listed above are for the academic year and include utilities, data/internet, and basic cable television. Apartments are partially furnished.

* A total of 3 of these small, non-standard apartments remain in the Jayhawker Towers complex.

McCarthy Hall

	2015-16	2016-17	\$ Incr.	% Incr.
2 or 4 residents per apartment, <i>cost per resident</i>	\$9,875	\$10,154	\$279	2.8

SCHOLARSHIP HALLS

	2015-16	2016-17	\$ Incr.	% Incr.
Traditional Scholarship Halls <i>(Battenfeld, Douthart, Grace Pearson, Pearson, Sellards, Stephenson)</i>	\$3,872	\$3,978	\$106	2.7
Suite-Style Scholarship Halls <i>(K.K. Amini, Margaret Amini, Krehbiel, Rieger)</i>	\$4,254	\$4,370	\$116	2.7
Meal Charge for the 10 halls listed above	\$2,084	\$2,138	\$ 54	2.6
Miller and Watkins Halls <i>(women in these halls purchase and prepare their own food)</i>	\$2,656	\$2,716	\$ 60	2.2

Contract rates listed above are for the academic year, including Thanksgiving and Spring breaks, and include utilities, data/internet, and basic cable television.

The suite-style halls provide amenities and increased square footage per resident, resulting in higher operating costs.

The Elizabeth Miller Watkins Trust provides a rate subsidy for Miller and Watkins residents and because Miller and Watkins residents cooperatively purchase and prepare their own food, there is no meal charge for residents of those two women’s scholarship halls.

RESIDENTIAL DINING PLANS

Proposed dining plan rates show an aggregate 2.88% increase for Fiscal Year 2017. As residence hall students complete the on-line contracting process they select dining plans based on their personal preferences and needs. For 2016-17, the unlimited access dining plans continue to provide the greatest flexibility and value.

	2015-16	2016-17	\$ Incr.	% Incr.
Jayhawk Unlimited Access Dining Plan Unlimited residential dining; \$500 Cuisine Cash; up to 2 Cuisine To Go meals/day; 10 guest meals; six 14" pizzas; 5% discount at register	\$4,168	\$4,286	\$118	2.8
Rock Chalk Unlimited Access Dining Plan Unlimited residential dining; \$300 Cuisine Cash; up to 2 Cuisine To Go meals/day; 6 guest meals; four 14" pizzas	\$3,968	\$4,086	\$118	2.8
Crimson Flex Dining Plan 400 residential dining meals; \$200 Cuisine Cash; up to 2 Cuisine To Go meals/day; 4 guest meals	\$3,734	\$3,848	\$114	3.1
Blue Basic Dining Plan 10 residential dining meals/week; \$100 Cuisine Cash; up to 2 Cuisine To Go meals/day; 4 guest meals	\$3,094	\$3,190	\$ 96	3.1
Campanile Dining Plan \$500 Cuisine Cash; 2 residential dining meals/week; up to 2 Cuisine To Go meals/day; 4 guest meals; 5% discount at register	\$1,122	\$1,142	\$ 20	1.8

II. EXPENDITURE IMPACT OF PROPOSAL

Rates are established to cover costs of maintenance, materials, applicable food, utilities, salaries, and benefits to maintain a qualified staff and operate facilities. The proposed housing rates incorporate projected cost increases, the most significant of which include utilities, maintenance, salaries, and employee benefits.

Current and future plans focus on accessibility and life safety enhancements throughout the system. Roofs and mechanical systems are upgraded as part of an ongoing commitment to achieve greater energy efficiency.

With the proposed increases for Fiscal Year 2017, KU housing and dining rates will remain an outstanding value, well below national averages, reflecting good management practices, and a continued commitment to good stewardship of students’ money.

POTENTIAL REVENUE IMPACT OF RATE PROPOSAL

Estimated revenue increases over the previous year for each rate proposal are:

Residence Halls	\$388,100	Sunflower Apartments	\$4,550
Scholarship Halls	\$83,250	Jayhawker Towers	\$133,900
		McCarthy Hall	\$11,500
Potential Housing Revenue Impact	\$621,300		
Potential Dining Revenue Impact	\$234,560 (<i>a unit of Kansas Memorial Unions since FY 2005</i>)		

See attached supplemental financial information

III. EXPECTED BENEFITS FROM PROPOSAL

KU Student Housing capacity in 2016-17 will be 4,900 students. The proposed increases will enable the housing and dining operations to continue providing exceptional on-campus living experiences, which remain a great value for the students’ dollar.

IV. ALTERNATIVES TO PROPOSAL

None identified. Only basic services are being provided and these charges are established to cover expenses associated with cost recovery including the cost of maintaining and remodeling the facilities. There are no state-appropriated funds in this auxiliary operation; therefore, user fees must cover total costs.

V. IMPACT OF NOT IMPLEMENTING PROPOSAL

The annual operating budget of the auxiliary housing operation is approximately \$27 million, with a physical plant insured replacement value in excess of \$350 million. Failure to increase revenue commensurate with increased operating expenses would jeopardize the fiscal stability of the operation. These proposed rates were carefully evaluated prior to presentation to the Student Housing Advisory Board and senior staff in Student Affairs. Rental income is pledged as part of a long-range renovation program which will continue to be financed by bonds. Each project is evaluated carefully to ensure the building’s income can support its operation plus debt service. Inability to guarantee bond obligations would compromise the department’s ability to finance future renovation projects.

Prepared: October 23, 2015
Diana L. Robertson
Director, Student Housing

**The University of Kansas Department of Student Housing
Supplemental Financial Information
KBOR Rate Increase Request**

	Projected FY 2017	Estimated FY 2016	Actual FY 2015	Actual FY 2014
Gross Operating Revenue	\$ 29,914,800	\$ 29,001,000	\$ 26,883,527	\$ 26,683,671
Gross Operating Expense	<u>(19,660,000)</u>	<u>(19,339,900)</u>	<u>(18,850,394)</u>	<u>(18,656,588)</u>
Gross Operating Revenue (Loss)	10,254,800	9,661,100	8,033,133	8,027,083
Capital Improvements Expense	(3,146,000)	(7,682,936)	(4,161,042)	(6,845,580)
Annual Debt Service	(6,330,451)	(6,348,633)	(3,562,862)	(3,660,302)
Other Capital Expenditures	-0-	-0-	-0-	-0-
Net Operating Revenue (Loss)	<u>778,349</u>	<u>(4,370,469)</u>	<u>309,229</u>	<u>(2,478,799)</u>
Ending Balance	\$ 4,137,809	\$ 3,359,460	\$ 7,729,929	\$ 7,420,700
Residence Hall Occupancy	97.0%	98.8%	97.0%	97.6%
Long-Term Debt Outstanding (as of 6/30)	82,065,000	84,635,000	86,095,000*	48,065,000
Lewis Hall (orig. 1998D), Ellsworth Hall (orig. 2002A) plus Towers A and D, 2010A Hashinger Hall and Templin Hall Refunding, 2005E-1 Ellsworth Hall, 2002 A-1 GSP Hall, 2011C				

**The increase in long-term debt is due to the sale of bonds for the McCollum Hall replacement project in early 2015.*

Capital Improvements Detail

Projections	\$51.2M	New 544-bed residence hall and dining center near 19 th & Naismith
	\$67.4M	New 708-bed apartment complex near Anna Drive on 19 th Street
	\$14.5M	Corbin Hall renovation
	\$10.2M	Jayhawker Tower B Renovation
	\$10.1M	Jayhawker Tower C Renovation

Capital Improvements Description

Corbin Hall Renovation - Corbin Hall was constructed in two phases, with the original building completed in 1923 and a north addition completed in 1951. It currently has 149 rooms, including a mix of single, double, and triple rooms, and has traditionally housed only women. The Student Housing administrative offices are located in the lowest level, and will remain as-is and in use while the rest of the building is being renovated. This project will

include renovation of all student rooms, restrooms, and public spaces, but it is anticipated that interior walls will remain in-place. Mechanical, plumbing, and electrical systems not already upgraded will be updated.

Future Residence Hall – New construction of a 544-bed residence hall and dining center, with a variety of room and occupancy designs based on updated market research/consultant reports. Construction of the project is to be funded by developer financing through a public-private partnership within the Central District Project. The debt service will be funded with KU Student Housing and KU Dining Services, and Kansas Memorial Union Corporation funds.

Future Apartments – New construction of a 708-bed apartment complex with 2- and 4-bedroom apartments with private bathrooms based on updated market research/consultant reports. Construction of this project is to be funded by developer financing through a public-private partnership within the Central District Project. The debt service will be funded with KU Student Housing funds.

Jayhawker Tower B Renovation – Jayhawker Towers were first occupied in the late 1960s then acquired by the University in 1981. Renovation of Tower B will follow the same general program used in the Tower A and Tower D projects resulting in mechanical system and security upgrades plus improvements in student apartments. Planning and program development for renovations will begin in Fiscal Year 2017 with renovation work planned for FY 2018.

Jayhawker Tower C Renovation – Following the same general program used for Tower A and D renovations, Tower C renovations will be the final step in the overall Jayhawker Towers project. Planning and program development is planned for Fiscal Year 2017 with renovation work planned for FY 2019.

**KANSAS STATE UNIVERSITY
HOUSING AND FOOD SERVICE RATES**

I. PROPOSED RATES (Room and Board)

These rates have been reviewed by staff and supported by the Association of Residence Halls.

**Regular Semester
Effective July 1, 2016**

<u>Single Students Per Person</u> ³⁾	Room & Meals ¹⁾		
	<u>2015-2016</u>	<u>2016-2017</u> ²⁾	<u>% Chg</u>
Residence Halls – Unlimited Access Meal Plan ⁴⁾ Traditional Private Double Room (New Wefald)	New	\$5,425.00	N/A
Residence Halls - 14 Meal Plan (any 14 per week) ⁴⁾ Double Room	\$4,115.00	\$4,260.00	3.5%
Residence Halls - 7 Meal Plan (any 7 per week) ⁴⁾ Double Room- Limited to Living Community at JA	New	\$3,675.00	N/A
Cooperative House - 14 Meal Plan ⁵⁾ Double Room	\$3,605.00	\$3,650.00	1.2%
Suite Options priced by semester			
1 Person Private Apartment	\$1,430.00	\$1,430.00	0.0%
1 Person Private	\$1,210.00	\$1,260.00	4.1%
1 Person by 1 Person (bath between)	\$1,090.00	\$1,135.00	4.1%
1 Person side of a 1 by 2 (bath between)	\$1,035.00	\$1,075.00	3.9%
2 Person side of a 1 by 2 (bath between)	\$910.00	\$945.00	3.8%
2 Person Private	\$995.00	\$1,035.00	4.0%
3 Person Private	\$890.00	\$925.00	3.9%
2 Person by 2 Person (bath between)	\$855.00	\$890.00	4.1%
4 Person Private	\$645.00	\$670.00	3.9%
Unattached Triple	\$400.00	\$415.00	3.8%
1 Person Private Inside Cluster	\$1,030.00	\$1,070.00	3.9%
2 Person Private Inside Cluster	\$945.00	\$985.00	4.2%
3 Person Private Inside Cluster	\$865.00	\$900.00	4.0%
Single room with community bath additional rate	\$230.00	\$240.00	4.3%

1) Includes housekeeping service other than within rooms. Sunday evening meals are not served.
 2) Application fee of \$30 (non-refundable) is assessed each academic year and is due before the contract will be processed. Up to \$25 of each application fee is transferred to the recreational and social use fund. If the full contract amount is not paid prior to July 1 for the Fall semester and December 1 for the Spring semester, all charges will be posted to the University Tuition and Fee account accessible within KSIS. A \$25 KSIS processing fee will then be added each semester. All charges will be billed by the university Cashier’s Office and subject to their terms and conditions.
 3) For payment due dates, cancellation dates and charges, please refer to “Student Housing Contract Terms”.
 4) Students may deposit funds into Cat Cash to be used in all Housing and Dining Services Retail options, including JPs Restaurant, Cornerstone Coffee Shop, Derby Bakery, All 5 Quick Cats C-Stores, Rec Center C Store Operation and Housing Laundry Facilities. Students will have limited Grab and Go Meals with all meal plans.
 5) Plus assisting with house and food service operations on an average of one hour per day.

**Salina Polytechnic Campus Regular Semester ^{1), 2), 3)}
Effective July 1, 2016**

Single Students Per Person

	Room & Meals		
	<u>2015-2016</u>	<u>2016-2017</u>	<u>%Chg</u>
Residence Halls - 14 Meal Plan			
Double Room	\$3,147.00	\$3,211.00	2.0%
Single Room	\$5,058.00	\$5,156.00	1.9%
Residence Halls - 19 Meal Plan			
Double Room	\$3,363.00	\$3,432.00	2.1%
Single Room	\$5,274.00	\$5,377.00	2.0%
Other Polytechnic Campus Housing Fees			
Application Fee	\$30.00	\$30.00	0.0%

- 1) Plus a non-refundable application fee of \$30 per contract from which a sum not to exceed \$25 may be used as a recreational and social fee.
- 2) For payment due dates, cancellation dates and charges please refer to "Student Housing Contract Terms".
- 3) Residents may lock-in their starting residence hall rate for a maximum of five years if fall contracts are turned in no later than the first Friday in May each year.

**Manhattan Campus Apartments ^{1), 2)}
Effective July 1, 2016
Rate Per Month**

	<u>2015-2016</u>	<u>2016-2017</u>	<u>% Chg</u>
<u>Traditional Rate Per Apartment ^{1), 2)}</u>			
One Bedroom Unfurnished	\$455.00	\$475.00	4.4%
Two Bedroom Unfurnished	\$535.00	\$555.00	3.7%
<u>Renovated Rate Per Apartment ^{1), 2)}</u>			
One Bedroom Unfurnished	\$525.00	\$545.00	3.8%
Two Bedroom Unfurnished	\$600.00	\$625.00	4.2%
<u>Highly Renovated Rate Per Apartment ^{1), 2)}</u>			
One Bedroom Unfurnished	\$565.00	\$585.00	3.5%
Two Bedroom Unfurnished	\$680.00	\$705.00	3.7%
Three Bedroom Unfurnished	\$785.00	\$790.00	0.6%
<u>New Construction Rate Per Person ^{1), 2)}</u>			
One Bedroom Unfurnished	\$655.00	\$680.00	3.8%
Two Bedroom Unfurnished	\$555.00	\$575.00	3.6%
Three Bedroom Unfurnished	\$490.00	\$495.00	1.0%
Four Bedroom Unfurnished	\$450.00	\$450.00	0.0%
Studio Unfurnished	\$600.00	\$620.00	3.3%
Town House Unfurnished	\$998.00	\$998.00	0.0%
Studio Loft Unfurnished	\$650.00	\$675.00	3.8%

- 1) In addition to the monthly rates, a refundable deposit of \$400 is required at time of application and a non-refundable application fee of \$30 is assessed each academic year and is due before the contract will be processed. Up to \$25 of each application fee is transferred to the recreational and social use fund. If the full contract amount is not paid prior to July 1 for the Fall semester and December 1 for the Spring semester, all charges will be posted to the University Tuition and Fee account accessible within KSIS. A \$25 KSIS processing fee will then be added each semester. All charges will be billed by the university Cashier's Office and subject to their terms and conditions. Students provide linen, dishes, telephone and electricity.
- 2) Furniture is available for rent on a limited basis.

**Summer Session
Effective May, 2016**

	Double Room as Single		Double Room	
	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>
Room and 20 Meals Weekly	\$385.00	\$385.00	\$255.00	\$255.00
Room and 15 Meals Weekly	\$380.00	\$380.00	\$250.00	\$250.00
Room and 10 Meals Weekly	\$376.00	\$376.00	\$249.00	\$249.00

Salina Polytechnic Campus

	Single Room		Double Room	
	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>
Room and 15 Meals Weekly	\$227.00	\$229.00	\$185.00	\$187.00
Room and 10 Meals Weekly	\$204.00	\$206.00	\$162.00	\$164.00

Optional Meal Plans For Manhattan Residents of Housing and Dining Services Apartments, Faculty/Staff and Off-Campus Students Per Semester

	<u>2015-2016</u>	<u>2016-2017</u>
Optional Jardine Resident 50 Meal Plan (50 Entrances)	New	\$585.00
Optional Jardine Resident 100 Meal Plan (100 Entrances)	New	\$1,105.00
Optional Faculty/Staff 50 Lunch/Breakfast Meal Plan (50 Entrances)	New	\$520.00
Optional Faculty/Staff 100 Any Meal Plan (100 Entrances)	New	\$1,170.00
Optional Off Campus Student 100 Meal Plan (100 Entrances)	New	\$1,230.00
Optional Off Campus Student 150 Meal Plan (150 Entrances)	New	\$1,755.00

Polytechnic Campus

Optional 5 Meal Plan (Lunch, M-F)	\$428.00	\$428.00
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II. Expenditure Impact of Proposal.

The proposed rates are recommended to cover increased operational costs. Expenditures for salaries and benefits in the new residence hall and dining center, facility maintenance, food, utilities, and other operational categories such as technology are expected to rise about 5.5% collectively. Normal capital improvement projects are expected to be \$3.8 million including self-funded/reserve improvements as part of the Goodnow and Marlatt Hall renovations. Debt service also increases by \$1.25 million in FY 2017 as full debt service payments begin for the new residence hall and dining center being constructed for occupancy by August 2016.

Because K-State does not require any student to live in university owned residence halls or apartments, we provide excellent facilities and exemplary service to maintain the optimal number of residents. (All numbers listed below include additional expenses attributable to the opening of the new 540-bed Wefald Hall and enlarged Kramer Dining Facility.)

Salaries and Benefits	\$959,000	Student Labor	\$162,000
Utilities Increase	\$500,000	Debt Service (additional debt service)	\$1,248,000
Food and Supplies	\$502,000		

III. Revenue Impact of Proposal

K-State’s housing system operates as an auxiliary unit, so all projected revenue is deposited in auxiliary funds. The estimated additional revenue is an increase of about 6.27% over estimated FY 2016 income from the Residence Halls and Apartments, due largely to the addition of 540 beds in Wefald Hall.

IV. Estimated Benefits from Proposal

Approximately 5,700 students living in residence halls, cooperative house, honors house and apartments will be affected by the rate increase. The proposed increases are primarily driven by inflationary increases in costs for labor, utilities, food, facility maintenance as well as increased debt service and operating costs for the new dining center and residential hall. Additionally, planned upgrades to the Derby roof, Marlatt and Goodnow elevators, Marlatt heating and cooling systems, dining service facilities and academic support facilities require resources. Even though it’s a challenge, we successfully maintain room and board rates that are below national and Big XII averages. Within the Big XII, we continue to remain in the lower one-third.

V. Alternatives to Proposal

None Identified. Because Housing and Dining is entirely self-supporting, user fees must cover costs.

VI. Impact of Not Implementing Proposal

The Housing and Dining Services annual operating budget is approximately \$49 million. The insured replacement value of the housing facilities is about \$411 million. Housing and Dining Services is a self-supporting auxiliary unit. Prudent management require a fiscally stable budget and a properly maintained physical plant with sufficient revenue to cover operating expenditures and facilities maintenance and renovations. Failure to properly plan, budget and operate would compromise our ability to meet core responsibilities to students. Additionally it is prudent to have adequate reserves to fund debt service and finance future capital improvements during times of enrollment fluctuations. The rate proposal submitted was developed over the past year with input from the K-State Association of Residence Halls student leadership.

Supplemental Financial Information

**Polytechnic and Manhattan
Campuses**

	Projected FY 2017	Projected FY 2016	Actual FY 2015	Actual FY 2014	Actual FY 2013
Gross Operating Revenue	\$49,839,000	\$46,898,000	\$46,165,000	\$43,997,000	\$43,038,000
Salaries and Wages	\$19,413,000	\$18,292,000	\$15,235,000	\$17,994,000	\$17,490,000
Other Operating Expenditures	<u>\$21,283,000</u>	<u>\$20,281,000</u>	<u>\$17,780,000</u>	<u>\$15,193,000</u>	<u>\$15,950,000</u>
Total Gross Operating Expense	\$40,696,000	\$38,573,000	\$33,015,000	\$33,187,000	\$33,440,000
Gross Operating Revenue (Loss) ⁽¹⁾	\$9,143,000	\$8,325,000	\$13,150,000	\$10,810,000	\$9,598,000
Capital Improvements Expense *	\$3,360,000	\$11,280,000	\$3,268,000	\$2,549,000	\$1,597,000
Annual Debt Service	\$8,731,000	\$7,483,000	\$7,047,000	\$5,310,000	\$5,920,000
Other Capital Expenditures	<u>\$391,000</u>	<u>\$327,000</u>	<u>\$238,000</u>	<u>\$118,000</u>	<u>\$188,000</u>
Net Revenue (Loss)	(\$3,339,000)	(\$10,765,000)	\$2,597,000	\$2,833,000	\$1,893,000
Occupancy Rate	95.5%	93.9%	98.5%	97.6%	100.0%
Housing System Earned Fund Balance⁽²⁾	\$9,798,000	\$13,137,000	\$23,902,000	\$21,305,000	\$18,472,000
L/T Debt Outstanding	\$128,465,000	\$131,895,000	\$133,980,000	\$137,080,000	\$74,470,000

*Capital Improvements Planned:

FY 2016 - \$11,119,842 (Rehab and Repair Renovations including 1/2 Derby and all of Goodnow roof replacement, major infrastructure replacement at West Hall [\$5 million], Marlatt Hall fire system, ceilings and lighting, Kramer Dining and Wefald self-funded finish)

FY 2017 - \$3,200,000 (Marlatt-Goodnow infrastructure renovations, Derby roof, old Kramer rehabilitation, start Moore fire alarm), Union-dining

⁽¹⁾ The university continues to maintain the best practice of maintaining cash reserves equal to 1.25 times annual debt service even though the bond covenants no longer require it.

⁽²⁾ Fund Balance includes unearned advance payments that have been collected for the upcoming academic year. The remaining fund balance is primarily in place for cash flow needs such as those associated with KSU's self-operated dining services, employment protection issues, reserves for capital projects (as noted above), and emergency equipment and building repairs. KSU's housing operations have buildings with replacement values in excess of \$411 million. Long term fiscal stability requires a properly maintained physical plant.

**Wichita State University
Proposed Housing and Board Rates for Fiscal Year 2017
Fiscal Impact Statement and Business Case
Submitted to the Kansas Board of Regents on October 28, 2015**

Proposed Housing and Board Rates for Fiscal Year 2017

Wichita State University requests authorization to amend the Comprehensive Fee Schedule for Fiscal Year 2016 for the following adjustments to housing and board rates in the residence halls.

**Wichita State University
Proposed Housing and Board Rates for Fiscal Year 2017
Academic Year 2016-2017**

Proposed Fiscal Year 2017 Residential Board Options
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Meal Plan by Type	FY 2016 Rate	Proposed FY 2017 Rate	Percent Increase
<u>Academic Year 2016-2017</u>			
19 Meal Plan with \$400 Shocker Dollars	\$4,282	\$4,400	2.76%
15 Meal Plan with \$400 Shocker Dollars	\$4,228	\$4,350	2.89%
10 Meal Plan with \$400 Shocker Dollars	\$3,848	\$3,950	2.65%
5 Meal Plan with \$1,500 Shocker Dollars*	\$4,104	\$3,800	-7.41%
See Notes 1, 4 & 5			

Summer Meal Plan Weekly Prices 2016 – See Note 2 below

19 Meals per week	\$116.13	\$119.63	3.01%
15 Meals per week	\$114.52	\$118.16	3.18%
10 Meals per week	\$103.18	\$106.19	2.92%
5 Meals per week* - See Notes 1, 4 & 5	\$77.91	\$68.81	-11.68%

Notes to Meal Plans

Note 1 - 5 Meal Plans limited to Fairmount Towers residents.

Note 2 - Summer meal plans vary by session and are thus listed at the weekly price with no Shocker Dollars.

Note 3 - Residents may purchase additional Shocker Dollars at face value at any time.

Note 4 - The meal plan provider moved from a flat rate to a tiered rate in 2015 resulting in a large margin of difference in the 5 Meal Plan. To correct this, the plan cost was lowered to make a more balanced cost to residents.

Note 5 - The increase in meal plan rates for FY 2017 has been proposed by WSU’s food service contractor; however, additional discussion will occur in November. Final rates will not exceed what is listed above.

**Fairmount Towers
Proposed Fiscal Year 2017 Room Options**

Plan Type	FY 2016	Proposed	Percent Increase	FY 2016	Proposed	Percent Increase
	Double Occupancy	FY 2017 Double Occupancy		Single Occupancy	FY 2017 Single Occupancy	

Standard Plan for Fairmount Towers						
15 Meal Plan with \$400 Shocker Dollars	\$8,722	\$8,844	1.40%	\$10,032	\$10,154	1.22%

Academic Year 2016-2017

Per Person Occupancy Rate	\$4,494	\$4,494	0.00%	\$5,804	\$5,804	0.00%
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Summer Session 2016

Pre-Session	\$230.44	\$230.44	0.00%	\$297.64	\$297.64	0.00%
Four Week Session	\$460.88	\$460.88	0.00%	\$595.28	\$595.28	0.00%
Eight Week Session	\$921.76	\$921.76	0.00%	\$1,190.56	\$1,190.56	0.00%
Weekly Break Housing	\$115.22	\$115.22	0.00%	\$148.82	\$148.82	0.00%

**Shocker Hall
Proposed Fiscal Year 2017 Room Options**

Unit Type Style	FY 2016 Per Person	Proposed FY 2017	
	Occupancy Rate	Per Person Occupancy Rate	Percent Increase

Standard Plan for Shocker Hall			
Plan 3, 2 shared bed/1bath			
15 Meal Plan with \$400 Shocker Dollars	\$10,572	\$10,694	1.15%

Academic Year 2016-2017 – See Note 1 below.

Plan 1, 1 bed/1 bath	\$8,316	\$8,316	0.00%
Plan 2, 3 private bed/1 bath	\$6,712	\$6,712	0.00%
Plan 2, 3 hybrid, beds A & C	\$6,712	\$6,712	0.00%
Plan 2, 3 hybrid bed B	\$6,912	\$6,912	0.00%
Plan 3, 2 shared bed/1bath	\$6,344	\$6,344	0.00%
Plan 4, 2 private bed/1 bath	\$7,426	\$7,426	0.00%
Plan 5, 4 private bed/2 bath	\$7,050	\$7,050	0.00%
Plan 6, 4 private bed/1 bath	\$6,950	\$6,950	0.00%
Plan 7 hybrid, (4 beds/2 bath) 2 private	\$7,050	\$7,050	0.00%
Plan 7 hybrid, (4 beds/2 bath) 2 shared	\$6,814	\$6,814	0.00%

Summer Session: Weekly Rate 2016 – See Note 2 below.

Plan 1, 1 bed/1bath	\$213.22	\$213.22	0.00%
Plan 2, 3 private bed/1 bath	\$172.13	\$172.13	0.00%
Plan 2, 3 hybrid, beds A & C	\$172.13	\$172.13	0.00%
Plan 2, 3 hybrid bed B	\$177.24	\$177.24	0.00%
Plan 3, 2 shared bed/1 bath	\$162.68	\$162.68	0.00%
Plan 4, 2 private bed/1 bath	\$190.40	\$190.40	0.00%
Plan 5, 4 private bed/2 bath	\$180.81	\$180.81	0.00%
Plan 6, 4 private bed/1 bath	\$178.22	\$178.22	0.00%
Plan 7, hybrid, (4 beds/2 bath) 2 private	\$180.81	\$180.81	0.00%
Plan 7, hybrid, (4 beds/2 bath) 2 shared	\$174.72	\$174.72	0.00%

Notes to Unit Type Style

Note 1 - The above rent reflects differences in square footage in the hybrid rooms.

Note 2 - Rates per Unit Type vary by session (which are 2, 4 and 8 weeks) and are thus listed at a weekly rate.

Other Housing Fees Proposed Fiscal Year 2017

Fee Description	FY 2016 Rate	Proposed FY 2017 Rate	Percent Increase
Non-refundable Application Fee	\$75	\$75	0.00%
Late Payment Fee *	\$100	\$100	0.00%
Contract Prepayment – Fairmount & Shocker Hall	\$200	\$200	0.00%

* Two \$100 late fees are applied each semester: on the first business day after last day to pay, and ninety days into the semester.

Expenditure Impact of the Proposal

The revenue received from the proposed housing and board rates will be used to pay for operating expenditures, utilities, staffing, capital expenditures, major remodeling and improvements and debt service on the residence halls. Board rates reflect a mandatory meal plan in accordance with WSU’s food service management contract. Housing does not make any revenue from the Shocker Dollars.

Revenue Impact of the Proposal

The proposed board rate options listed on page 1 will reflect a maximum increase in revenue of \$96,000. While WSU is not proposing an increase in room rates, additional revenue of \$894,000 will be realized from an increased occupancy rate from 78.66% to 85.06%.

Student Involvement with the Proposal

Student feedback on rates and increases on meal costs were conducted with a number of task force meetings in October. These meetings were held to allow students the opportunity to provide feedback on the current housing structure, future rates and room assignments:

Wednesday, October 14	6:30 – 7:30 PM	Student Focus Group #1 – Student Government Association	Rhatigan Student Center
Wednesday, October 14	9:00 – 10:00 PM	Student Focus Group #2 – Student Leaders	Shocker Hall Multi-Purpose Room
Thursday, October 15	9:00 – 10:00 PM	Student Focus Group #3 – Resident Advisor	Fairmount Towers Private Dining Room

Estimated Benefits from the Proposal

Students who live on campus accrue a variety of benefits, including easy access to classrooms, laboratories, dining facilities, Ablah Library, the Heskett Center and the Rhatigan Student Center. Professional and paraprofessional staff members live in each building to provide academic and personal support services to the residents. Additionally, residents are provided with computer rooms, laundry facilities, meeting facilities, and are more easily able to participate in campus events and activities compared to those who commute. Cable television service and Ethernet connections are provided to each student room.

Alternatives to the Proposal

Alternatives to the proposed rates have not been identified. While WSU is not increasing room rates, cuts in expenditures will be made to cover inflationary increases in basic services, planned improvements and contractual agreements as mentioned above. As an auxiliary operation, housing must cover all expenses through fees charged to students living in the residence hall facilities. The University is not increasing room rates in order to support its goal of increased occupancy.

Impact of Not Implementing the Proposal

If the proposed housing and board rates are not implemented, the current financial stability of the housing and residence life operations would be compromised. Financial stability is also important to maintaining quality ratings on the outstanding revenue bonds.

Implementation Date

If approved, the rates will become effective on July 1, 2016. Rates for the summer session housing will become effective with the beginning of the summer contract of 2017.

Supplemental Financial Information

<u>Revenue and Expenditures</u>	<u>Projected FY 2017</u>	<u>Projected FY 2016</u>	<u>Actual FY 2015</u>	<u>Actual FY 2014</u>	<u>Actual FY 2013</u>
Gross Operating Revenue – See Note 1	\$11,402,490	\$ 9,981,124	\$11,905,635	\$ 6,548,701	\$6,726,192
Gross Operating Expenditures	6,245,330	5,893,835	6,379,597	4,550,775	4,646,665
Gross Operating Revenue (Loss)	\$ 5,157,160	\$ 4,087,289	\$ 5,526,038	\$ 1,997,926	\$2,079,527
Annual Debt Service – See Note 2	\$ 4,882,373	\$ 4,879,073	\$ 4,088,373	\$ 3,464,560	\$ 964,778
Other Capital Expenditures	142,450	172,650	322,753	116,507	1,095,688
Transfers (In) Out – See Note 3	0	(1,109,434)	(1,264,817)	(2,637,060)	(328)
Other Operating (Revenue) Expenditures	\$ 5,024,823	\$ 3,942,289	\$ 3,146,309	\$ 944,007	\$ 2,060,138
Net Operating Revenue (Loss)	\$ 132,337	\$ 145,000	\$ 2,379,729	\$ 1,053,919	\$ 19,389
Less Capital Improvement Expense	\$ 115,000	\$ 145,000	\$ 81,726	\$ 131,761	\$ 205,684
Net Change in Fund Balance	\$ 17,337	\$ 0	\$ 2,298,003	\$ 922,158	\$ (186,295)
Occupancy Rate	85.06%	78.66%	91.45%	85.00%	92.00%
Housing System Earned Fund Balance	\$ 6,630,395	\$ 6,613,058	\$ 6,613,058	\$ 4,315,055	\$ 3,392,897
Long Term Debt Outstanding	\$64,190,000	\$65,900,000	\$67,555,000	\$71,353,871	\$ 6,922,028

Notes to Supplemental Financial Information

- Note 1 – In FY 2014, WSU began construction of Shocker Hall which opened on August 6, 2014, reflecting a net addition of 184 beds. Brennan Hall was converted to non-housing office space and Wheatshocker Apartments were razed.
- Note 2 – In FY 2014, the WSU Union Corporation, on behalf of WSU, issued revenue bonds in the amount of \$63,830,000, plus premium, to fund Shocker Hall and to refund the 2010D Series that was issued for energy conservation improvements.
- Note 3 – In FY 2014 and FY 2015, capitalized interest was transferred to partially cover debt service requirements. In FY 2016, (1) unspent bond proceeds of \$2,240,945 will be transferred in from the bond trustee, and (2) \$1,131,511 will be transferred out to a debt service reserve fund for Shocker Hall.

**Emporia State University
 Division of Student Affairs
 Department of Residential Life and Memorial Union Corporation
 Statement of Proposed Residence Hall and Contract Board Rates
 Academic Year 2016-2017**

Emporia State University requests authorization to amend the Comprehensive Fee Schedule, effective fall semester 2016 as follows:

Description of Fee Adjustment: Figures shown represent academic year totals, unless otherwise noted. The housing and meal contract’s default time period includes both the fall 2016 and the spring 2017 semesters.

Room & Board Options Total Standard Double

	<u>From</u>	<u>To</u>	<u>Increase</u>	<u>% Increase</u>	<u>Room+Board</u>	<u>% Increase</u>
Central Double Room Rate	\$4,001	\$4,301	\$300	7.5%		
Morse Triple Rate	\$4,279	\$4,365	\$86	2.0%		
Morse Suite Rate	\$3,960	\$4,039	\$79	2.0%		
Towers/Trusler/Singular Dbl Rate	\$4,499	\$4,836	\$337	7.5%		
Towers Suite Rate	\$4,695	\$5,047	\$352	7.5%		
Private rooms when available all buildings	\$5,681	\$5,795	\$114	2.0%		
All Access Meal Plan	\$3,468	\$3,555	\$87	2.5%	\$7,856	5.2%
14 Block Meal Plan	\$3,382	\$3,467	\$85	2.5%	\$7,768	5.2%
9 Block Meal Plan	\$2,800	\$2,870	\$70	2.5%	\$7,171	5.4%

Justification for Fee Adjustment and Projected Revenue

Residence Hall Impact

Proposed room rates for FY 2017 have been held to an increase of 7.5%. Increased revenue of approximately \$261,872 will be used to assist in meeting financial obligations associated with the new residence hall construction project. Other estimated expenses for FY 2017 are expected to increase moderately, with most increases coming from changes in utility rates and fringe benefit rates.

Memorial Union Impact

The proposed rates for meal plans represent a 2.5% increase in food plan costs. Proposed adjustments to the board rate are needed to meet the increased food costs of dining operations. All students living in the Residence Halls participate in one of three meal plans. The proposed increase would generate approximately \$34,000 of additional revenue, which will be used to fund projected increased costs of the food service contract for FY 2017.

Review of Proposal Increases

The Residence Hall and meal plan increases were developed in consultation with students who live in the residence halls and serve on the Memorial Union board of directors which has student board member positions representing the Residence Halls and Associated Student Government. The proposed increases contained in this document were presented to the Memorial Union Board of Directors and approved by that body on October 1, 2015.

**Emporia State University
Housing System Financial Report Summary Prepared for KBOR Increase Request
Fiscal Years 2013 through 2018**

	<u>Projected FY 2018</u>	<u>Projected FY 2017</u>	<u>Estimated FY 2016</u>	<u>Actual FY 2015</u>	<u>Actual FY 2014</u>	<u>Actual FY 2013</u>
Gross Operating Revenue	\$4,579,052	\$4,331,828	\$4,069,956	\$3,971,972	\$3,552,304	\$3,061,310
Salaries and Wages	1,469,789	1,399,799	1,333,142	1,199,750	1,245,468	1,336,970
Other Operating Expenditures	800,000	800,000	750,000	654,500	675,852	558,965
Gross Operating Expense	<u>2,269,789</u>	<u>2,199,799</u>	<u>2,083,142</u>	<u>1,854,250</u>	<u>1,921,320</u>	<u>1,895,935</u>
Gross Operating Revenue Gain/(Loss)	<u>\$2,309,263</u>	<u>\$2,132,029</u>	<u>\$1,986,814</u>	<u>\$2,117,722</u>	<u>\$1,630,984</u>	<u>\$1,165,375</u>
Capital Improvements Expense	\$30,000	\$30,000	\$29,550	\$23,904	\$223,922	\$47,321
Major Maintenance & Repair	\$1,467,850	\$1,338,000	\$2,094,000	377,901	\$614,955	0
Annual Debt Service	712,630	717,105	710,105	723,652	706,799	706,044
Repayment of University Loan	100,000	100,000	100,000	0	0	0
Other Transfers	0	0	0	52,226	142,428	357,429
Other Transfers - Topeka Cuts	0	0	0	0	0	0
Bond Reserve Matured	0	0	0	0	0	0
Net Operating Revenue Gain/(Loss)	<u>(\$1,217)</u>	<u>(\$53,076)</u>	<u>(\$946,841)</u>	<u>\$940,039</u>	<u>(\$57,120)</u>	<u>\$54,581</u>
Operating Fund Balance-June 30th	\$805,398	\$806,615	\$859,691	\$1,806,532	\$866,493	\$923,613
Occupancy Rate as of 20th day **	96.1%	96.1%	96.1%	97.2%	**105.6%	**90.8%
Long Term Debt Outstanding	\$4,745,000	\$5,235,000	\$5,710,000	\$6,160,000	\$6,610,000	\$7,025,000
Capital Improvements Planned*						
Fiscal Year 2016:			\$29,550			
Fiscal Year 2017:		\$30,000				
Fiscal Year 2018:	\$30,000					

***Capital Improvements/Major Maintenance & Repair Description**

- FY18 Major Repairs - interior/exterior infrastructure repairs
- FY17 Capital Improvement - furnishings and reception center upgrades
- FY17 Major Repairs - Morse Hall -- fan coil units Towers -- update furniture and continued interior door replacement
- FY16 Major Repairs - Central Morse Hall -- upgrade lounge, reception center, fan coil units, game room Towers -- update furniture
- FY16 Continued Bathroom renovation Central Morse Hall
- FY15 Major Repairs - Central Morse Hall, room doors, flooring, blinds, paint, Lobby in Towers
- FY15 Bathroom renovation Central Morse Hall
- FY14 Complete Phase 1 and begin phase 2 remodeling of Singular/Trusler
- FY14 Capital Improvement - Technology infrastructure in Towers
- FY14 Major Repairs - new furnishings for Singular/Trusler, Morse Hall Lounges, and hot water tank/lines in Trusler basement
- FY13 Continue Phase 1 remodeling of Singular/Trusler

** Occupancy rates reflect adjustment of temporary closure of Trusler Hall

**PITTSBURG STATE UNIVERSITY
NOVEMBER 2015**

REQUEST AMENDMENT TO HOUSING RATES - Pittsburg State University

In accordance with Board Policy, Pittsburg State University requests that the Board of Regents consider for final action at its December 2015 meeting the following adjustments in housing rates to be effective with the 2016 Fall Semester.

Residence Halls	Academic Year	
	<u>15-16</u>	<u>16-17</u>
Double Room/Unlimited Meal Plan	\$7,372	\$7,572
Double Room/14 Plus 100 Meal Plan	7,156	7,356
Double Room/14 Meal Plan	6,956	7,156
Double Room/10 Plus 100 Meal Plan	6,770	6,970
Double Room/10 Meal Plan	6,570	6,770
Double Room/800 Dining Dollars Meal Plan	5,926	6,126
Single room charge (maximum)	900	900
Crimson Commons room additional charge	780	890
Willard Hall room additional charge	220	360
Application fee	45	45
Installment fee (optional payment plan)*	25	25
Late Payment fee (maximum)	30	30

* Per semester

	<u>15-16</u>	<u>16-17</u>	<u>Increase to Annual Cost</u>	<u>% Increase</u>
Double Room/Unlimited Meal Plan	\$7,372	\$7,572	\$200	2.71
Double Room/14 Meal Plan	6,956	7,156	200	2.88
Double Room/10 Meal Plan	6,570	6,770	200	3.04

Student Family Apartments	Academic Year	
	<u>15-16</u>	<u>16-17</u>
Two Bedroom	\$490	\$500
Three Bedroom	555	565
Processing Fee for each new lease	45	45
Late Payment Fee	30	30

The Director of University Housing developed the proposed rates in consultation with the Assistant Director of University Housing Operations and the Vice President for Student Life.

**Financial Impact Statement
Housing Rates**

I. DESCRIPTION OF RATE ADJUSTMENT

An increase in the rates is proposed. If approved, the new rate schedule would be effective for the 2016 fall semester.

Residence Halls	Academic Year		<u>Increase for Annual Cost</u>	<u>% Increase</u>
	<u>15-16</u>	<u>16-17</u>		
Double Room/Unlimited Meal Plan	\$7,372	\$7,572	\$200	2.71
Double Room/14 Plus 100 Meal Plan	7,156	7,356	200	2.79
Double Room/14 Meal Plan	6,956	7,156	200	2.88
Double Room/10 Plus 100 Meal Plan	6,770	6,970	200	2.95
Double Room/10 Meal Plan	6,570	6,770	200	3.04
Double Room/800 Dining Dollars Meal Plan	5,926	6,126	200	3.37
Single room charge (maximum)	900	900	--	--
Crimson Commons room charge	780	890	110	14.10
Willard Hall room charge	220	360	140	63.63
Application Fee	45	45	--	--
Installment Fee (optional payment plan)*	25	25	--	--
Late payment fee (maximum)	30	30	--	--

*Per semester

Crimson Village Apartments	Academic Year		<u>Increase for Annual Cost</u>	<u>% Increase</u>
	<u>15-16</u>	<u>16-17</u>		
Two Bedroom	\$490	\$500	\$10	2.00
Three Bedroom	555	565	10	2.00
Processing Fee (new lease)	45	45	--	--
Late Payment fee	30	30	--	--

II. JUSTIFICATION FOR RATE ADJUSTMENT

In May 2009, Pittsburg State University began a multi-year, \$22 million effort to renovate all existing residence halls and a twelve-month project to construct a new residence hall complex designed to accommodate 204 additional students. Funding for the new construction and an initial phase of renovation (\$14 million) was derived from a sale of bonds to be repaid from the revenues received from operation of the housing system. As with any complex renovation taking place over a several years, hidden issues arose and inflation occurred over the years that increased the total cost of the project. To address these factors, in the past six fiscal years, University Housing funded approximately \$3.2 million from annual revenues and reserves in furnishing and other renovation costs in order to preserve the availability of authorized bond funding to sufficient levels to sustain the project. Following the completion of Nation Hall West, all bond funds have been expended. To complete the renovation and furnishing of Nation Hall East and Mitchell Hall, University Housing funded the entire projected (\$4.3 million) from reserves (50%) and from an internal short term loan (50%) from the university’s restricted fee account to be repaid over a multi-year period from annual revenues. The estimated \$275,000 in additional revenue projected from the proposed rate increase will be utilized to address inflationary increases in operating costs and the repayment of the internal borrowing.

III. STUDENT REVIEW OF FEE ADJUSTMENT

The rate adjustment of an average of less than 3% increase for residence halls was presented to the Residence Hall Assembly at their October 6, 2015, regular session. The assembly voted in favor of the proposed changes at

that same meeting, by the following vote: 26 affirmative and one negative. The group endorsed the university's continuing efforts to invest funds in the updating and improvement of the residence halls.

V. PROJECTION OF REVENUE FROM AND NUMBER OF STUDENT AFFECTED BY FEE ADJUSTMENT

The rate increases should increase annual revenue by approximately \$275,000. Approximately 1,300 students are projected to live in the residence halls.

VI. PROJECTED IMPACT OF RATE ADJUSTMENT ON STUDENT OCCUPANCY

Because residence halls are in direct competition with off-campus rentals for student occupancy, any rate increase must remain within the appropriate levels that the overall market will support. University Housing is committed to providing students with high quality accommodations at reasonable rates. Given the proximity to campus, the programmatic efforts of the departmental staff, the amenities and services provided, and the reliable maintenance provided by the university, residence hall rates are very competitive with other student housing options of equal quality in the community. With the increase in rated capacity following the completion of expansion and renovation, the normal fall occupancy percentage (historically in excess of 100%) fell slightly lower. The housing system is at 95.3% occupancy of rated capacity for the Fall 2015 semester.

**Pittsburg State University Housing
Kansas Board of Regents Rate Increase Request
Supplemental Financial Information
October 27, 2015**

	Projected FY 2017	Estimated FY 2016	Actual FY 2015	Actual FY 2014
Gross Operating Revenue	\$9,300,000	\$9,148,357	\$9,084,845	\$8,794,125
Salaries and Benefits	2,175,000	2,132,588	2,025,945	1,901,756
Other Operating Expenses	3,410,000	3,355,465	3,254,634	3,177,836
Gross Operating Revenue (Loss)	\$3,715,000	\$3,660,304	\$3,804,266	\$3,714,533
Capital Improvements Expense	600,000	548,330	563,856	660,409
Annual Debt Service	2,474,573	2,480,336	2,486,350	1,825,862
Other Capital Expenditures	***400,000	**400,000	*2,319,819	0
Net Operating Revenue (Loss)	\$240,427	\$231,638	(\$1,565,759)	\$1,228,262
Operating Fund Balance (EOY)	\$3,236,494	\$2,996,067	\$2,764,429	\$4,330,188
L/T Debt Outstanding	\$23,010,000	\$24,190,000	\$25,340,000	\$26,395,000
Occupancy Rate	98.0%	97.0%	95.3%	100.2%

Capital Improvements Planned

*FY 2015 Out of reserves to finalize Nation Hall project

**FY 2016 \$400,000—Out of reserves for repayment of internal loan on Nation Hall project (1st of 5 years)

***FY 2017 \$400,000—Out of reserves for repayment of internal loan on Nation Hall project (2nd of 5 years)

**FORT HAYS STATE UNIVERSITY
DIVISION OF STUDENT AFFAIRS
Department of Residential Life**

Consistent with Board of Regents policy, the following amendments to the Comprehensive Fee Schedule are submitted to the Board’s November 2015 meeting.

Recommended Residence Hall & Apartment Rates – 2016-2017
Rates are reported for both fall and spring semesters

Residence Hall Double Room Rates, Fall & Spring Semester

Accommodations/Plan	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
No meal plan	\$3,652	\$3,729	\$77	2.1%
Open access meal plan	\$7,477	\$7,669	\$192	2.6%
10 meals per week	\$7,303	\$7,493	\$190	2.6%
7 meals per week	\$7,249	\$7,437	\$188	2.6%

Residence Hall Single Room Rates, Fall & Spring Semester*

A premium charge of \$600 will be added for any single room accommodation in standard residence halls, McMIndes and Wiest. This results in an increase of 1.1% in the room charge for the next academic year.

Tiger Place Suites, Fall & Spring Semester

Accommodations	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
No meal plan	\$4,729	\$4,828	\$99	2.1%
Open access meal plan	\$8,558	\$8,768	\$210	2.5%
10 Meals per week	\$8,385	\$8,592	\$207	2.5%
7 Meals per week	\$8,332	\$8,536	\$204	2.4%

Wooster Place Apartment, Fall & Spring Semester (10 Months)

Accommodations (Unfurnished)	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
1 Bedroom	\$5,254	\$5,364	\$110	2.1%
2 Bedroom	\$5,697	\$5,817	\$120	2.1%
2 Bedroom Shared	\$4,645	\$4,743	\$98	2.1%

Stadium Place Apartment, Fall & Spring Semester (10 Months)

Accommodations	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
2 Bedroom	\$5,697	\$5,817	\$120	2.1%
4 Bedroom	\$5,171	\$5,280	\$109	2.1%

Additional Fees

Fee	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
Upgrade charge for a Wiest Hall suite	\$205	\$209	\$4	2.1%
Application fee	\$35	\$40	\$5	14.3%
Late fee	\$25	\$25	\$0	0%

Weekly Rates

Accommodations	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
Early arrival for students with housing contracts	\$123	\$126	\$3	2.4%
Guest room	\$171	\$175	\$4	2.3%

Daily Rates

Accommodations	2015-2016 Rate	2016-2017 Proposed Rate	Difference in Amount	Difference in Percentage
Early arrival for students with housing contracts	\$56	\$57	\$1	1.8%
Guest Room	\$28	\$29	\$1	3.6%

Summer Term

Accommodations	2015-2016 Rate	2016-2014 Proposed Rate	Difference in Amount	Difference in Percentage
Camper daily rate for a double room	\$13	\$13	\$0	0%
Camper daily rate for a single room	\$26	\$26	\$0	0%

**FORT HAYS STATE UNIVERSITY
PROPOSED INCREASES IN RESIDENCE HALL, CONTRACT BOARD AND APARTMENT
RENTAL RATES AND FEES
2016 -2017**

Business Impact of Proposed Rates

Expenditures Impact

The proposed increase of 2.1%, matching HEPI (the Higher Education Pricing Index), in the traditional residence halls, suites, and apartments and an increase of 3.0% in contract board rates, equaling a blended increase of 2.6%, will generate approximately \$230,000 in additional revenue for the 2017 fiscal year. These resources will become part of the base budget and will be used for increases in ongoing operating expenses as a result of inflation, staff adjustments, changes in compensation and capital improvements as well as the costs associated with the food service rate increase. Projects planned include upgrades to security (electronic key access) for which plans are being developed for deployment in all facilities within the next five years and other capital improvements continuing in McMIndes Hall including asbestos abatement, furnishing upgrades, and electrical upgrades. Staff positions are being modified, at additional cost, to improve programming efforts within Residential Life in support of the overall University effort to improve retention and graduation rates.

Estimated Benefits from Proposal

The proposed rate of increase in university housing will be used to help offset general operating expense increases, increases in the board rates proposed by our food service provider due to increases in overall food and benefits costs of operation and will help fund facility improvements throughout residential life. Scheduled facility improvements include asbestos abatement in McMIndes Hall to allow for removing of built in furniture to be replaced with modular furniture, electrical improvements in McMIndes Hall and capital expenditures related to replacement and demolition of Wiest Hall.

Alternatives to Proposal

The proposed rates of increase depicted on the accompanying “Recommended Residence Hall and Apartment Rates—2016-2017” were determined to be the most advantageous to all parties concerned. The rate proposal was presented to the Residence Hall Association at its regular meeting on October 22, 2015, and was approved. No alternatives were discussed.

Impact of Not Implementing Proposal

The rate increases proposed are to cover anticipated and known increases in operational costs for residential life. While the operation could survive without the increase, future plans for the maintenance, improvement, and replacement of facilities would have to be reconsidered. The goal of residential life over the next five years is to replace or refurbish all of its facilities, and to accomplish that, its price increases minimally should be near inflation during that time period. Planning continues for the replacement of Wiest Hall with an anticipated completion date of August 2017. Once its replacement is complete, Wiest Hall will be razed. The project is anticipated to include an expansion of the current food service facility and more than 500 beds which will provide 63 additional beds. With the completion of the Hansen Scholarship Hall beds will be increased by 96.

Supplemental Financial Information KBOR Rate Increase Request	Projected FY 2017	Estimated FY 2016	Actual FY 2015	Actual FY 2014
Gross Operating Revenue	\$9,366,010	\$9,135,612	\$9,372,689	\$9,903,156
Gross Operating Expense	\$5,962,508	\$5,804,647	\$5,657,082	\$5,843,898
Gross Operating Revenue(Loss)	\$3,403,502	\$3,330,965	\$3,715,607	\$3,249,258
Capital Improvements Expense*	\$2,975,000	\$5,121,000	\$ 799,804	\$2,733,181
Annual Debt Service	\$1,071,203	\$1,040,003	\$1,009,712	\$ 980,303
Other Capital Expenditures				
Net Operating Revenue(Loss)	\$ (642,701)	\$(2,830,038)	\$1,906,091	\$(464,226)
Occupancy Rate	90%	90%	90%	88%
Reserve Balance (EOY)	\$2,147,760	\$2,790,461	\$5,620,499	\$3,714,408
L/T Debt Outstanding	\$27,000,000	\$ --	\$ --	\$ --
Capital Improvements Planned*				
FY 2016		\$5,121,000		
FY 2017	\$2,975,000			

*** Capital Improvements Description:**

FY 2016 - Wiest replacement capital investment, McMIndes Hall abatement and furnishing replacement, and Wooster stairwells replacement.

FY 2017 - Wiest replacement capital investment, McMIndes furnishing replacement and electrical systems upgrades phase I.

Debt Service:

Agnew replacement cash flow guarantee.

2. Approve Allocation of FY 2017 Rehabilitation and Repair Appropriation – System **Greg Hoffman,**
Director of Facilities

Allocation of Funds for Rehabilitation and Repair Projects for Institutions of Higher Education as Appropriated to the Kansas Board of Regents

FY 2017 - \$32,000,000 (EBF)

Adjusted gross square feet (EBF-Eligible buildings only):

	<u>GSF</u>	<u>% of Total</u>
The University of Kansas	5,488,301	26.87
The University of Kansas Medical Center	2,297,176	11.25
Kansas State University	6,105,374	29.90
Wichita State University	2,243,148	10.98
Emporia State University	1,232,601	6.04
Pittsburg State University	1,507,841	7.38
<u>Fort Hays State University</u>	<u>1,548,171</u>	<u>7.58</u>
TOTAL	20,422,612	100.00

PRIORITY LISTING OF PROJECTS

ALLOCATION

The University of Kansas	\$8,598,400
1. Accessibility Improvements	\$150,000
Accessible Route from Schwegler Drive to Sunnyside Avenue	
Replace Exterior Stairs with Accessible Ramp between Malott Hall and Anshutz Library	
2. Fire Code Improvements	\$400,000
Lindley Hall - Replace Fire Alarm System	
3. Elevator Improvements	\$280,000
Watson Library - Renovate Passenger Elevator 22A	
McCollum Laboratory - Renovate Lift & Controls	
4. Roof Repair/Replacement	\$505,000
Chalmers Hall – Reroof	
Power Plant - Reroof	
Lied Center - Reroof 1996 Addition (Bales Recital Hall)	
Foley Hall – Reroof	
Malott Hall - Add Guardrail at Equipment on West Wing Roof	
5. Tuckpointing	\$150,000
Power Plant - Exterior Walls Restoration	

6. Window Repair/Replacement	\$660,000
Nichols Hall - Replace Windows	
Chalmers Hall - Replace Skylights	
Watson Library - Replace Aluminum Windows	
Watson Library - Replace Wood Windows Suite 502	
7. Boiler Repair/Replacement	\$100,000
Regnier Hall - Replace Boilers	
8. HVAC & Electrical Improvements	\$4,700,000
Zone Chiller Plant - Serving Lindley Hall, Chalmers Hall, Marvin Hall, Anschutz Library to East End of Parking Lot 36	
Summerfield Hall - HVAC & Electrical Renovation	
Haworth Hall - Replace Air Handling Units Central Wing	
9. Remodel/Renovation	\$1,300,000
Dyche Hall - Roof Replacement, 7th Floor Exterior Restoration, and 7th Floor Partial Renovation	
10. Reserve	\$353,400
Major emergency repairs (elevator, HVAC, boiler, etc.)	

The University of Kansas Medical Center **\$3,600,000**

1. Energy Conservation	\$300,000
Window replacement, BAS systems, variable frequency drives, pipe insulation	
2. Campus Exterior Maintenance	\$100,000
Clean, tuckpoint, recaulk and seal exterior masonry walls, roof repairs, sidewalk and curb repairs	
3. Facility Code Issues	\$300,000
Correct non-code compliant issues in various buildings concerning fire code, ADA compliance, electrical, plumbing, HVAC systems, hazardous remediation, and sprinkler addition and replacement	
4. Campus Interior Maintenance	\$200,000
Replacement in various buildings of deteriorated and aging flooring and ceiling materials and repair damaged walls	
5. Campus Utility Infrastructure	\$500,000
Provide for replacement of failing electrical conduit, electrical transformers, condensate tanks, pumps, AHU's etc.	
6. Applegate Energy Center Infrastructure	\$100,000
Provide for replacement of various failing and obsolete system components, piping, etc.	
7. Campus Elevator Repairs	\$50,000
Repair and upgrades to various elevator components	

- 8. **Campus Roof Repair/Replacement** \$100,000
Repair and replacement of roofs that have reached the end of their useful life
- 9. **Research Support Facility Improvements - Phase 3** \$1,500,000
Electrical system upgrades to improve redundancies
- 10. **ADA-Compliant Restrooms** \$200,000
Add ADA-compliant bathrooms to the first floor of Delp D
- 11. **Campus Infrastructure Maintenance - KUMC Wichita** \$100,000
Repair of HVAC, electrical and lighting components in buildings 90 & 92
- 12. **Campus Exterior Maintenance - KUMC Wichita** \$80,000
Provide for exterior roof repair, painting, sidewalks etc.
- 13. **Campus Interior Maintenance - KUMC Wichita** \$70,000
Provide replacement of interior finish such as ceiling, wall and flooring in buildings 90 & 92

Kansas State University **\$9,568,000**

- 1. **Main Campus Roof Repairs** \$140,000
Roof maintenance repairs for leaks, lightning systems & coatings to extend the life of roofing systems across main campus
- 2. **Ahearn Field House Roof Replacement – Main Campus** \$600,000
Complete replacement of failing 30+ yrs. old upper flat roof section that is leaking and causing damage below; Deferred Maintenance
- 3. **Nichols Hall Roof Window Replacement – Main Campus** \$300,000
Replacement to 30+ yr. old atrium roof window systems leaking and causing damage below; Deferred Maintenance
- 4. **Nichols Hall Roof Replacement – Main Campus** \$600,000
Replacement to 30 + yr. old roof system & parapet walls phase I. The roof has three levels along with stone parapet walls that tie into the roofing system which are no longer repairable and must be replaced in conjunction with the roof replacement; Deferred Maintenance
- 5. **Campus Infrastructure Repairs – Kansas State Polytechnic Campus** \$165,000
Repair/replacement of streets, walk lights, Ballou plaza, glass replacement and screen wall, waterproofing, irrigation and ongoing maintenance repairs across Polytechnic campus during the year.
- 6. **Campus Infrastructure Repairs – Vet Med Building Complex** \$215,550
Repair and replacement of walks, exterior lighting upgrades, elevator repair, and door replacement ongoing maintenance repairs during the year.

- | | |
|---|-----------|
| 7. Main Campus Infrastructure Repairs | \$750,000 |
| Repairs to exterior infrastructure storm drains, sewer, and fire service lines & steam/condensate/chilled water & palatable water lines that are 80+ years old across Main Campus ongoing maintenance repairs during the year | |
| 8. Campus Infrastructure Repairs | \$200,000 |
| Ag Research Agronomy, Western Kansas, Horticulture Forestry, Animal Science, Entomology & Grain Science Centers: Building & Infrastructure Repair | |
| 9. Main Campus Infrastructure 12.5 KV Conversion | \$600,000 |
| 15 buildings remain on the old 4160V Electrical Distribution System. This will continue to convert additional buildings to the new, more reliable, 12.5KV system to meet the buildings growing electrical requirements; multiple year project | |
| 10. Main Campus Infrastructure Restroom/Mechanical Upgrades | \$220,000 |
| Numerous public restrooms on campus are in need of renovation with code-compliant ventilation, fixtures and ADA Accommodation. Funds will selectively renovate between 1-3 restroom areas depending on size, location and level of need | |
| 11. Main Campus Infrastructure Sidewalk and ADA Requirements | \$70,000 |
| Repair and replacement of sidewalks and ADA repairs to address ongoing maintenance and safety issues during the year | |
| 12. Main Campus Infrastructure Street/Curb Maintenance Repairs | \$65,000 |
| Repairs & replacement of street and curb repairs across campus addresses safety and ongoing maintenance during the year | |
| 13. Utility Maintenance – Kansas State Polytechnic Campus | \$85,000 |
| Polytechnic: repair and replacement for boiler preventative maintenance, HVAC, lighting, kitchen, sewer upgrades | |
| 14. Utility Maintenance – Vet Med Building Complex | \$150,000 |
| Maintenance improvements of MEP systems on the Vet Med Campus | |
| 15. Main Campus Electrical Utility Maintenance | \$275,000 |
| Repair & replacement of electrical distribution equipment: sidewalk lights, streetlights, building supply and systems maintenance repairs during the year | |
| 16. Main Campus Utility Maintenance | \$925,000 |
| Repair & replacement of heating & cooling systems across campus to maintain basic education & research conditions in the buildings, including ongoing maintenance repairs during the year | |
| 17. Main Campus Utility Maintenance – Throckmorton Hall | \$160,000 |
| Replacement of a 25+ yr. old cooling coil in the Westside penthouse location that is leaking and no longer fully functional | |

18. Main Campus Utility Maintenance Bluemont Hall	\$600,000
Replacement of 35+ year old HVAC system & controls allowing conversion to the more efficient Chilled Water Plant to meet the educational and research building requirements Energy Savings	
19. State Fire Codes – Kansas State Polytechnic Campus	\$23,000
Maintenance corrections on fire code related issues during the year	
20. State Fire Codes – Vet Med Building Complex	\$35,000
Maintenance corrections on fire code related issues during the year	
21. State Fire Codes – Main Campus	\$250,000
Maintenance corrections on fire code related issues during the year	
22. State Fire Codes – Main Campus	\$860,000
Project funds for architectural, engineering & construction services for corrective actions to address major building/fire code violations	
23. Stone/Brick Replacement/Tuck Pointing – Kansas State Polytechnic Campus	\$15,000
Tuck pointing & caulking of building envelope repairs across campus as needed	
24. Nichols Hall Stone Restoration	\$700,000
Stone Replacement Phase IV 100% Replacement of 103 year old stone on SE side of building to address water, mold and safety issues; Building Envelope; Deferred Maintenance	
25. Stone Replacement and Tuck Pointing – Main Campus	\$100,000
Tuck pointing & caulking of building envelope systems across campus as needed	
26. Classrooms - Kansas State Polytechnic Campus	\$15,000
Classroom maintenance improvements to enhance learning environments	
27. Classrooms – Throckmorton Hall Room 104	\$445,000
Full and complete renovation of ceilings, lights, floors, heating & cooling systems, technology, seating and finishes to enhance the learning and teaching environment	
28. Classrooms – Waters Hall Room 328	\$300,000
Consisting of upgrades to lights, technology, seating and finishes to enhance the learning and teaching environment	
29. Classrooms – Main Campus - Arts & Science Department	\$200,000
Needed space renovations and repairs to maintain basic education & research environments on main campus	
30. Classrooms Main Campus – Maintenance Repairs	\$50,000
General classroom maintenance and repairs to furniture, boards and room finishes as needed during the year – addresses ongoing maintenance issues	
31. Hazardous Material Abatement - Kansas State Polytechnic Campus	\$10,000
Addresses Polytechnic Campus hazardous material abatement issues that arise during daily maintenance and operational functions	

- 32. Hazardous Material Abatement - Main Campus** \$100,000
 Addresses hazardous material abatement issues – including Asbestos, Lead Paint, CFC, Transformer & Switch Oil – that arise during daily maintenance and operational functions
- 33. Painting, Windows & Doors - Kansas State Polytechnic Campus** \$40,000
 Includes cyclic painting of public spaces and maintenance/replacement of doors, hardware and windows to maintain the basic integrity of the Polytechnic Campus during the year
- 34. Painting, Windows & Doors – Vet Med Building Complex** \$70,000
 Includes cyclic painting of public spaces and maintenance/replacement of doors, hardware and windows to maintain the basic integrity of the building complex during the year
- 35. Painting, Windows & Doors – Main Campus** \$209,450
 Includes cyclic painting of public spaces and maintenance/replacement of doors, hardware and windows to maintain the basic integrity of the main campus buildings during the year
- 36. Floor Covering - Kansas State Polytechnic Campus** \$25,000
 Includes floor-covering replacement to maintain the integrity of the Polytechnic campus during the year

Wichita State University **\$3,513,600**

- 1. Campus Floor Covering Replacement** \$ 300,000
 Replace deteriorated carpet and tile in campus buildings
- 2. Campus Sidewalk Repair** \$200,000
 Replace uneven and cracked sidewalks throughout campus
- 3. Exterior/Interior Door Replacement** \$250,000
 Replace deteriorated doors and outdated hardware in campus buildings
- 4. Exterior/Interior Lighting Upgrades** \$100,000
 Replace outdated lighting fixtures: walk lights, street lights, and classroom lights with new energy efficient fixtures
- 5. Upgrade Elevators Various Buildings** \$100,000
 Replace outdated elevator controls and other components with new parts and equipment
- 6. Fire Alarm System Testing and Repair** \$125,000
 Annual inspection and correction of found deficiencies as required by Kansas State Fire Marshal’s Office

7. Fire Sprinkler System Testing and Repair	Annual inspection and correction of found deficiencies as required by Kansas State Fire Marshal’s Office	\$100,000
8. Refurbish Restrooms in Various Campus Buildings	Continue to upgrade campus restrooms with new finishes and fixtures	\$250,000
9. Refurbish Classrooms in Various Campus Buildings	Continue to upgrade campus classrooms with new lighting, finishes, seats, & floor coverings	\$200,000
10. Campus ADA Improvements	Continue to improve campus accessibility throughout campus	\$100,000
11. Replace Roof – McNight East/West	Continue to replace roofs as warranties expire	\$325,000
12. Asbestos Abatement Various Campus Buildings	Remove asbestos when encountered in buildings throughout campus	\$25,000
13. Campus Safety Upgrades	Continue to upgrade campus safety systems such as emergency telephones around campus	\$50,000
14. Hubbard Hall Column Removal	Removal of decorative column to facilitate upcoming window replacement	\$150,000
15. Heskett Center Roof Replacement	Continue to replace roofs as warranties expire	\$800,000
16. Exterior Wall and Foundation Repair – Various Campus Buildings	Continue to improve exterior conditions of buildings	\$113,600
17. Electrical Upgrade – Various Buildings	Replace electrical equipment that has reached the end of its useful life	\$50,000
18. Interior Room Signage	Provide or Replace existing signage to comply with ADAAG requirements to assist with way-finding	\$25,000
19. Upgrades to Utility Tunnel Infrastructure, Piping, Supports, and Valves	Replace rusted piping supports, non-functioning valves and piping insulation	\$250,000

Emporia State University **\$1,932,800**

1. Repurpose Underutilized Classrooms into Learning Centers	Continue the repurposing existing public spaces and underutilized classrooms into learning centers (with energy efficient lighting, furniture, technology and accessibility improvements) for students at: Roosevelt Hall, Visser Hall and P.E. Building	\$300,000
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2. Update and Enhance Classrooms & Teaching Laboratories	\$350,000
Continue the selected existing classrooms and teaching laboratories across the campus to update and enhance the esthetics, accessibility and technology in each room. This would include replacing floor, ceiling and wall finishes. Improve lighting, sound/projection systems. Replace casework, lab stations and furniture	
3. Construct Storage Facility	\$250,000
Replace existing dilapidated storage units with a single facility to provide storage for university facilities and campus use	
4. Corridor Improvements at Various Campus Buildings	\$125,000
Upgrade existing original corridors (floors, ceilings and walls) that are over 30 years old	
5. Phase II - Utility Relocation	\$475,000
The second phase of the overhead utility relocation on the north and west side of campus. Phase II will relocate the overhead utility lines to underground services from the north side of the Tennis Courts to 15th Avenue. This is part of the University Master Plan	
6. Fire Alarm System and Device Inspection and Repairs	\$35,000
Continue repairs and improvements to fire alarm systems and devices as indicated and/or required by the State Fire Marshal’s annual inspection	
7. Replace Floor Covering - Various Buildings	\$147,800
Continue repairs and improvements to existing floor coverings in need of replacement at various buildings across campus	
8. HVAC Repairs & Replacements	\$150,000
Continue repairs and improvements on existing HVAC equipment at various buildings across campus.	
9. Sidewalk, Street and Exterior Improvements/Repairs	\$100,000
Continue repairs and improvements on exterior campus sidewalks, streets, signs and exterior elements to sustain accessibility for the disabled and improve wayfinding on campus.	
<u>Pittsburg State University</u>	<u>\$2,361,600</u>
1. Axe Library Phase II	\$950,000
Continue to work on new finishes, ceilings & lights, and reconfiguring the space to add group study areas and rooms	
2. Yates Hall & Grubbs Hall Restroom Renovations	\$325,000
Renovate one set of bathrooms in each building to include new fixtures, partitions, and finishes	

3.	KTC Roof Replacement-Phase I Remove and replace deteriorated roofing and insulation with new insulation and membrane roofing	\$500,000
4.	Weede PE Building Lecture Room Renovation Renovate old existing weight room into a tiered lecture classroom	\$286,600
5.	Campus Life Safety Systems Repairs and Maintenance Repair, replace life safety items and /or upgrade fire alarm, fire suppression, and emergency lighting components	\$100,000
6.	Whitesitt Hall First Floor Corridor Replace flooring, ceiling and lights and paint the walls	\$200,000

Fort Hays State University **\$2,425,600**

1.	Campus Sidewalk Replacements Replace deteriorated segments of sidewalk pavement throughout campus	\$35,000
2.	HVAC Repairs/Replacement Repair or replace components of existing HVAC equipment located throughout the academic campus	\$30,000
3.	Campus Asbestos Abatement Provides funding for removing small quantities of asbestos-containing materials found in plumbing chases, floor finishes, and mechanical spaces	\$5,000
4.	Cunningham Hall Steam Distribution Upgrade Replace piping and other components related to steam generation systems in Cunningham Hall	\$20,000
5.	Life Safety Systems Repairs and Maintenance Repair, replace and test fire alarm, fire suppression and emergency lighting	\$15,000
6.	Street Repairs Replace portions of deteriorated concrete street paving that are 50+ years-old	\$65,000
7.	Campus Floor Finish Replacement Replace worn carpeting at classrooms and offices throughout the campus	\$70,000
8.	Campus Door Hardware Improvements – Phase II Replace existing entrance door hardware with new electronic access locks and associated hardware	\$100,000
9.	Campus Exterior Lighting Improvements – Phase III Replace aging metal halide pedestrian fixtures and high pressure sodium street lighting with new energy-efficient LED luminaires and aluminum poles	\$300,000

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| 10. Gross Coliseum Sanitary Sewer Improvements-South Zone | \$500,000 |
| Remove and replace deteriorated sanitary sewer lines at south quadrant of Gross Cunningham. This is a multi-phase project at Cunningham Hall/ Gross Coliseum | |
| 11. Akers Energy Center Boiler Replacements | \$1,250,000 |
| Remove and replace (3) original (1967) boilers with new higher efficiency units, as well as other associated piping and equipment.
This is the first year of a 3-year request to fund the project | |
| 12. Miscellaneous Roof Repairs | \$15,600 |
| Provides funding for small roof repairs until complete roof replacement can be funded | |
| 13. Exterior Utility Repairs | \$20,000 |
| Provides funding for minor repairs or replacements of water, sanitary sewer, natural gas or storm sewer systems | |

SUMMARY

	<u>Allocation</u>
The University of Kansas	\$8,598,400
The University of Kansas Medical Center	3,600,000
Kansas State University	9,568,000
Wichita State University	3,513,600
Emporia State University	1,932,800
Pittsburg State University	2,361,600
Fort Hays State University	<u>2,425,600</u>
TOTAL	\$32,000,000

3. Authorize Amendment to the Budget for Student Union – KSU

Kansas State University requests authorization to amend the FY 2016 project budget of the K-State Student Union expansion and renovation project, and increase it from \$25 million to \$31 million. The project will be financed from a \$25 million bond and \$6 million from special revenue funds from the Department of Housing and Dining Services, privilege fees and university resources. Originally built in 1956, the Union is an important part of campus life, founded by students for students. In April 2013, Kansas State University students passed a referendum supporting renovations of the Union to update the current food service model and provide additional space for student lounges and study space. Food service will no longer be outsourced but will be managed by the Union. The Union has successfully negotiated with food vendors to operate in the Union including Housing and Dining Services, which will open and operate a dining restaurant similar to JP's that Housing and Dining Services owns and operates in the Jardine apartment complex. The university requests authorization for Housing and Dining Services to invest \$1.2 million of Housing and Dining Services fund reserves for the build-out and kitchen equipment and supplies necessary for the restaurant. The investment will be reimbursed to Housing and Dining Services from profits generated from the restaurant in the Union.

The scope of the project was also expanded to include the renovation and replacement of the Union roof and all exterior windows at a cost of \$2.1 million. Student privilege fee funds dedicated to repair and renovations within the Union will fund the cost of the roof and window replacements. In addition, the university requests additional renovations outside of the scope of the original project that includes the Little Theatre, Forum Hall, a catering kitchen on the second floor, and a Call Hall ice cream parlor totaling \$2.7 million. Funding for these renovations are from privilege fee balances and university resources.

4. Act on Amendments to the Summary of Approval Requirements Policy and the Capital Improvement Projects Policy

Summary and Recommendations

This item proposes revising Board policy to redefine Capital Improvement projects as “those with costs for which exceed \$1,000,000,” and redefine Rehabilitation and Repair projects as “those projects that cost \$1,000,000 or less.” This item also proposes to adjust the limit of Director’s Approval to apply to Rehabilitation and Repair projects with costs of less than \$750,000. The proposed amendments are intended to align with the new \$1 million threshold for capital improvements established in HB2395 and have been reviewed by the Fiscal Affairs and Audit Standing Committee, approved by the Board Governance Committee, and were endorsed by both the Council of Business Officers and at meeting of the Campus Architects.

Background

Currently, Board policy defines Capital Improvement projects as “those the costs for which exceed \$750,000” and subsequently defines Repair and Rehabilitation (R&R) projects as “those projects that cost \$750,000 or less.” Additionally, Board policy currently allows for Director’s Approval on R&R projects with costs less than \$500,000. Previous to the most recent legislative session, these Board-approved limits aligned with those used by the Secretary of Administration.

This past legislative session there was an acknowledgement that the current limits had been in place for a decade and had not kept pace with increases in cost for construction and services. Accordingly, HB 2395 increased the threshold of capital improvement costs to \$1 million before the Secretary of Administration must convene a meeting of the State Building Advisory Commission. Under previous law, the Commission convened when the project costs were either at least \$750,000 for architectural services or \$500,000 for engineering services. HB 2395, effective July 1, 2015, repeals the separate threshold amounts and establishes both at \$1 million.

Both Secretary of Administration and Board of Regents staff were supportive of HB 2395 as its new limits more accurately reflect the current costs for construction and services associated with typical Repair & Rehabilitation projects. The new \$1 million threshold will allow the institutions to address these projects in a more efficient and timely manner; eliminating the need to convene the State building Advisory Commission and reducing Secretary of Administration staff time involved in procurement of these contracts. Additionally, within the Board of Regents office, increasing the Director’s Approval limit from \$500,000 to \$750,000 will allow for a more timely approval of Repair and Rehabilitation projects that are often routine or of immediate necessity.

In an effort to align our Board of Regents Policy approval requirements with those limits established by HB 2395, Board staff is proposing the following amendments to Board policy, Section E: Facilities:

2 SUMMARY OF APPROVAL REQUIREMENTS

	Board of Regents	Building Committee	Full Legislature	Program Statement required?	Execution process (architect/contractor)
Capital Improvements and Financing > \$750,000 \$1,000,000					
Affiliated Corporations	approve	advise		yes	Campus
State General Fund	approve	advise	approve (DA 418)	yes	State selection/bid
All Other Non-State Funds	approve	advise		yes	K.S.A. 76-7,125 <i>et seq</i>
Revenue Bonds	approve	advise	approve (DA 418)	yes	State selection/bid
Federal Grants	approve	advise		yes	K.S.A. 76-7,125 <i>et seq</i>
Educational Building Fund	approve	advise	*** ³	yes	State selection/bid
Rehabilitation and Repair Projects⁴					
Affiliated Corporations	approve	advise		no	Campus
State General Fund/EBF	approve	advise		no	State selection/bid
All Other Non-State Funds	approve	advise		no	K.S.A. 76-7,125 <i>et seq</i>
Federal Grants	approve	advise		no	K.S.A. 76-7,125 <i>et seq</i>
Deferred Maintenance Projects					
Infrastructure Maintenance Funds	approve	advise		no	State selection/bid
University Interest	approve	advise		no	K.S.A. 76-7,125 <i>et seq</i>
Tax Credits	approve	advise		no	State selection/bid
Energy Performance Contracting	approve	advise			K.S.A. 75-37,111 through 37,114 and 75-37,125
Building Razing	approve	advise ⁵			

³ If new project or major renovation.

⁴ Projects < ~~\$500,000~~ \$750,000 require only Director’s approval.

⁵ Not required by law.

3 CAPITAL IMPROVEMENT PROJECTS

a Definitions

- i Capital improvement projects are those the costs for which exceed ~~\$750,000~~ \$1,000,000, regardless of funding source, including new buildings, remodeling or alterations, annual maintenance, and utility projects. Deferred maintenance projects are governed by subsection 5., below.
- ii Educational Building Fund, or EBF, means the fund created pursuant to K.S.A. 76-6b01 *et seq.* and funded by the annual mill levy authorized by Article 6, Section 6 of the Kansas Constitution. Moneys in the EBF may only be expended as authorized by K.S.A. 76-6b02.

b Process

- i *Initial Request:* Each state university shall include initial concept requests for authorization of capital improvement projects with the university's five year plan submitted to the Board for consideration on April 1 of each year. Each project that will require the services of an architect and/or engineer shall have a written program statement included with the request. The request shall identify each anticipated source of funding for the project. For improvements that include new space for which private moneys are to finance at least 51% of the cost, the request shall include a plan for paying the annual maintenance and operation costs for the project from either private funds or existing university resources. (K.S.A. 76-790) For improvements that include new space for which private moneys are to finance less than 51% of the cost, the request shall include a plan for paying annual maintenance and operation costs that identifies the resources to be used for such costs. Such annual maintenance and operation costs plans shall be included in the program statement and shall adhere to standards prescribed by the Board's Director of Facilities. Each request approved by the Board shall be filed with the appropriate state offices on or before July 1 in the format determined by the State Budget Director. Each state university is prohibited from pursuing gubernatorial or legislative approval of any project not previously approved by the Board.
- ii *Amendments:* Amendments to the current year capital improvements project list may be submitted to the Board at times other than those specified above. Once approved, each university shall be responsible for ensuring that appropriate legislative approvals are obtained, including advising the Joint Committee on Building Construction.
- iii *Licensed Professional Consultants:* The design and construction administration for all new buildings and major renovations on state property shall be performed by licensed professional consultants retained in accordance with Kansas statutes. A written program for each building project shall be submitted and approved by the Board and by the Legislature or legislative building committee as set forth in section E.2. before such services are obtained.
- iv *Program Statements:* Minimum requirements for program statements include introductions, project budgets, and project schedules. For new construction or major renovations the program statement must also include space projections, space summaries, space descriptions, a discussion of the impact the additional space will have on overall campus space, and new buildings operating costs and the proposed source of funding for such operating costs (or a statement that such will not be requested). Additional information that the institutions deem necessary may be included.
- v *Design Development Plans:* Following Legislative and Board approval of a specific capital improvement project, design development plans for a building or project and the location of the new building shall be submitted to the President and Chief Executive Officer for review and approval before final plans are prepared. The President and Chief Executive Officer, upon the recommendation of the Director of Facilities, may approve said design development plans for the Board.

c Funding

- i *Funding Sources:* Capital improvement projects may be paid for from state general funds, tuition, educational building funds, revenue bond proceeds (in accordance with chapter II.D. of this Policy Manual), restricted fees, research overhead funds and other resources as approved by the Board.

Capital improvement projects that are also approved deferred maintenance projects may be paid for in whole or in part by tuition interest earnings, contributions received pursuant to the postsecondary educational institution tax credit program (K.S.A. 79-32,261), and other funds earmarked by the Board or Legislature for the purpose of addressing deferred maintenance.

- ii *Federal Grant Requests:* All institutional requests for federal grants for capital improvements shall be submitted to the Board President and Chief Executive Officer before the request is submitted to the appropriate federal agency.
- iii *Private Funds:* No capital improvement project that is funded in part or totally from private funds may proceed to signature of contract unless and until all private funds have been deposited in an account for the use of the project or a letter of credit has been received by the Board President and Chief Executive Officer that guarantees the availability of the funds necessary to complete the project.
- iv *Fund Raising:* In addition to the project approval required in subsection 3.b.i. of this section, notification of all capital improvement projects to be funded in part or in whole from private resources must be submitted to the Board’s President and Chief Executive Officer before fund raising efforts are publicly announced.

d Annual Maintenance

Beginning with projects initiated after January, 2007, and except as otherwise specifically provided for by law or approved by the Board, state universities shall not seek new state general funds to finance annual maintenance and operation costs for any new capital improvement project.

4 REHABILITATION AND REPAIR PROJECTS

a Definition

Rehabilitation and repair projects are those projects that cost ~~\$750,000~~ \$1,000,000 or less, including new buildings, remodeling or alterations, annual maintenance, or utility projects. Deferred maintenance projects are governed by subsection 5. below.

b Process

The state universities are authorized by the Board and the Legislature to proceed with rehabilitation and repair projects on a fiscal year basis. Upon request of the university with concurrence of the Board’s Director of Facilities, the Board President and Chief Executive Officer has the authority to revise such authorizations during the fiscal year; provided, however, that any project requiring expenditures of ~~\$500,000~~ \$750,000 or more must be considered by the Board.

c Funding

The Board receives an annual line item appropriation from the Educational Building Fund for rehabilitation and repair projects. This appropriation is allocated by the Board to the state universities pursuant to an “adjusted square footage” formula, which factors in gross square footage, building age and complexity of the physical plant.

Additionally, the universities may provide funds for rehabilitation and repair projects from state general fund revenues, tuition, restricted fees, research overhead funds and other resources as approved by the Board.

Rehabilitation and repair projects that are also approved deferred maintenance projects may be paid for in whole or in part by tuition interest earnings, contributions received pursuant to the postsecondary educational institution tax credit program (K.S.A. 79-32,261), and other funds earmarked by the Board or Legislature for the purpose of addressing deferred maintenance.

Recommendation

The proposed amendments were reviewed by the Board Fiscal Affairs and Audit Standing Committee, approved by the Board Governance Committee, and were endorsed by both the Council of Business Officers and at meeting of the Campus Architects. Staff recommends approval.

5. Act on Amendments to the Financial Reporting Policy

**Elaine Frisbie
VP, Finance & Administration**

Summary and Recommendation

In 2010, the Board adopted a policy to require periodic external management reviews of the Regents universities to ensure there are no conflicts of interest among the various affiliated corporations attached to the campuses. Now that several external reviews have been performed under the policy, a few modifications are recommended by the Council of Business Officers. Staff recommends approval.

Background

Board policy has a number of provisions related to financial reporting by the Regents universities. With regard to public funds, Board policy requires the state universities to submit a comprehensive financial report for the prior fiscal year. Furthermore, as state agencies, the state universities are included in the state’s independent annual comprehensive financial audit. Board policy also requires the state universities to have an internal audit function.

Policy also provides that periodic external management review of the use and expenditure of non-public, unrestricted funds held by a state university or an affiliated corporation of the university and under the direction of each state university chief executive officer and each state university chief executive officer’s direct subordinates may be performed at any time, but at least every five years, or when the university CEO leaves office.

During the last year, the requirement that each university undergo an external management review at least every five years was implemented for the first time. As a result, it became clear that the work being performed by the Board’s external firm was duplicative of work that was also being done by the auditors of the non-controlled affiliates. The change in policy will allow for a more efficient means of providing the information that the Board needs to assure itself that conflicts of interests are monitored. The policy changes have been reviewed by the Council of Business Officers and the university internal auditors.

Recommended changes to the pertinent sections are noted below.

5 FINANCIAL REPORTING

a Annual Financial Report

Each state university shall submit to the President and Chief Executive Officer a comprehensive financial report for the prior fiscal year in accordance with the schedule maintained on the Board of Regents’ website. The President and Chief Executive Officer shall be responsible for recommending to the Board any specific financial report findings that should be further reviewed by the Board. The financial report shall conform to a format determined by the Council of Business Officers. The financial report shall reflect conformity with financial reporting methods and formats promulgated by the American Institute of Certified Public Accountants, ~~and the~~ Governmental Accounting Standards Board and the National Association of College and University Business Officers’ Financial Accounting and Reporting Manual for Higher Education (~~formerly CUBA~~) unless otherwise provided by state law, practices or procedures.

b Internal Audit Function

i Each state university shall have an internal audit function. The responsibility of the internal audit function is to serve the university in a manner that is consistent with the *International Professional Practices Framework (IPPF)* promulgated by the Institute of Internal Auditors. Additional resources, tools and guidance should be obtained through the Association of College and University Auditors and the Committee of Sponsoring Organizations.

- ii The purpose, authority, and responsibility of each university's internal audit function shall be defined in a formal written document (internal audit charter) that is approved by each state university's chief executive officer. The charter shall make clear the purposes of the internal audit function, specify the unrestricted scope of its work, and declare that auditors are to have no responsibility for the activities they audit. The scope of work of the internal auditors shall include review of university controlled affiliated corporations, including a review ~~of the IRS form 990 for each such corporation, with a focus on~~ for potential conflicts of interest and transactions between the university and university controlled affiliated corporations. The charter shall endow internal auditors with the authority to fully and freely access all the university's records, properties, and personnel relevant to an audit. The charter shall provide that the auditor report directly to the university chief executive officer on all audit matters. The charter shall clearly state that internal auditors shall report directly to the Board Fiscal Affairs and Audit Committee any situation wherein the auditor perceives a conflict of interest with or on the part of the university chief executive officer's involvement with the subject of an audit. In addition, each state university shall include the charter in university manuals, policies, and procedures as appropriate. Each state university internal audit department shall report annually to the Board's Committee on Fiscal Affairs and Audit, summarizing the prior year's activities and audit plans for the coming year. Each state university shall notify the Board's Committee on Fiscal Affairs and Audit in writing of any personnel change in the position of university internal auditor.
 - iii Each state university shall develop and maintain an internal audit plan. At a minimum, internal controls for the university's highest risk units, based on public funds exposure, should be assessed on a regular basis.
 - iv Each completed internal audit reporting material financial weaknesses or fraud shall be submitted to the Board President and Chief Executive Officer who shall be responsible for recommending to the Committee on Fiscal Affairs and Audit any specific audit findings that should be further reviewed by the Committee.
- c Non-Public Funds Management Review
- i Each state university chief executive officer shall maintain on file at the university a current list and description of the non-public, unrestricted funds under his or her direction or that of direct subordinates.
 - ii Each state university chief executive officer shall maintain and provide to the Board annually a list of all affiliated corporations (controlled and non-controlled) and a description of their respective governing boards and management structure.
 - iii Each state university shall annually review the roles of direct subordinates in or with such affiliated corporations for the purpose of identifying potential conflicts of interest. If appropriate and to the extent it is within the chief executive officer's control, the university chief executive officer shall initiate a plan to either eliminate or manage any identified actual or potential conflicts of interest and shall file the plan with the President and Chief Executive Officer of the Board of Regents.
 - iv The President and Chief Executive Officer of the Board shall annually review the roles of the state university chief executive officers in or with all affiliated corporations for the purpose of identifying potential conflicts of interest. If appropriate, the President and Chief Executive Officer of the Board shall initiate a plan to either eliminate or manage any actual or potential conflicts of interest and shall submit such plans to the Board Chair and Vice-chair for approval.
 - v The Board may initiate external management reviews of the use and expenditure of non-public, unrestricted funds held by the university or an affiliated corporation of the university and under the direction of each state university chief executive officer and each state university chief executive officer's direct subordinates at any time, but such reviews shall be conducted no less than once every 5 years beginning fiscal year 2013. For the once every five year audits, the period under review may be limited to the immediately preceding fiscal year. Additionally, such reviews shall be conducted

when there is a change in the chief executive officer. All such reviews shall be contracted by the Board and financed by a transfer of funds to the Board from the state university under review. The university shall request its university non-controlled affiliated corporations having non-public, unrestricted funds that are under the direction of the university chief executive officer or the chief executive officer's direct subordinates to cooperate in the conduct of such reviews.

- vi Each state university chief executive officer shall request the board of directors of each university non-controlled affiliated corporation to ~~include in the scope of~~ conduct an agreed-upon procedure engagement be performed at the time of its annual independent audit ~~identification of~~ to identify actual or potential conflicts of interest involving unrestricted, non-public funds under the authority or direction of the university chief executive officer or the chief executive officer's direct subordinates. ~~The state university chief executive officer shall request that such review~~ Agreed upon procedures shall be established by the Board's Fiscal Affairs and Audit Committee. The agreed-upon procedures shall include an examination of fund transfers and other transactions between and among the university, its affiliated corporations, and external entities reported on statements of substantial interest forms, and that the. The university non-controlled affiliated corporation shall be asked to share a report of each such ~~review~~ engagement with the President and Chief Executive Officer of the Board.
- vii For purposes of paragraph c.,
 - (1) "non-public funds" means any funds expended for the benefit of the state university but not processed through the state financial system, and
 - (2) "affiliated corporation" shall not include the Wichita State University Board of Trustees.

Recommendation

Staff recommends approval of these amendments.

- 6. Adopt Bond Resolution for the Renovation and Expansion of Seaton Hall; Approve the Execution of Various Documents in Connection Therewith – KSU** **Julene Miller,
General Counsel**

Summary and Staff Recommendation

Kansas State University requests that the Board of Regents adopt a Resolution for the issuance of revenue bonds, proceeds of which will be used to renovate and transform the Architecture, Planning and Designs building, Seaton Hall, into a 21st-century hub of teaching, research, and learning that reflects the college’s concern for the environment and promotes interdisciplinary collaboration.

The Resolution would authorize the issuance of KDFFA Revenue Bonds in one or more series in a total aggregate amount sufficient to finance project expenditures of not to exceed \$60,000,000, plus costs and reserves. The purpose of these Bonds is to finance the costs of the renovations. The Bonds will be secured with a pledge of generally available unencumbered funds of the University, though for fiscal year 2017 the state directly appropriated educational building funds to the university to pay debt service for the Seaton Hall project and the university expects to use a portion of its share of educational building funds to pay debt service for the Seaton Hall project in future fiscal years.

The University, in consultation with KDFFA, is also considering issuance of Refunding Bonds, to be secured by generally available unencumbered funds of the University but debt serviced by fees collected for each specific purpose, to refund certain outstanding revenue bonds of the University at a present value savings of at least 3% of the principal amount of the outstanding Refunded Bonds. However, in accordance with the new debt policy adopted by the Board in 2014, Board approval of a Resolution for a refunding of this nature is not required.

As of June 2015, the University and its affiliated corporations had approximately \$358M in outstanding revenue bonds. The University has identified a specific revenue source to pay the debt service on all outstanding bonds, and \$298M of the \$358M is also supported by a pledge of generally available unencumbered funds of the University.

The Resolution further authorizes the Chair and the President and CEO to execute the Resolution and various other documents relating to the security and payment of such Bonds in such form as is approved by the General Counsel to the Board and necessary to accomplish the purposes set forth in the Resolution and the issuance of the Bonds, and authorizes the President of the University to execute the Pledge of Revenues Agreement and various other documents relating to the security and payment of such Bonds in such form as is approved by the university general counsel and necessary to accomplish the purposes set forth in the Resolution and the issuance of the Bonds.

Background

The Kansas Development Finance Authority (KDFFA), created by the 1987 Kansas Legislature, K.S.A. 74-8901, *et seq.*, has authority to issue bonds on behalf of the State for projects authorized by the Legislature. K.S.A. Supp. 74-8905(b) provides, in part, that:

The authority may issue bonds for activities and projects of state agencies as requested by the secretary of administration. Research facilities of state educational institutions shall be subject to the provisions of this subsection (b). No bonds may be issued pursuant to this act for any activity or project of a state agency unless the activity or project either has been approved by an appropriation or other act of the legislature or has been approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto.

Authority to initiate and complete a capital improvement project, and to issue revenue bonds, for the Seaton Hall project has been granted by the Legislature in Chapter 104, Section 206(g) of the 2015 Session Laws of Kansas which provides:

In addition to the other purposes for which expenditures may be made by Kansas state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 authorized by this or other appropriation act of the 2015 or 2016 regular session of the legislature, expenditures shall be made by Kansas state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2016 or fiscal year 2017 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project for the renovation and expansion of Seaton hall, the college of architecture planning and design: *Provided*, That such capital improvement project is hereby approved for Kansas state university for the purposes of K.S.A. 74-8905(b), and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That, Kansas state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$60,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project and any required reserves for payment of principal and interest on the bonds: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from the Kansas educational building fund or any other appropriate funds: *And provided further*, That Kansas state university shall make provision for the maintenance of Seaton hall, the college of architecture planning and design.

Pursuant to these authorizations, and after consulting with KDFFA, the University proposes to issue Revenue Bonds in an aggregate principal amount sufficient to finance expenditures for costs of the Project in an amount not to exceed \$60,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on such revenue bonds during the construction of the project, credit enhancement costs, and any required reserves for the payment of principal and interest on such revenue bonds. After consultation with KDFFA, the University is proposing that the Bonds be secured by a pledge of generally available unencumbered funds of the University, though the University expects to use a portion of its share of the Educational Building Fund to pay debt service on the Bonds.

The Seaton Hall Project, and anticipated use of revenue bond financing, was first submitted to the Board at its November 2013 meeting in the university's FY2015 capital improvement project plan.

The Project

Seaton Hall

An exciting future lies ahead for Architecture, Planning and Design (APDesign) as its Seaton Complex is transformed into a 21st-century hub of teaching, research, and learning that reflects the college's concern for the environment and promotes interdisciplinary collaboration. Revitalizing Seaton Complex affords the opportunity to create a 21st-century interdisciplinary learning and design research facility reflecting the college's belief in the enriching potency of design, while conveying its dedication to the historic heritage of Kansas State University's traditional home and demonstrating the University's commitment to the stewardship of the

environment. Given the urgency of upgrading Seaton Court and Hall to a level of quality commensurate with the national reputation and standing of Kansas State's programs, this project has the potential to serve as a paradigm of best practices in revitalizing the historic core of campus. It provides an opportunity to set the sustainable standard on campus in the design of the revitalized complex. Design education has changed significantly over the past twenty years as the technology used in design and production has evolved. The computer has changed the way design investigations are carried out, while digital production has dramatically changed how designs are created. Recognizing these changes, the University has invested significant resources in acquiring and staffing state-of-the-art equipment for use by students and faculty within APDesign, better preparing students for the trajectory of design practice in the 21st-century. However, while strides have been made in this area, it has been done in low-grade space that more often than not dictates and limits the potential for interaction in research and design. As Kansas State University moves toward its goal of becoming a Top 50 public research institution by the year 2025, increasing interdisciplinary interaction will be emphasized in APDesign, with spaces and amenities that will afford students and faculty the opportunity to work with other disciplines. 1) The following projects are renovation projects aimed at improving the functionality of current spaces: a. A remodel of all spaces on three floors of Seaton Hall East incorporating new mechanical, electrical, and networking systems commensurate in accommodation of the projected building program. The current situation of Seaton Hall East includes inadequate and noisy mechanical systems, inflexibility of electrical and networking systems, and other deficiencies including noise control and life safety concerns; and b. Renovating the two floors of Mechanics Hall, maintaining and reinvigorating its historical aspects while making it fit the needs of our college. Built in 1875, it is one of the oldest buildings on campus which was last remodeled in 1977, when it was renamed Seaton Court. The renovation will remedy numerous fire codes and deferred maintenance issues as well as significantly improve some of the college's most degraded spaces. 2) The following project is a replacement/addition project in line with the goals and aspirations stated above. Two or three-story learning and research center with classrooms, studios, galleries, auditorium, visualization/lighting/day lighting laboratories, digital production facilities, design+build shop, and faculty/staff/administrative offices. Includes new entry with public lobby and connection to Seaton and Mechanics Halls. This construction replaces late 19th and early 20th-century, largely single-story foundry space with ad hoc additions including mezzanines and attached low-grade storage areas. This construction is not historic in value, poorly arranged spatially relative to current uses and sequences, and is exceedingly difficult to manipulate to accommodate modern HVAC, electrical, networking and plumbing systems.

The total cost of the project is estimated to be \$75M, which will be partially funded from the issuance of \$60M from bond funds. A combination of gift funds and university funds will be used to fund \$15M of the project cost.

The debt service will be paid primarily using \$3.7M of the University's annual allocation from the Educational Building Fund.

The Refunding Bonds

KDFA has previously issued Revenue Bonds to provide financing for other projects at the University. The University, in consultation with KDFA, is considering requesting that refunding revenue bonds be issued by KDFA on behalf of the University to refund a portion of such outstanding Revenue Bonds to achieve interest cost savings. The Refunding Bonds may be issued only if the projected present value savings resulting from the issuance of the Refunding Bonds is not less than 3% of the principal amount of the outstanding Refunded Bonds. The Refunding Bonds will also be secured by a pledge of generally available unencumbered funds of the University and debt serviced with student fees specifically designated for this purpose.

The debt policy amendments adopted by the Board last spring provide that refunding bonds meeting the 3% criteria noted above may be issued in an aggregate principal amount not to exceed the amount necessary to refund outstanding bonds, plus costs, without further approval of the Board.

Administrative Costs

In conjunction with the issuance of the proposed bonds, since K DFA has and will incur expenses in relation to the issuance of the proposed bonds and subsequent administration of the Resolution and Pledge of Revenues Agreement, it will be necessary for the University to execute an Administrative Agreement to provide for reimbursement of those expenses, as well as other documents and certificates necessary to accomplish the purposes set forth in the Resolutions and the issuance and delivery of the bonds.

Conclusion

The Board is asked to adopt the Resolution (set out in full below), to approve the issuance of bonds for the Seaton Hall Project. The Resolution would authorize the University President to execute the Pledge Agreement in such form as is approved by the University’s general counsel and to execute any and all other documents and certificates necessary to accomplish the purposes of the Resolution and the issuance of the bonds. The Resolution further would authorize the Chair and President and CEO of the Board to execute the Resolution and any and all other documents and certificates, in such form as is approved by General Counsel to the Board, and necessary to accomplish the purposes of the Resolution and the issuance of the bonds. Staff recommends adoption of the Resolution.

RESOLUTION

A RESOLUTION OF THE KANSAS BOARD OF REGENTS APPROVING THE ISSUANCE BY THE KANSAS DEVELOPMENT FINANCE AUTHORITY OF ITS KANSAS DEVELOPMENT FINANCE AUTHORITY REVENUE BONDS TO PROVIDE ALL OR A PORTION OF THE FUNDS NECESSARY TO RENOVATE AND EXPAND SEATON HALL, THE COLLEGE OF ARCHITECTURE, PLANNING AND DESIGN, LOCATED ON THE MANHATTAN CAMPUS OF KANSAS STATE UNIVERSITY; AND AUTHORIZING THE EXECUTION OF A PLEDGE OF REVENUES AGREEMENT BETWEEN KANSAS STATE UNIVERSITY AND THE KANSAS DEVELOPMENT FINANCE AUTHORITY THAT CONTAINS CERTAIN COVENANTS AND PROVISIONS WITH RESPECT TO THE PLEDGE OF CERTAIN FUNDS OF KANSAS STATE UNIVERSITY THAT WILL PROVIDE FOR THE PAYMENT OF SUCH BONDS.

WHEREAS, the Kansas Board of Regents (the "Board") is vested under the Constitution and laws of the State of Kansas with supervision and control over Kansas State University (the "University"), and is authorized under such laws to adopt this Resolution and perform, execute and carry out, or cause to be performed, executed and carried out, the powers, duties and obligations of the Board under this Resolution in connection with the improvement and expansion of certain facilities located on the campus of the University and the University's operation thereof; and

WHEREAS, the Board and the University have heretofore determined that it is advisable to renovate and expand Seaton Hall, the College of Architecture, Planning and Design, located on the Manhattan campus of the University (the "Project"); and

WHEREAS, Chapter 104, Section 206(g) of the 2015 Session Laws of Kansas authorizes the Kansas Development Finance Authority (the "Authority"), on behalf of the University, to issue its revenue bonds in an aggregate principal amount sufficient to finance expenditures for costs of the Project in an amount not to exceed \$60,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on such revenue bonds during the construction of the Project, credit enhancement costs and any required reserves for the payment of principal and interest on such revenue bonds; and

WHEREAS, the University has requested that revenue bonds secured by a pledge of generally available unencumbered funds of the University be issued by the Authority pursuant to K.S.A. 74-8901 *et seq.* on behalf of the University to finance all or a portion of the costs of the Project (the "Bonds"); and

WHEREAS, the University intends to make provisions for the maintenance of the Project and the payment of debt service on the Bonds; and

WHEREAS, the Board, upon recommendation of the University, hereby finds and determines that it is advisable that the Bonds be issued by the Authority on behalf of the University, such bonds to be secured by the pledge of generally available unencumbered funds of the University; and

WHEREAS, in conjunction with the issuance of the Bonds, the University will be required to execute a Pledge of Revenues Agreement between the University and the Authority (the "Pledge Agreement"), which contains certain covenants and provisions with respect to the pledge of generally available unencumbered funds of the University; and

WHEREAS, it is recognized that the Authority has and will incur additional expenses in relation to the issuance of the Bonds and subsequent administration and enforcement of the Pledge Agreement; and the University desires to reimburse the Authority for said additional expenses through the execution of an Administrative Service Fee Agreement (the "Administrative Agreement").

NOW THEREFORE, BE IT RESOLVED BY THE KANSAS BOARD OF REGENTS, AS FOLLOWS:

SECTION 1. The Board hereby approves the issuance of the Bonds by the Authority on behalf of the University to finance all or a portion of the costs of the Project, in an aggregate principal amount sufficient to finance expenditures for costs of the Project in an amount not to exceed \$60,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on the Bonds during construction of the Project, credit enhancement costs and any required reserves for the payment of principal and interest on the Bonds. The Bonds may be issued jointly with other revenue bonds for the University and shall be issued substantially in the form and with the repayment terms and provisions contained in information to be presented to the Board by the Authority and the University.

SECTION 2. The Board hereby authorizes the President of the University to execute on behalf of the University the Pledge Agreement, the Administrative Agreement and such other documents and certificates necessary to accomplish the purposes set forth in this Resolution and the issuance of the Bonds, including any documents and certificates necessary to accomplish any temporary financing entered into in anticipation of the issuance of such bonds, in such forms as are approved by the General Counsel to the University. The Board hereby further authorizes the Chair and President and CEO of the Board to execute on behalf of the Board such documents and certificates necessary to accomplish the purposes set forth in this Resolution and the issuance of the Bonds, including any documents and certificates necessary to accomplish any temporary financing entered into in anticipation of the issuance of such bonds, in such forms as are approved by the General Counsel to the Board.

SECTION 3. This Resolution shall be in full force and effect from and after its adoption.

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CERTIFICATE

We, the undersigned Chair and President and CEO of the Kansas Board of Regents, hereby certify that the foregoing Resolution was lawfully adopted by the Board at its meeting held on December 16, 2015.

KANSAS BOARD OF REGENTS

(SEAL)

By _____
D. Shane Bangerter, Chair

ATTEST:

By _____
Blake Flanders, President and CEO

7. Adopt Bond Resolution for the Renovation, Expansion and Equipping of the Student Union; Approve the Execution of Various Documents in Connection Therewith – KSU

Summary and Staff Recommendation

Kansas State University requests that the Board of Regents adopt a Resolution for the issuance of revenue bonds, proceeds of which will be used to renovate, expand and equip the Kansas State University Student Union.

The Resolution would authorize the issuance of KDFFA Revenue Bonds in one or more series in a total aggregate amount sufficient to finance project expenditures of not to exceed \$25,000,000, plus costs and reserves. The purpose of these Bonds is to finance the costs of the renovations. The Bonds will be secured with a pledge of generally available unencumbered funds of the University, though the University expects to use a dedicated campus privilege fee to pay debt service on the bonds.

Information about the University’s current debt and the possibility of issuing refunding bonds is included in the issue paper explaining the universities request for issuance of bonds for the Seaton Hall project.

The Resolution further authorizes the Chair and the President and CEO to execute the Resolution and various other documents relating to the security and payment of such Bonds in such form as is approved by the General Counsel to the Board and necessary to accomplish the purposes set forth in the Resolution and the issuance of the Bonds, and authorizes the President of the University to execute the Pledge of Revenues Agreement and various other documents relating to the security and payment of such Bonds in such form as is approved by the university general counsel and necessary to accomplish the purposes set forth in the Resolution and the issuance of the Bonds.

Background

The Kansas Development Finance Authority (KDFFA), created by the 1987 Kansas Legislature, K.S.A. 74-8901, *et seq.*, has authority to issue bonds on behalf of the State for projects authorized by the Legislature. K.S.A. Supp. 74-8905(b) provides, in part, that:

The authority may issue bonds for activities and projects of state agencies as requested by the secretary of administration. Research facilities of state educational institutions shall be subject to the provisions of this subsection (b). No bonds may be issued pursuant to this act for any activity or project of a state agency unless the activity or project either has been approved by an appropriation or other act of the legislature or has been approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto.

Authority to initiate and complete a capital improvement project, and to issue revenue bonds, for the Student Union project has been granted by the Legislature in Chapter 104, Section 206(f) of the 2015 Session Laws of Kansas which provides:

In addition to the other purposes for which expenditures may be made by Kansas state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 or fiscal year 2016 authorized by this or other appropriation act of the 2015 regular session of the legislature, expenditures shall be made by Kansas state university from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 or fiscal year 2016 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to expand the student union: *Provided*, That such capital

improvement project is hereby approved for Kansas state university for the purpose of K.S.A. 74-8905(b), and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That Kansas state university may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed \$25,000,000, plus all amounts required for the cost of bonds issuance, costs of interest on bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for payment of principal interest on the bonds: *And provided further*, That all moneys received for the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants. *And provided further*, That debt service for any such bonds for such capital improvement projects shall be financed by appropriations from any appropriate special revenue fund or funds: *And provided further*, That Kansas state university shall make provisions for the maintenance of the area of the student union expansion.

On November 9, 2015, the State Finance Council adopted Resolution No. 15-657 to specify that proceeds from issuance of the Bonds for the Student Union project at Kansas State University could be used for renovation, construction and equipment of the Student Union as well as for expansion of the Union:

STATE OF KANSAS
State Finance Council Resolution

Dated: November 9, 2015

Resolution No. 15-657

WHEREAS, Chapter 104, Section 206(f) of the 2015 Session Laws of Kansas (the “Proviso”) provides that in addition to the other purposes for which expenditures may be made by Kansas state university from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2015 or fiscal year 2016, expenditures shall be made by Kansas state university (the “University”) to provide for the issuance of bonds by the Kansas Development Finance Authority (the “Authority”) in an amount not to exceed \$25,000,000, plus all amounts required to pay the costs of issuance of the Bonds, including any credit enhancement, interest costs and to provide any required reserves for the Bonds, for a project to expand the student union (the “Project”);

WHEREAS, the University has advised the Authority that the Project is to expand, renovate, construct and equip the student union, rather than just “expand” the student union as described in the Proviso: and

WHEREAS, the issuance of revenue bonds by Kansas development finance authority for the purpose of financing activities and projects of state agencies requires legislative or State Finance Council approval pursuant to 2015 Supp. 74-8905(b); and

WHEREAS, approving the issuance of such bonds is characterized as a matter of legislative delegation and subject to guidelines prescribed in subsection (c) of K.S.A. 75-3711c; and

WHEREAS, the requested action will enable the Agency to properly carry out its powers and functions;

WHEREAS, WHEREAS, the need for the requested action is characterized as arising from the unascertainable effects of a foreseeable occurrence and delay on the requested action would hinder the Agency;

WHEREAS, the requested action is not one that was rejected by the 2015 Legislature and is not contrary to known legislative policy; and

WHEREAS, the action will assist the Agency in attaining an objective which bears a valid relationship to its powers and functions.

THEREFORE BE IT RESOLVED, that the State Finance Council, by the Governor and a majority of the legislative members, makes the above findings and approves the issuance of the Bonds in accordance with the Proviso in an amount not to exceed \$25,000,000 plus all amounts required for the cost of bond issuance, costs of interest on bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for the payment of principal and interest on the bonds, for a capital improvement project to expand, *renovate, construct and equip* the student union.

Pursuant to these authorizations, and after consulting with K DFA, the University proposes to issue Revenue Bonds in an aggregate principal amount sufficient to finance expenditures for costs of the Projects in an amount not to exceed \$25,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on such revenue bonds during the construction of the project, credit enhancement costs, and any required reserves for the payment of principal and interest on such revenue bonds. After consultation with K DFA, the University is proposing that the Bonds be secured by a pledge of generally available unencumbered funds of the University, though the University expects to use a dedicated campus privilege fee to pay debt service on the bonds.

The Student Union Project, and anticipated use of revenue bond financing, was first submitted to the Board at its May 2013 meeting in the university's capital improvement project plan.

The Project

The project was originally programmed as a \$25 million expansion and renovation of the Kansas State University Student Union. In April 2013 the students passed a referendum in support of bonding \$25 million to fund the renovations and finance the debt service from a \$20/semester privilege fee increase. The university is requesting authorization to increase the budget an additional \$6 million to include the renovation and replacement of the Union roof and all exterior windows at a cost of \$2.1 million, the build-out and kitchen equipment and supplies for a restaurant operated by Housing and Dining estimated at \$1.2 million and additional renovations of space outside the scope of the original project that include the Little Theatre, Forum Hall, a catering kitchen on second floor and a Call Hall ice cream parlor totaling \$2.7 million. Funding for the additional budget renovations are from privilege fee balances, housing and dining balances and university resources.

The current \$31 million (assuming Board approval of the requested increase from \$25 to 31M) project renovates approximately 120,000 square feet of the existing Kansas State University Student Union. No additional space will be added. The renovations include a more welcoming south entrance, renovation of the Student Government Association Office, consolidation of multiple student organization offices, updated courtyard featuring wood floor, renovated retail areas and redesign of food court to dining areas that feature six separate restaurants for a more dynamic student focused Student Union. The building in its current form is faced with many challenges, due in part to aging infrastructure, an inefficient and outdated foodservice model, and inappropriately sized retail venues. The current architecture is perceived as lacking visible activity, daylight, views, and architectural distinction. The renovations will provide increased student lounge and study space, destination quality dining venues, and improved access to daylight and connections to the exterior. The enhancements to the K-State Student Union provide student and university benefits from many perspectives, including: socially, financially,

functionally, and aesthetically, with special emphasis on the role that the Union can play in student recruitment and success.

The debt service will be funded from a dedicated campus privilege fee.

Refunding Bonds

Information about the University’s current debt and the possibility of issuing refunding bonds is included in the issue paper explaining the universities request for issuance of bonds for the Seaton Hall project.

Administrative Costs

In conjunction with the issuance of the proposed bonds, since KDFFA has and will incur expenses in relation to the issuance of the proposed bonds and subsequent administration of the Resolution and Pledge of Revenues Agreement, it will be necessary for the University to execute an Administrative Agreement to provide for reimbursement of those expenses, as well as other documents and certificates necessary to accomplish the purposes set forth in the Resolutions and the issuance and delivery of the bonds.

Conclusion

The Board is asked to adopt the Resolution (set out in full below), to approve the issuance of bonds for the Student Union Project. The Resolution would authorize the University President to execute the Pledge Agreement in such form as is approved by the University’s general counsel and to execute any and all other documents and certificates necessary to accomplish the purposes of the Resolution and the issuance of the bonds. The Resolution further would authorize the Chair and President and CEO of the Board to execute the Resolution and any and all other documents and certificates, in such form as is approved by General Counsel to the Board, and necessary to accomplish the purposes of the Resolution and the issuance of the bonds. Staff recommends adoption of the Resolution.

RESOLUTION

A RESOLUTION OF THE KANSAS BOARD OF REGENTS APPROVING THE ISSUANCE BY THE KANSAS DEVELOPMENT FINANCE AUTHORITY OF ITS KANSAS DEVELOPMENT FINANCE AUTHORITY REVENUE BONDS TO PROVIDE ALL OR A PORTION OF THE FUNDS NECESSARY TO EXPAND, RENOVATE, CONSTRUCT AND EQUIP THE STUDENT UNION LOCATED ON THE MANHATTAN CAMPUS OF KANSAS STATE UNIVERSITY; AND AUTHORIZING THE EXECUTION OF A PLEDGE OF REVENUES AGREEMENT BETWEEN KANSAS STATE UNIVERSITY AND THE KANSAS DEVELOPMENT FINANCE AUTHORITY THAT CONTAINS CERTAIN COVENANTS AND PROVISIONS WITH RESPECT TO THE PLEDGE OF CERTAIN FUNDS OF KANSAS STATE UNIVERSITY THAT WILL PROVIDE FOR THE PAYMENT OF SUCH BONDS.

WHEREAS, the Kansas Board of Regents (the "Board") is vested under the Constitution and laws of the State of Kansas with supervision and control over Kansas State University (the "University"), and is authorized under such laws to adopt this Resolution and perform, execute and carry out, or cause to be performed, executed and carried out, the powers, duties and obligations of the Board under this Resolution in connection with the improvement and expansion of certain facilities located on the campus of the University and the University's operation thereof; and

WHEREAS, the University has heretofore determined that it is advisable to expand, renovate, construct and equip the student union located on the Manhattan campus of the University; and

WHEREAS, Chapter 104, Section 206(f) of the 2015 Session Laws of Kansas authorizes the Kansas Development Finance Authority (the "Authority"), on behalf of the University, to issue its revenue bonds in an aggregate principal amount sufficient to finance expenditures for costs of expanding the student union in an amount not to exceed \$25,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on such revenue bonds during the construction of the Project, credit enhancement costs and any required reserves for the payment of principal and interest on such revenue bonds; and

WHEREAS, the State Finance Council, pursuant to Resolution No. 15-657 adopted on November 9, 2015, approved the issuance by the Authority of revenue bonds in an aggregate principal amount sufficient to finance expenditures for costs of the Project, including expansion, renovation, construction and equipping of the student union (the "Project") in an amount not to exceed \$25,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on such revenue bonds during the construction of the Union Project, credit enhancement costs and any required reserves for the payment of principal and interest on such revenue bonds; and

WHEREAS, the University has requested that revenue bonds secured by a pledge of generally available unencumbered funds of the University be issued by the Authority pursuant to K.S.A. 74-8901 *et seq.* on behalf of the University to finance all or a portion of the costs of the Project (the "Bonds"); and

WHEREAS, the University intends to make provisions for the maintenance of the Project and the payment of debt service on the Bonds; and

WHEREAS, the Board, upon recommendation of the University, hereby finds and determines that it is advisable that the Bonds be issued by the Authority on behalf of the University, such bonds to be secured by the pledge of generally available unencumbered funds of the University; and

WHEREAS, in conjunction with the issuance of the Bonds, the University will be required to execute a Pledge of Revenues Agreement between the University and the Authority (the "Pledge Agreement"), which contains certain covenants and provisions with respect to the pledge of generally available unencumbered funds of the University; and

WHEREAS, it is recognized that the Authority has and will incur additional expenses in relation to the issuance of the Bonds and subsequent administration and enforcement of the Pledge Agreement; and the University desires to reimburse the Authority for said additional expenses through the execution of an Administrative Service Fee Agreement (the "Administrative Agreement").

NOW THEREFORE, BE IT RESOLVED BY THE KANSAS BOARD OF REGENTS, AS FOLLOWS:

SECTION 1. The Board hereby approves the issuance of the Bonds by the Authority on behalf of the University to finance all or a portion of the costs of the Project, in an aggregate principal amount sufficient to finance expenditures for costs of the Project in an amount not to exceed \$25,000,000, plus any additional amounts required to finance costs of issuance, costs of interest on the Bonds during construction of the Project, credit enhancement costs and any required reserves for the payment of principal and interest on the Bonds. The Bonds may be issued jointly with other revenue bonds for the University and shall be issued substantially in the form and with the repayment terms and provisions contained in information to be presented to the Board by the Authority and the University.

SECTION 2. The Board hereby authorizes the President of the University to execute on behalf of the University the Pledge Agreement, the Administrative Agreement and such other documents and certificates necessary to accomplish the purposes set forth in this Resolution and the issuance of the Bonds, including any documents and certificates necessary to accomplish any temporary financing entered into in anticipation of the

issuance of such bonds, in such forms as are approved by the General Counsel to the University. The Board hereby further authorizes the Chair and President and CEO of the Board to execute on behalf of the Board such documents and certificates necessary to accomplish the purposes set forth in this Resolution and the issuance of the Bonds, including any documents and certificates necessary to accomplish any temporary financing entered into in anticipation of the issuance of such bonds, in such forms as are approved by the General Counsel to the Board.

SECTION 3. This Resolution shall be in full force and effect from and after its adoption.

CERTIFICATE

We, the undersigned Chair and President and CEO of the Kansas Board of Regents, hereby certify that the foregoing Resolution was lawfully adopted by the Board at its meeting held on December 16, 2015.

KANSAS BOARD OF REGENTS

(SEAL)

By _____
D. Shane Bangerter, Chair

ATTEST:

By _____
Blake Flanders, President and CEO

C. *Other Matters*

1. **Act on the Kansas Postsecondary Technical Education Authority Recommendation Regarding the Plan to Fully Implement the Postsecondary Tiered Technical Education State Aid Act**

**Rita Johnson,
VP, Workforce Development**

Summary

The Kansas Postsecondary Technical Education Authority (TEA) met on Thursday, December 10, 2015. The results of the second year of the Outcome Metrics pilot program, based on AY 2014 student data, highlighting the pilot programs meeting or exceeding the targets for each of the performance metrics and an update on the activities of the Workforce AID initiative were presented.

The Tiered/Non-Tiered Subcommittee members shared recommendations regarding proposed funding options, in response to the proviso language requiring a plan to fully implement the provisions of the Tiered Technical Education State Aid act, for consideration. Recommendations approved by the TEA will be provided to the Board for consideration during the December 16, 2015 meeting.

2. Act on Non-Budgetary Legislative Proposals

**Matt Casey,
Director, Government Relations**

Background

Last month the Board received a first read on two non-budgetary legislative items – the Innovation Act and a technical edit relating to the KUMC university police jurisdiction. These items are now ready for Board action. More information on each item can be found below.

1. LEGISLATIVE PROPOSAL: KANSAS INNOVATION ACT

Request: To increase the ability of universities to help grow the Kansas economy by developing applied learning (skills training) opportunities with business partnerships. The Kansas Innovation Act would do two things:

1. Amend current condominium statutes to allow condominiums on land owned by the university (State) and leased to a developer.
2. Provide ability to transfer property between university corporations with Regents approval in a timely manner and not be subject for approval only when the legislature is in session.

Background: With the increased focus of business driven education by the State, we are looking to improve our ability to enhance the workforce needs of Kansas by partnering with businesses, providing applied learning opportunities that are necessary for our Kansas companies to compete in the global business community. We believe a close tie with our students and future employers is of mutual benefit. The Kansas Innovation Act addresses two compelling changes that could enhance Kansas’s competitiveness.

Impact: These recommended changes would allow universities to help grow the Kansas economy and get approvals monthly from KBOR and not be limited to changes only when the legislature is in session.

Fiscal Note: Minimal to no impact on the State General Fund (SGA) is projected.

2. LEGISLATIVE PROPOSAL: TECHNICAL EDIT FOR KUMC UNIVERSITY POLICE JURISDICTION

Request: Technical edit of K.S.A 76-726 and K.S.A 22-2401a, to expand the jurisdiction of KUMC Police.

Background: The KUMC police are responsible for the University of Kansas Hospital police support. However, the jurisdiction was not changed when the hospital was made a separate authority.

Impact: Impact of this proposal would mean the University of Kansas Medical Center Police would have their jurisdiction expanded to legally cover the KU Hospital.

Fiscal Note: Minimal to no impact on the State General Fund (SGA) is projected.

VI. Adjournment

AGENDA

ACADEMIC AFFAIRS STANDING COMMITTEE
December 16, 2015
11:00 a.m.

- 1. Approve November 3, 2015 Minutes**
- 2. Discussion**
 - a. Performance Funding – Gary Alexander and Jean Redeker
 - b. Qualified Admissions – Gary Alexander
- 3. Updates**

Transfer and Articulation Council – Karla Wiscombe
- 4. Other Business**

MINUTES

**Kansas Board of Regents
Academic Affairs Standing Committee
Tuesday, November 3, 2015 Conference Call**

The Academic Affairs Standing Committee of the Kansas Board of Regents met by Conference Call at 11:00 a.m. on Tuesday, November 3, 2015.

In Attendance:

Members: Regent Van Etten
Regent Zoe Newton
Regent Daniel Thomas

Staff: Gary Alexander, Karla Wiscombe, Jean Redeker, and Renee Burlingham

Others: Sara Rosen, University of Kansas; Ruth Dyer, Kansas State University; Brian Niehoff, Kansas State University; Graham Glynn, Fort Hays State University; Brett Zollinger, Fort Hays State University; Rick Muma, Wichita State University; Robert Klein, University of Kansas Medical Center; Lynette Olson, Pittsburg State University; Alysia Johnston, Fort Scott Community College; Regena Lance, Fort Scott Community College; Nancy Tate, Washburn University; Bill Backlin, Cloud County Community College; Joe Burke, Labette Community College; Linda Fund, Kansas Association of Community College Trustees; and Aron Potter, Coffeyville Community College

Meeting called to order at 11:00 a.m.

Approve September 29, 2015 Minutes

Regent Thomas moved, and Regent Newton seconded the motion to approve the September 29, 2015 minutes as written. The motion carried.

Consent Agenda

Request Approval for a Bachelor of Science in Sociology – FHSU

Graham Glynn and Brett Zollinger from Fort Hays State University briefly explained the nature of the proposed Bachelor of Science in Sociology and that no additional funding is required.

Regent Newton moved, and Regent Thomas seconded the motion, to recommend placing the Request Approval for a Bachelor of Science in Sociology on the Board’s November agenda. Motion carried.

Discussion Agenda

Fort Hays State University: Reorganization

Graham Glynn presented the Fort Hays State University’s request for a College of Science, Technology and Mathematics. The goal is to more equitably distribute the supervision/management of multiple departments.

Regent Thomas moved, and Regent Newton seconded the motion to recommend approval of Fort Hays State University’s request to establish the College of Science, Technology and Mathematics.

Fort Hays State University also requested approval to relocate a number of departments and create one new department. The following actions are requested:

- Move the Department of Applied Technology from the College of Education to the College of Science, Technology and Mathematics
- Move the Departments of Chemistry; Computer Science and Information Systems Engineering; Geosciences; Mathematics; and Physics from the College of Arts, Humanities and Social Sciences to the College of Science, Technology and Mathematics
- Move the Department of Agriculture and Department of Biological Sciences from the College of Arts, Humanities and Social Sciences to the College of Science, Technology and Mathematics
- Move the Department of Psychology from the College of Arts, Humanities and Social Sciences to the College of Health and Behavioral Sciences
- Create a new Department of Applied Business Studies, to be housed in the College of Business and Entrepreneurship.

It was noted the relocation of departments is not a physical relocation but a change in the reporting structure.

Regent Newton moved, and Regent Thomas seconded the motion to place Fort Hays State University's request to establish the College of Science, Technology and Mathematics and its request to relocate the above listed departments and create a new department on the Board's November 2015 agenda. Motion carried.

Other Business

Review Performance Agreement Reports AY2014

Karla Wiscombe provided background information on the funding model for the performance agreements and gave brief overviews of the performance agreement reports that are the basis for awarding any new funds in July 2016.

The Board Academic Affairs Standing Committee reviewed the following:

1. Barton Community College (Barton CC)

Karla Wiscombe gave a brief overview Barton Community College's performance agreement report. Barton CC is reporting on the first year of a three-year performance agreement. The institution reported directional improvement in five of six goals. Consistent with the Board's performance agreement funding guidelines, staff recommended Barton CC be awarded 100% of any new funding for which it is eligible.

2. Butler Community College (Butler CC)

Karla Wiscombe gave a brief overview of Butler Community College's performance agreement report. Butler CC is reporting on the first year of a three-year performance agreement. The institution reported directional improvement in six of seven goals. Consistent with the Board's performance funding guidelines, staff recommended Butler CC be awarded 100% of any new funding for which it is eligible.

3. Cloud County Community College (Cloud County CC)

Karla Wiscombe gave a brief overview of Cloud County Community College's performance agreement report. Cloud County CC is reporting on the first year of a three-year performance agreement. The institution reported directional improvement in five of six goals. Consistent with the Board's performance funding guidelines, staff recommended Cloud County CC be awarded 100% of any new funding for which it is eligible.

4. Cowley Community College (Cowley CC)

Karla Wiscombe gave a brief overview of Cowley Community College's performance agreement report. Cowley CC is reporting on the first year of a three-year performance agreement. The institution reported directional improvement in four of six goals. Consistent with the Board's performance funding guidelines, staff recommended Cowley CC be awarded 100% of any new funding for which it is eligible.

5. Dodge City Community College (Dodge City CC)

Karla Wiscombe gave a brief overview of Dodge City Community College's performance agreement report. Dodge City CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in four of six goals. Consistent with the Board's performance funding guidelines, staff recommended Dodge City CC be awarded 100% of any new funding for which it is eligible.

6. Garden City Community College (Garden City CC)

Karla Wiscombe gave a brief overview of Garden City Community College's performance agreement report. Garden City CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in four of six goals. Consistent with the Board's performance funding guidelines, staff recommended Garden City CC be awarded 100% of any new funding for which it is eligible.

7. Highland Community College (Highland CC)

Karla Wiscombe gave a brief overview of Highland Community College's performance agreement report. Highland CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in four of six goals. Consistent with the Board's performance funding guidelines, staff recommended Highland CC be awarded 100% of any new funding for which it is eligible.

8. Hutchinson Community College (Hutchinson CC)

Karla Wiscombe gave a brief overview of Hutchinson Community College's performance agreement report. Hutchinson CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in five of six goals. Consistent with the Board's performance funding guidelines, staff recommended Hutchinson CC be awarded 100% of any new funding for which it is eligible.

9. Johnson County Community College (JCCC)

Karla Wiscombe gave a brief overview of Johnson County Community College's performance agreement report. JCCC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in four of six goals. Consistent with the Board's performance funding guidelines, staff recommended JCCC be awarded 100% of any new funding for which it is eligible.

10. Kansas City Kansas Community College (KCKCC)

Karla Wiscombe gave a brief overview Kansas City Kansas Community College's performance agreement report. KCKCC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in four goals and maintained the base line on one of the six indicators. Consistent with the Board's performance funding guidelines, staff recommended KCKCC be awarded 100% of any new funding for which it is eligible.

11. Labette Community College (Labette CC)

Karla Wiscombe gave a brief overview of Labette Community College's performance agreement report. Labette CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in four of six goals. Consistent with the Board's performance funding guidelines, staff recommended Labette CC be awarded 100% of any new funding for which it is eligible.

12. Neosho County Community College (Neosho County CC)

Karla Wiscombe gave a brief overview of Neosho County Community College's performance agreement report. Neosho County CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in three goals and maintained the base line on one of the six goals. Consistent with the Board's performance funding guidelines, staff recommended Neosho County CC be awarded 100% of any new funding for which it is eligible.

13. Pratt Community College (Pratt CC)

Karla Wiscombe gave a brief overview of Pratt Community College's performance agreement report. Pratt CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in three goals and maintained the base line on one of the six goals. Consistent with the Board's performance funding guidelines, staff recommended Pratt CC be awarded 100% of any new funding for which it is eligible.

Regent Newton moved, and Regent Thomas seconded the motion, to approve the recommendations for the above listed two-year institutions as presented by staff for the performance agreements reports. Motion carried.

14. Colby Community College (Colby CC)

Karla Wiscombe gave a brief overview of Colby CC's performance agreement report. Colby Community College is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in two of six goals. Consistent with the Board's performance funding guidelines, staff recommended Colby CC be awarded 90% of any new funding for which it is eligible.

15. Coffeyville Community College (Coffeyville CC)

Karla Wiscombe gave a brief overview of Coffeyville Community College's performance agreement report. Coffeyville CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in three of six goals. Consistent with the Board's performance funding guidelines, staff recommended Coffeyville CC be awarded 90% of any new funding for which it is eligible.

16. Fort Scott Community College (Fort Scott CC)

Karla Wiscombe gave a brief overview of Fort Scott Community College's performance agreement report. Fort Scott CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in three of six goals. Consistent with the Board's performance funding guidelines, staff recommended Fort Scott CC be awarded 90% of any new funding for which it is eligible.

17. Independence Community College (Independence CC)

Karla Wiscombe gave a brief overview of Independence Community College's performance agreement report. Independence CC is reporting on the first year of a three-year performance agreement. The institution achieved directional improvement in two of six goals. Consistent with the Board's performance funding guidelines, Independence CC qualifies for 90% of any new funding for which it is eligible.

It was reiterated that in determining whether to award 90% or 100% of new funding, the Board may consider such factors as: 1) the quality of the indicators, 2) the scope of the agreement and amount of effort, and 3) any extenuating circumstances not under the control of the institution.

Regent Thomas moved, and Regent Newton seconded the motion, to approve the recommendations for Colby Community College, Coffeyville Community College, Fort Scott Community College, and Independence Community College for 90% funding of any new funds. Motion carried.

There being no other business, Regent Newton moved, and Regent Thomas seconded the motion to adjourn. Motion carried. The meeting adjourned at 11:40 a.m.

AGENDA

Fiscal Affairs and Audit Committee
Wednesday, December 16, 2015
10:15-11:45 AM, Board Room

I. OLD BUSINESS

- A. Follow up on issues raised during the December 1 teleconference regarding FAA items on the Board's agenda and any other questions/clarifications about Board agenda items

II. NEW BUSINESS

- A. **FAA 15-06**, Receive Accountability Report on Major State Investments
- B. Review Fiscal Affairs and Audit Items from full Board Agenda
- C. Revisit and Clarify WSU Market Based Tuition Initiative
- D. Audits for committee review and discussion (standing item)
- E. Other Committee Business

III. OTHER COMMITTEE ITEMS

- A. Next meeting dates
 - 1. January 5, Noon (Agenda planning conference call)
 - 2. January 20, 10:15 a.m.

AGENDA

Board Governance Committee
Wednesday, December 16, 2015
8:30-10:00, Conference Room B

- I. APPROVE MINUTES FROM NOVEMBER 18, 2015**
- II. BOARD APPROVED TOPICS FOR THE GOVERNANCE COMMITTEE**
 - A. GOV 15-07, Review proposed revisions to policies as they arise
 - a. Notice of Certain Litigation
 - B. GOV 15-06, CEO Assessment Process
 - C. GOV 15-04, Weapons Possession Policy Draft, Action
 - D. GOV 15-05, Receive University Annual Campus Security Reports
 - a. FHSU
 - b. KU, Lawrence and Medical Center Campuses
- IV. NEXT MEETING DATES**
 - A. January 20, 2016
 - B. February 17, 2016

MINUTES

GOVERNANCE COMMITTEE November 18, 2015 Minutes

The Kansas Board of Regents’ Governance Committee met on Wednesday, November 18, 2015. Chair Shane Bangerter called the meeting to order at 8:45 a.m. Proper notice was given according to law.

Members Present: Shane Bangerter, Chair
 Zoe Newton (By Conference Call)
 Bill Feuerborn
 Helen Van Etten

MINUTES

Regent Van Etten moved to approve the minutes of October 14, 2015. Regent Feuerborn seconded, and the motion carried.

BOARD POLICY AMENDMENTS – SUMMARY OF APPROVAL REQUIREMENTS, CAPITAL IMPROVEMENT PROJECTS, AND REHABILITATION AND REPAIR PROJECTS

General Council Julene Miller presented proposed amendments to the following Board policies: 1) Summary of Approval Requirements, 2) Capital Improvement Projects, and 3) Rehabilitation and Repair Projects. In the 2015 Legislative session, one of the Board’s non-budgetary legislative request was to increase the threshold to \$1 million for projects requiring formal procurement of architectural or engineering services. This legislation passed and the amendments to the Board’s policies reflect the changes in the statute. Regent Feuerborn moved to forward the proposed policies to the Board. Regent Van Etten seconded, and the motion carried. The following policies will be forwarded to the Board:

2 SUMMARY OF APPROVAL REQUIREMENTS

	Board of Regents	Building Committee	Full Legislature	Program Statement required?	Execution process (architect/contractor)
Capital Improvements and Financing > \$750,000 \$1,000,000					
Affiliated Corporations	approve	advise		yes	Campus
State General Fund	approve	advise	approve (DA 418)	yes	State selection/bid
All Other Non-State Funds	approve	advise		yes	K.S.A. 76-7,125 <i>et seq</i>
Revenue Bonds	approve	advise	approve (DA 418)	yes	State selection/bid
Federal Grants	approve	advise		yes	K.S.A. 76-7,125 <i>et seq</i>
Educational Building Fund	approve	advise	*** ⁶	yes	State selection/bid

⁶ If new project or major renovation.

Rehabilitation and Repair Projects⁷					
Affiliated Corporations	approve	advise		no	Campus
State General Fund/EBF	approve	advise		no	State selection/bid
All Other Non-State Funds	approve	advise		no	K.S.A. 76-7,125 <i>et seq</i>
Federal Grants	approve	advise		no	K.S.A. 76-7,125 <i>et seq</i>
Deferred Maintenance Projects					
Infrastructure Maintenance Funds	approve	advise		no	State selection/bid
University Interest	approve	advise		no	K.S.A. 76-7,125 <i>et seq</i>
Tax Credits	approve	advise		no	State selection/bid
Energy Performance Contracting	approve	advise			K.S.A. 75-37,111 through 37,114 and 75-37,125
Building Razing	approve	advise ⁸			

⁷ Projects < ~~\$500,000~~ \$750,000 require only Director’s approval.

⁸ Not required by law.

3 CAPITAL IMPROVEMENT PROJECTS

a Definitions

- i Capital improvement projects are those the costs for which exceed ~~\$750,000~~ \$1,000,000, regardless of funding source, including new buildings, remodeling or alterations, annual maintenance, and utility projects. Deferred maintenance projects are governed by subsection 5., below.
- ii Educational Building Fund, or EBF, means the fund created pursuant to K.S.A. 76-6b01 *et seq.* and funded by the annual mill levy authorized by Article 6, Section 6 of the Kansas Constitution. Moneys in the EBF may only be expended as authorized by K.S.A. 76-6b02.

b Process

- i *Initial Request:* Each state university shall include initial concept requests for authorization of capital improvement projects with the university's five year plan submitted to the Board for consideration on April 1 of each year. Each project that will require the services of an architect and/or engineer shall have a written program statement included with the request. The request shall identify each anticipated source of funding for the project. For improvements that include new space for which private moneys are to finance at least 51% of the cost, the request shall include a plan for paying the annual maintenance and operation costs for the project from either private funds or existing university resources. (K.S.A. 76-790) For improvements that include new space for which private moneys are to finance less than 51% of the cost, the request shall include a plan for paying annual maintenance and operation costs that identifies the resources to be used for such costs. Such annual maintenance and operation costs plans shall be included in the program statement and shall adhere to standards prescribed by the Board's Director of Facilities. Each request approved by the Board shall be filed with the appropriate state offices on or before July 1 in the format determined by the State Budget Director. Each state university is prohibited from pursuing gubernatorial or legislative approval of any project not previously approved by the Board.
- ii *Amendments:* Amendments to the current year capital improvements project list may be submitted to the Board at times other than those specified above. Once approved, each university shall be responsible for ensuring that appropriate legislative approvals are obtained, including advising the Joint Committee on Building Construction.
- iii *Licensed Professional Consultants:* The design and construction administration for all new buildings and major renovations on state property shall be performed by licensed professional consultants retained in accordance with Kansas statutes. A written program for each building project shall be submitted and approved by the Board and by the Legislature or legislative building committee as set forth in section E.2. before such services are obtained.
- iv *Program Statements:* Minimum requirements for program statements include introductions, project budgets, and project schedules. For new construction or major renovations the program statement must also include space projections, space summaries, space descriptions, a discussion of the impact the additional space will have on overall campus space, and new buildings operating costs and the proposed source of funding for such operating costs (or a statement that such will not be requested). Additional information that the institutions deem necessary may be included.
- v *Design Development Plans:* Following Legislative and Board approval of a specific capital improvement project, design development plans for a building or project and the location of the new building shall be submitted to the President and Chief Executive Officer for review and approval before final plans are prepared. The President and Chief Executive Officer, upon the recommendation of the Director of Facilities, may approve said design development plans for the Board.

c Funding

- i *Funding Sources:* Capital improvement projects may be paid for from state general funds, tuition, educational building funds, revenue bond proceeds (in accordance with chapter II.D. of this Policy Manual), restricted fees, research overhead funds and other resources as approved by the Board.

Capital improvement projects that are also approved deferred maintenance projects may be paid for in whole or in part by tuition interest earnings, contributions received pursuant to the postsecondary educational institution tax credit program (K.S.A. 79-32,261), and other funds earmarked by the Board or Legislature for the purpose of addressing deferred maintenance.

- ii *Federal Grant Requests:* All institutional requests for federal grants for capital improvements shall be submitted to the Board President and Chief Executive Officer before the request is submitted to the appropriate federal agency.
- iii *Private Funds:* No capital improvement project that is funded in part or totally from private funds may proceed to signature of contract unless and until all private funds have been deposited in an account for the use of the project or a letter of credit has been received by the Board President and Chief Executive Officer that guarantees the availability of the funds necessary to complete the project.
- iv *Fund Raising:* In addition to the project approval required in subsection 3.b.i. of this section, notification of all capital improvement projects to be funded in part or in whole from private resources must be submitted to the Board’s President and Chief Executive Officer before fund raising efforts are publicly announced.

d Annual Maintenance

Beginning with projects initiated after January, 2007, and except as otherwise specifically provided for by law or approved by the Board, state universities shall not seek new state general funds to finance annual maintenance and operation costs for any new capital improvement project.

4 REHABILITATION AND REPAIR PROJECTS

a Definition

Rehabilitation and repair projects are those projects that cost ~~\$750,000~~ \$1,000,000 or less, including new buildings, remodeling or alterations, annual maintenance, or utility projects. Deferred maintenance projects are governed by subsection 5. below.

b Process

The state universities are authorized by the Board and the Legislature to proceed with rehabilitation and repair projects on a fiscal year basis. Upon request of the university with concurrence of the Board’s Director of Facilities, the Board President and Chief Executive Officer has the authority to revise such authorizations during the fiscal year; provided, however, that any project requiring expenditures of ~~\$500,000~~ \$750,000 or more must be considered by the Board.

c Funding

The Board receives an annual line item appropriation from the Educational Building Fund for rehabilitation and repair projects. This appropriation is allocated by the Board to the state universities pursuant to an “adjusted square footage” formula, which factors in gross square footage, building age and complexity of the physical plant.

Additionally, the universities may provide funds for rehabilitation and repair projects from state general fund revenues, tuition, restricted fees, research overhead funds and other resources as approved by the Board.

Rehabilitation and repair projects that are also approved deferred maintenance projects may be paid for in whole or in part by tuition interest earnings, contributions received pursuant to the postsecondary educational institution tax credit program (K.S.A. 79-32,261), and other funds earmarked by the Board or Legislature for the purpose of addressing deferred maintenance.

BOARD POLICY AMENDMENT – FINANCIAL REPORTING

Theresa Gordzica, KU's Business and Financial Planning Officer, presented proposed amendments to the Board's Financial Reporting policy. Currently Board policy requires an external management review to be conducted every five years, or when there is a change in the chief executive officer, on expenditure of non-public unrestricted funds held by the university or an affiliated corporation and potential conflicts of interest. Additionally, the non-controlled affiliated corporations have external auditors review annually for conflicts of interest regarding the unrestricted funds. After having gone through the policy cycle, the Council of Business Officers believe these procedures are duplicative. The Business Officers recommend the following amendments to the policy: 1) continue the annual external audits of the non-public unrestricted funds in accordance with the procedures established by the Board Fiscal Affairs and Audit Committee and the internal audit for conflicts of interest, and 2) for the five year external management review, the Board will have the flexibility to rely on the external and internal audit findings and limit the external management review to the immediately preceding fiscal year. However, if the Board wants the review to be more than one year, the language allows for it. Regent Van Etten moved to forward the proposed policy to the Board. Regent Feuerborn seconded, and the motion carried. The follow policy will be forwarded:

5 FINANCIAL REPORTING

a Annual Financial Report

Each state university shall submit to the President and Chief Executive Officer a comprehensive financial report for the prior fiscal year in accordance with the schedule maintained on the Board of Regents' website. The President and Chief Executive Officer shall be responsible for recommending to the Board any specific financial report findings that should be further reviewed by the Board. The financial report shall conform to a format determined by the Council of Business Officers. The financial report shall reflect conformity with financial reporting methods and formats promulgated by the American Institute of Certified Public Accountants, ~~and the~~ Governmental Accounting Standards Board and the National Association of College and University Business Officers' Financial Accounting and Reporting Manual for Higher Education (formerly CUBA) unless otherwise provided by state law, practices or procedures.

b Internal Audit Function

i Each state university shall have an internal audit function. The responsibility of the internal audit function is to serve the university in a manner that is consistent with the *International Professional Practices Framework (IPPF)* promulgated by the Institute of Internal Auditors. Additional resources, tools and guidance should be obtained through the Association of College and University Auditors and the Committee of Sponsoring Organizations.

ii The purpose, authority, and responsibility of each university's internal audit function shall be defined in a formal written document (internal audit charter) that is approved by each state university's chief executive officer. The charter shall make clear the purposes of the internal audit function, specify the unrestricted scope of its work, and declare that auditors are to have no responsibility for the activities they audit. The scope of work of the internal auditors shall include review of university controlled affiliated corporations, including a review of the IRS form 990 for each such corporation, with a focus ~~on~~ on for potential conflicts of interest and transactions between the university and university controlled affiliated corporations. The charter shall endow internal auditors with the authority to fully and freely access all the university's records, properties, and personnel relevant to an audit. The charter shall provide that the auditor report directly to the university chief executive officer on all audit matters.

The charter shall clearly state that internal auditors shall report directly to the Board Fiscal Affairs and Audit Committee any situation wherein the auditor perceives a conflict of interest with or on the part of the university chief executive officer's involvement with the subject of an audit. In addition, each state university shall include the charter in university manuals, policies, and procedures as appropriate. Each state university internal audit department shall report annually to the Board's Committee on Fiscal Affairs and Audit, summarizing the prior year's activities and audit plans for the coming year. Each state university shall notify the Board's Committee on Fiscal Affairs and Audit in writing of any personnel change in the position of university internal auditor.

- iii Each state university shall develop and maintain an internal audit plan. At a minimum, internal controls for the university's highest risk units, based on public funds exposure, should be assessed on a regular basis.
 - iv Each completed internal audit reporting material financial weaknesses or fraud shall be submitted to the Board President and Chief Executive Officer who shall be responsible for recommending to the Committee on Fiscal Affairs and Audit any specific audit findings that should be further reviewed by the Committee.
- c Non-Public Funds Management Review
- i Each state university chief executive officer shall maintain on file at the university a current list and description of the non-public, unrestricted funds under his or her direction or that of direct subordinates.
 - ii Each state university chief executive officer shall maintain and provide to the Board annually a list of all affiliated corporations (controlled and non-controlled) and a description of their respective governing boards and management structure.
 - iii Each state university shall annually review the roles of direct subordinates in or with such affiliated corporations for the purpose of identifying potential conflicts of interest. If appropriate and to the extent it is within the chief executive officer's control, the university chief executive officer shall initiate a plan to either eliminate or manage any identified actual or potential conflicts of interest and shall file the plan with the President and Chief Executive Officer of the Board of Regents.
 - iv The President and Chief Executive Officer of the Board shall annually review the roles of the state university chief executive officers in or with all affiliated corporations for the purpose of identifying potential conflicts of interest. If appropriate, the President and Chief Executive Officer of the Board shall initiate a plan to either eliminate or manage any actual or potential conflicts of interest and shall submit such plans to the Board Chair and Vice-chair for approval.
 - v The Board may initiate external management reviews of the use and expenditure of non-public, unrestricted funds held by the university or an affiliated corporation of the university and under the direction of each state university chief executive officer and each state university chief executive officer's direct subordinates at any time, but such reviews shall be conducted no less than once every 5 years beginning fiscal year 2013. For the once every 5 year audits, the period under review may be limited to the immediately preceding fiscal year. Additionally, such reviews shall be conducted when there is a change in the chief executive officer. All such reviews shall be contracted by the Board and financed by a transfer of funds to the Board from the state university under review. The university shall request its university non-controlled affiliated corporations having non-public, unrestricted funds that are under the direction of the university chief executive officer or the chief executive officer's direct subordinates to cooperate in the conduct of such reviews.
 - vi Each state university chief executive officer shall request the board of directors of each university non-controlled affiliated corporation to ~~include in the scope of~~ conduct an agreed-upon procedure engagement be performed at the time of its annual independent audit ~~identification of~~ to identify actual or potential conflicts of interest involving unrestricted, non-public funds under the authority or

direction of the university chief executive officer or the chief executive officer's direct subordinates. ~~The state university chief executive officer shall request that such review~~ Agreed upon procedures shall be established by the Board's Fiscal Affairs and Audit Committee. The agreed-upon procedures shall include an examination of fund transfers and other transactions between and among the university, its affiliated corporations, and external entities reported on statements of substantial interest forms, and that the ~~The university non-controlled affiliated corporation shall be asked to share a report of each such review engagement with the President and Chief Executive Officer of the Board.~~

vii For purposes of paragraph c.,

- (1) "non-public funds" means any funds expended for the benefit of the state university but not processed through the state financial system, and
- (2) "affiliated corporation" shall not include the Wichita State University Board of Trustees.

LITIGATION POLICY

General Counsel Miller presented proposed policy language regarding litigation. The policy requires the university CEO to notify the Board President and CEO when the university intends to submit a brief in opposition to another state university in a court of record. Following discussion, the Committee added language to have the university CEO notify the Board President and CEO if the university intends on suing another state university or if the university intends on filing a brief in opposition in any state or federal court. Board staff will incorporate these changes into the policy and bring it back to the Committee for review.

WEAPONS POLICY

General Council Miller gave a brief update on the proposed amendments to the Board's Weapons Possession policy. Board staff drafted a proposed policy that will implement the current state law regarding concealed carry on the state university campuses. This language would go into effect after the July 1, 2017 statutorily authorized exemption expires. This draft policy has been disseminated to the interested groups on the campuses for feedback. Some feedback has already been acquired, but she noted the final deadline for submitting feedback is December 4, 2015. Regent Bangerter stated the Committee will review the policy at its December meeting, and if approved, will forward it to the Board for consideration at the January 2016 Board meeting.

EXECUTIVE SESSION

At 9:15 a.m., Regent Feuerborn moved, followed by the second of Regent Van Etten, to recess into executive session for 60 minutes to discuss matters relating to security measures pursuant to K.S.A. 75-4319(b)(13). Participating in the executive session were members of the Governance Committee, President Flanders, General Counsel Julene Miller, and designated university staff. At 10:15 a.m., the meeting returned to open session.

ADJOURNMENT

The Chair adjourned the meeting at 10:15 a.m.

AGENDA

Council of Presidents
11:00 a.m.
Suite 530

1. Approve minutes from November 18, 2015
2. Report from Council of Chief Academic Officers
3. Report from Council of Chief Business Officers
4. Report from Council of Government Relations Officers
5. Report from Council of Chief Student Affairs Officers
6. Report from Regents Information Technology Committee
7. Report from University Support Staff
8. Review proposed Non-Academic Misconduct Notations Policy
9. Review proposed amendments to the Board's Leaves Policy
10. Other Matters

MINUTES

Council of Presidents
KANSAS BOARD OF REGENTS
Wichita State University
November 18, 2015
11:00 am

1. President Martin called the meeting to order at 10:38 am.
2. Minutes from October 16, 2015. Motion to approve by Dr. Scott, second by Dr. Bardo.
3. Report from Council of Chief Business Officers, Mr. Mike Barnett, *Vice President for Administration and Finance, Fort Hays State University*
 - a. Recommendation from COBO to amend the current policy to address the USS issue to equalize the leave amounts that accrue. Policy draft will be presented to COPS next month and then to the Board.
 - b. Discussion on health insurance for employees. Expected Increase for employees same as last year. Reserve balances are depleting. FY 18 6% increase to employers.
4. Report from Regents Information Technology Committee, Dr. Joy Hatch, *Vice President for Technology, Fort Hays State University*.
 - a. Governance guidelines and charges will be drafted for the “affinity” groups of technology professionals that currently meet which includes the security officers and service administrators.
 - b. Ongoing discussions on shared services and reviewing the current collaborative efforts, to include procurement contracts for various academic software, disaster recovery options, monthly meetings for various constituent groups, annual CHECK conference, shared Yammer accounts for sharing information and others.
 - c. Continued discussion on the legislative efficiency study. KU and K-State have had preliminary discussions with the new state CIO, Phil Wittmer and the A&M consultants. KU and K-State have a 3-hour meeting scheduled with the consultants, and PSU will be joining that meeting.
5. Proposed amendments to the Board of Regents Policy on Weapons Possession, Julene Miller, *General Counsel, Kansas Board of Regents*
 - a. Higher education exemption for conceal carry time ends July 2017.
 - b. KBOR will develop new policies to guide universities to prepare their own policies and training.
 - c. Julene Miller forwarded the drafted policy to campuses for their feedback and the responses were presented to the Governance Committee this morning.
 - d. Additional comments from universities will be accepted in writing until December 4.
 - e. The proposed policy will be presented to the Board in January.
6. Report from Council of Chief Academic Officers, Dr. Graham Glynn, *Provost and Vice President of Academic Affairs, Fort Hays State University*
 - a. Program Requests at COCAO for Approval by COPS
 - i. FHSU-Request approval to add a Bachelor of Science in Sociology
 - ii. WSU-Approved name change from Center for Community Support and Research to Community Engagement Institute
 - iii. KU- Approved Minor in Educational Studies
 1. Motion to approve by Dr. Schulz, second by Dr. Bardo. Motion carried.
 - b. First reading at COCAO
 - i. PSU-Request approval for a Bachelor of Science in Interior Design

- c. Approved by COCAO
 - i. KUMC-Request approval to change the name of the Doctoral Degree in the Department of Nurse Anesthesia Education, School of Health Profession from Doctor of Nursing Practice to Doctor of Nurse Anesthesia Practice
 - ii. K-State- Request approval to change the name of the M.S. and Ph.D. in Electrical Engineering to Electrical and Computer Engineering.
 - iii. FHSU – Request approval to change the name of the Ed.S. in Educational Leadership to Advanced Professional Studies.
 - d. Discussed non-academic misconduct notation on transcripts and ratified to move forward.
7. Report from Council of Governmental Relations Officers , *Debra Prideaux, Executive Director, Governmental Relations*
 - a. Discussion on collaboration of messaging by universities to the legislature and also acknowledgement of good news to legislature. Universities must have a unified approach.
 - b. Discussed changes in legislative committees and how that might impact higher education.
 - c. Met with faculty senate group and discussed recognition for faculty and concerns of salaries and furloughs.
 - d. Legislative breakfasts scheduled for the second Wednesday of every month.
 8. Report from Council of Chief Student Affairs Officers, Dr. Joey Linn, *Vice President for Student Affairs, Fort Hays State University*
 - a. Live Safe App discussion and participation by community and technical colleges.
 - b. Discussion on conceal carry and future policies.
 9. Other Matters
 - a. K-State Olathe update – Industrial Engineering Program established.
 - b. K-State Olathe -working with Johnson County Community College to establish 2+2 in hospitality management, culinary program. Both items will be brought to COCOA.
 10. Report from Council of University Support Staff, Ali Levine, *Wichita State University*
 - a. Working on a survey with the faculty group regarding the conceal carry and funding of that survey. The Council did not meet in November but will discuss the issue in December.
 - b. Confirming that the leave issue will be presented to Governance in December and then that recommendation will return to COPS and final to the Board to be implemented by July 2016.
 11. Unofficial move to adjourn 11:40 am without a quorum.

AGENDA

System Council of Chief Academic Officers

Wednesday, December 16, 2015
8:15 a.m. – 9:30 a.m.
or upon adjournment
Kathy Rupp Conference Room
Kansas Board of Regents
Curtis State Office Building
1000 SW Jackson, Suite 520

1. **Approve Minutes November 18, 2015**
2. **Updates**
 - a. Transfer and Articulation Council (TAAC) – Karla Wiscombe
 - b. Proposed Standard Cut Scores for Credit By Examination Policy – Gary Alexander
3. **Discussion**
 - a. Proposed Revisions to Transfer and Articulation Policy – Karla Wiscombe
 - b. Credit for Prior Learning (CPL) Guidelines Annual Review Feedback – Karla Wiscombe & Connie Beene
 - c. Proposed Credit for Prior Learning (CPL) Policy Gary Alexander
 - d. Proposed Revision to Reverse Transfer Policy Gary Alexander
4. **Other Business**

SCOCAO Schedule – September 2015 – June 2016

AGENDA MATERIALS DUE	MEETING DATES
August 26, 2015	September 16, 2015
September 23, 2015	October 14, 2015 - PSU
October 28, 2015	November 18, 2015 - WSU
November 20, 2015	December 16, 2015
December 18, 2015	January 20, 2016
January 20, 2016	February 17, 2016
February 19, 2016	March 23, 2016 – KUMC
March 23, 2016	April 20, 2016 – K-State
April 20, 2016	May 18, 2016
May 25, 2016	June 15, 2016

MINUTES

**System Council of Chief Academic Officers
Wednesday, November 18, 2015
8:30 a.m.
Wichita State University
Rhatigan Student Center
261 Olive Room
Wichita, Kansas**

The System Council of Chief Academic Officers met in the Wichita State University, Rhatigan Student Center, 261 Olive Room, Wichita, Kansas, at 8:30 a.m. on Wednesday, November 18, 2015.

Present at Wichita State University:

Members:

David Cordle, Emporia State University
Lynette Olson, Pittsburg State University
Graham Glynn, Fort Hays State University
Robert Klein, University of Kansas Medical Center
Sara Rosen for Jeff Vitter, University of Kansas
Tony Vizzini, Wichita State University
April Mason, Kansas State University

Staff:

Gary Alexander and Rita Johnson

Others:

Rick Muma, Wichita State University; Lori Cook-Benjamin, Fort Hays State University; Fred Guzek, Kansas State University; Janice Jewett, Pittsburg State University; Alysia Johnston, Fort Scott Community College; Kim Krull, Butler Community College; Harold Arnett, Cowley Community College; Robin Garrett, Barton Community College; Linnea GlenMaye, Wichita State University; Michelle Barger, Wichita State University; Gina Crabtree, Wichita State University; David Wright, Wichita State University; Deanna Mann, Dodge City Community College; and Pam Doyle, Wichita Area Technical College

Present by Conference Call in the Kathy Rupp Conference Room of the Kansas Board of Regents:

Members:

Jon Marshall, Allen Community College; Randy Pembroke, Washburn University; Peggy Forsberg, Highland Community College; Bill Backlin, Cloud County Community College; and Steve Loewen, Flint Hills Technical College

Board Staff:

Jean Redeker, Karla Wiscombe, Jacqueline Johnson, Susan Fish, Cynthia Farrier, and Connie Beene

Approve Minutes of October 14, 2015 Meeting

The motion was made and seconded to approve the October 14, 2015 minutes as submitted. Motion carried unanimously.

Updates

Transfer and Articulation Council (TAAC) – Karla Wiscombe

Karla Wiscombe updated SCOCAO on the Transfer and Articulation Council:

- Ten new courses to recommend to the Board in January
- Courses to review in September 2016 are from:
 - Institutional suggestions for general education courses
 - Faculty suggestions
- The Council meets today (November 18, 2015) at 3:00 p.m.

TAAC Policy Discussion – Karla Wiscombe

Karla Wiscombe indicated the draft policy will be placed on the December 2015 SCOCAO agenda for more in depth discussion.

Discussion followed:

- Suggestion to invite two or more Transfer and Articulation Council members to attend the December 2015 SCOCAO meeting to provide further input on the policy language
- Clarification of the directive(s) from the System Council of Presidents and the Board of Regents regarding the scope of transfer courses
- Correlation of the policy with the current direction from the Board
- Consensus is needed by SCOCAO regarding the policy language

Credit for Prior Learning (CPL) New Policy: Further the implementation of CPL, with emphasis on military credit (Board Goal 3)

Gary Alexander introduced the draft policy for a first reading and reiterated that anything regarding prior learning will come before the System Council of Chief Academic Officers and the Council of Chief Academic Officers.

Karla Wiscombe provided some background information:

- The Credit for Prior Learning Task Force was formed in 2013
- The Task Force completed the guidelines
- The institutions began implementing the procedures in 2014
- The guidelines are to be reviewed annually – looking at what is feasible and what is not
- The Task Force was reconvened to work on the Board’s goal of further implementation of CPL, with emphasis on military credit

Discussion followed:

- What are the Board expectations
 - More institutional attention to and visibility of Credit for Prior Learning opportunities
 - No expectation for an annual report at this time
 - Website on the Board of Regents website with links to each institution’s CPL website
- The October 2015 Credit for Prior Learning Task Force meeting was well attended

Reverse Transfer Policy – Gary Alexander

- Gary Alexander presented the draft policy change is in Item 3.b. to remove “opt-out” and insert “opt-in”

Discussion. Followed:

- FERPA questions were raised
- Clarification from Julene Miller, General Counsel, is needed
- More in depth Discussion on the policy, FERPA, procedures, etc. forth coming
- Council has concerns with the “opt-in” language

Reverse Transfer Procedures - Jon Marshall

Jon Marshall presented the revised procedures. There are changes on page 2 and page 3. This is an informational item and does not require action. The Registrars met on October 22, 2015 and discussed the procedures. The Council expressed concerns about workload in regard to procedures.

Karla Wiscombe and Connie Beene will gather feedback from all of the Registrars to discuss the updated procedures.

Other Business

Draft Policy on Cut Scores – Gary Alexander

Gary Alexander introduced the draft policy on cut scores for discussion purposes. A recommendation from the original Task Force. Regent Moran was on the BAASC at the time and this was one of her initiatives.

There is a possibility that legislation might be introduced regarding cut scores and it would be preferable to develop a system-wide cut score.

The Council requested a summary of current scores at the institutions. Cut Scores will be placed on the December 2015 agenda.

Other Business

HLC – Qualified Faculty

The Council asked to place the following item on a future SCOCAO agenda: Applying for an extension to meet the HLC requirements for the credentialing of dual credit faculty. Once HLC releases more information about the application process (early 2016), SCOCAO will discuss this item.

There being no other business, the motion was made and seconded to adjourn. Motion carried.

Meeting adjourned at 9:50 a.m.

AGENDA

Council of Chief Academic Officers

Wednesday, December 16, 2015
 9:30 a.m. - 10:00 a.m.
 or upon adjournment of SCOCOA
 Kathy Rupp Conference Room
 1000 SW Jackson Street, Suite 520
 Kansas Board of Regents
 Topeka, Kansas
 and reconvene at noon

- 1. Approve Minutes of November 18, 2015**
- 2. New Program Requests**
 PSU Request Approval for a Bachelor of Science in Interior Design (SECOND READING)
- 3. Program Requests**
 KSU – Request Approval to Change the Name of the Department of Human Nutrition to the Department of Food, Nutrition, Dietetics and Health
- 4. Informational Items**
 - a. PSU – New Career and Technical Education Administrator Graduate Certificate
 - b. PSU – Discontinue Master of Science in Special Education, Adaptive PreK-12
- 5. Discussion**
 - a. 2+2 Programs – Karla Wiscombe and Gary Alexander
 - b. Draft Academic Policy Revisions – Jean Redeker and Gary Alexander
 - c. First Generation Program – Tony Vizzini
- 6. Other Business**

AGENDA MATERIALS DUE	MEETING DATES	LUNCH ROTATION
August 26, 2015	September 16, 2015	ESU
September 23, 2015	October 14, 2015 at PSU	PSU
October 28, 2015	November 18, 2015 at WSU	WSU
November 20, 2015	December 16, 2015	KU
December 18, 2015	January 20, 2016	FHSU
January 20, 2016	February 17, 2016	WASHBURN U
February 22, 2016	March 23, 2016 at KUMC/KU Edwards	KUMC
March 23, 2016	April 20, 2016 at K-State	KSU
April 20, 2016	May 18, 2016	PSU
May 25, 2016	June 15, 2016	ESU

***Please Note: New Program Proposals are to be submitted 4 weeks prior to the next COCAO meeting for review and processing purposes.**

MINUTES

Council of Chief Academic Officers

**Wednesday, November 18, 2015
9:15 a.m. – 10:00 a.m.
Or upon adjournment of SCOCAO
Wichita State University
Rhatigan Student Center
261 Olive Room
Wichita, Kansas
and reconvene at noon
Morrison Hall
Room 109**

MINUTES

The Council of Chief Academic Officers met in the Wichita State University, Rhatigan Student Center, 261 Olive Room, Wichita, Kansas, at 9:15 a.m. on Wednesday, November 18, 2015 and reconvened at noon in Morrison Hall, Room 109.

Present at Wichita State University:

Members:

Graham Glynn, Provost, FHSU

Sara Rosen for Jeff Vitter, Provost & EVC, KU

Tony Vizzini, Provost, WSU

Lynette Olson, Provost, PSU

David Cordle, Provost, ESU

April Mason, Provost, KSU

Robert Klein, Vice Chancellor, KUMC

Staff:

Gary Alexander and Rita Johnson

Others:

Representatives from various institutions were present

Present by Conference Call:

Members:

Randy Pembroke, VPAA, WU

Staff in the Kathy Rupp Conference Room of the Kansas Board of Regents:

Jean Redeker and Karla Wiscombe

Approve Minutes of October 14, 2015

A motion was made and seconded to approve the October 14, 2015 minutes as read. Motion carried unanimously.

New Program Requests

PSU - Request Approval for a Bachelor of Science in Interior Design (FIRST READING)

Lynette Olson introduced Pittsburg State University's Bachelor of Science in Interior Design. PSU has received written comments from K-State. If there are any other comments or questions, please contact Lynette Olson prior to the December 2015 COCAO meeting. This is a first reading and no action is required.

Program Requests

KUMC - Request Approval to Change the Name of the Doctoral Degree in the Department of Nurse Anesthesia Education, School of Health Profession from Doctor of Nursing Practice (DNP) to Doctor of Nurse Anesthesia Practice (DNAP)

A motion was made and seconded to approve University of Kansas Medical Center's request for approval to change the name of the Doctoral Degree in the Department of Nurse Anesthesia Education, School of Health Profession from Doctor of Nursing Practice (DNP) to Doctor of Nurse Anesthesia Practice (DNAP). Motion carried.

K-State - Request Approval to Change the Name of the M.S. and Ph.D. in Electrical Engineering to Electrical and Computer Engineering

A motion was made and seconded to approve Kansas State University's request for approval to change the name of the M.S. and Ph.D. in Electrical Engineering to Electrical and Computer Engineering. Motion carried.

FHSU - Request Approval to Change the Name of the Ed.S. in Educational Leadership to Advanced Professional Studies

A motion was made and seconded to approve Fort Hays State University's request for approval to change the name of the Ed.S. In Educational Leadership to Advanced Professional Studies. Motion carried.

Non-Academic Misconduct Notation

A motion was made and seconded to recommend approval of the non-academic misconduct notation policy. Motion carried.

A motion was made and seconded to recess until noon. Motion carried.

The Council recessed and reconvened at noon in Morrison Hall Room 109.

Noon – Update/Discussion

State Efficiency Study Update – Elaine Frisbie

Elaine Frisbie presented COCAO with an update on the State Efficiency Study.

Other Business

There being no other business meeting adjourned at 1:15 p.m.

Sincerely,
Graham Glynn, Provost
Fort Hays State University

CURRENT FISCAL YEAR MEETING DATES

Fiscal Year 2016

Meeting Dates

Agenda Material Due to Board Office

August 11-13, 2015

August 26, 2015 at noon

September 16-17, 2015

September 23, 2015 at noon

October 14-15, 2015

October 28, 2015 at noon

November 18-19, 2015

November 24, 2015 at noon

December 16-17, 2015

December 30, 2015 at noon

January 20-21, 2016

January 27, 2016 at noon

February 17-18, 2016

March 2, 2016 at noon

March 23-24, 2016

March 30, 2016 at noon

April 20-21, 2016

April 27, 2016 at noon

May 18-19, 2016

May 25, 2016 at noon

June 15-16, 2016

TENTATIVE MEETING DATES

Fiscal Year 2017

Meeting Dates

July 21, 2016 – Budget Workshop

August 9-11, 2016 – Retreat

September 14-15, 2016

October 19-20, 2016

November 16-17, 2016

December 14-15, 2016

January 18-19, 2017

February 15-16, 2017

March 15-16, 2017

April 19-20, 2017

May 17-18, 2017

June 14-15, 2017

COMMITTEES (2015-2016)

Shane Bangerter, Chair
Zoe Newton, Vice Chair

Standing Committees

Academic Affairs

Helen Van Etten, Chair
 Zoe Newton
 Daniel Thomas
 Ann Brandau-Murguia

Fiscal Affairs and Audit

Bill Feuerborn, Chair
 Joe Bain
 Dave Murfin
 Dennis Mullin

Governance

Shane Bangerter, Chair
 Zoe Newton
 Bill Feuerborn
 Helen Van Etten

Regents Retirement Plan

Ann Brandau-Murguia, Chair
 Shane Bangerter

Board Representatives and Liaisons

Education Commission of the States	Zoe Newton
Postsecondary Technical Education Authority	Tom Burke Ray Frederick
Kansas Bioscience Authority	Kenny Wilk Jerry Boettcher
Midwest Higher Education Compact (MHEC)	Helen Van Etten Blake Flanders
Washburn University Board of Regents	Bill Feuerborn
Transfer and Articulation Advisory Council	Joe Bain
KSDE/KBOR Coordinating Council	Dennis Mullin Helen Van Etten