



KANSAS BOARD OF REGENTS

Agenda Call

Fiscal Affairs and Audit Standing Committee

12:15 pm, Tuesday, September 5, 2023

[Link to Zoom Meeting](#) or

Phone 346-248-7799

Meeting ID: 915 5850 7558

Passcode: 457 743

AGENDA ITEMS FOR SEPTEMBER 20, 2023 BOARD MEETING

FACILITIES – SEPTEMBER 20, 2023 – CONSENT

1. Amend FY 2024 Capital Improvement Project Plan and Approve Program Statement for Replacement of Bicknell Sports Complex Baseball Field Turf - PSU

Pittsburg State University requests approval to amend the FY 2024 capital improvement project plan and approval of the program statement for replacement of approximately 130,707 square feet of synthetic turf on the PSU Bicknell Sports Complex baseball field. The project cost is \$1,600,000 funded entirely from private gifts. The work is anticipated to be complete in Fall 2023.

Program statement is attached (Attachment A).

2. Amend FY 2024 Capital Improvement Project Plan and Approve the Program Statement for Improvements at Axe Library to Expand the Student Success Center - PSU

Pittsburg State University requests approval to amend the FY 2024 capital improvement project plan and approval of the program statement for improvements at Axe Library to expand the Student Success Center. The phased improvements build upon Axe Library's 2016 Master Plan and incorporate KBOR's major initiative for coordinated advising by expanding an existing Student Success Center into a centralized location for aligned academic and career advisement while addressing critical deferred maintenance needs.

The Axe Library Phase 7 project provides the additional advisement spaces necessary for delivery of coordinated and expanded Student Success services and creates flexible classroom, computer, and tutoring spaces for use by both Student Success and Axe Library programs. The phased project encompasses approximately 7,500 square feet of existing space, includes replacement of an original air handling unit (AHU) dating back to 1967 when this portion of the facility was built as a food service facility, and eliminates rooftop HVAC direct expansion cooling units (DX) added over time to supplement the facility's changing use. The project cost is estimated to be \$2 million funded by the Facilities Capital Renewal Funds (State General Fund) and PSU's allocation from the Educational Building Fund (EBF). The work is expected to begin in Fall 2023 and to be completed in Summer 2024.

Program statement is attached (Attachment B)

3. Amend FY 2024 Capital Improvement Project Plan and Approve the Revised Program Statement for Allen Fieldhouse Renovations Phase II – KU

The University of Kansas Lawrence requests permission to revise the program statement for Allen Fieldhouse Renovations Phase II. The revision shows office renovation work in Wagnon Parrott that was not shown on the original floor plans. The project budget and schedule approved by the Board at the March 2023 meeting are not affected.

Program statement is attached (Attachment C)

4. Amend FY 2024 Capital Improvement Project Plan and Approve the Revised Program Statement for Strong Hall Chilled Water Distribution and Conversion – KU

The University of Kansas requests approval to amend the FY 2024 capital improvement project, approval of the revised program statement and authority to revise the project name for the Strong Hall Chilled Water Distribution and Conversion project. The project title and scope will be revised to identify the entirety of Strong Hall instead of just the West Wing. Currently, Strong Hall is served by end-of-life direct expansion (DX) cooling units, window air conditioner units and steam radiators. The project scope will expand to provide chilled water distribution, as well as hot and chilled water conversion to serve the entire building instead of just the west wing.

Strong Hall is the main administration building for the Lawrence campus. It houses the offices of the Chancellor, Provost, and Registrar; the Dean of the College of Liberal Arts & Sciences; director of Graduate Studies; Senior Vice Provost for Affairs; and Vice Provosts for Administration and Finance, Faculty Development, Student Affairs, and Undergraduate Studies. It also houses International Programs and International Student Services; the Academic Achievement & Access Center; University Governance; and several student programs and services in advising, enrollment, tutoring, financial aid, and disability needs.

Total estimated costs including architectural fees, construction, and contingencies will increase from \$1,600,000 to \$6,520,000, funded by a combination of EBF and University funds. The design delivery method will be Design-Bid-Build. Although dependent on supply chain and other external issues, the anticipated project schedule is to complete the design in March 2024, bid, award, and begin construction by May 2024, and complete the project by August 2025.

Program statement is attached (Attachment D).

5. Act on Request for Allocation of FY 2024 Building Demolition Fund for Razing Eleanor Taylor Hall – KUMC

The University of Kansas Medical Center requests an additional allocation from the building demolition funds appropriated by the State of Kansas to complete demolition and site restoration for Eleanor Taylor Hall. It is located at 3901 Rainbow Blvd, Kansas City, Ks. During the May 22 meeting, the Board of Regents allocated \$750,000 to KUMC from the FY 2023 building demolition fund for the project. The lowest construction bid for the demolition of the building came in at \$742,580. KUMC requests an additional allocation of \$246,017 from the FY 2024 building demolition fund to cover the total cost of the project including the site restoration scope of work that includes an ADA compliant sidewalk, ramp, handrails, and grass sod.

Reference material attached. (Attachment E).

6. Amend the FY 2024 Capital Improvement Project Plan and Approve Revised Program Statement for Wichita Biomedical Campus (formerly known as Health Science Education Center) – WSU & KUMC

Wichita State University and the University of Kansas Medical Center request authorization to amend the capital improvement plan, approval of the revised program statement, and authority to revise the project name and better clarify the phasing of the Wichita Biomedical Campus (formerly known as the Health Science Education Center) based on current project funding. The project was initially approved by the Board in September 2022 as a single phase \$302 million project.

The project is now being developed in two phases – Phase 1 will consist of an approximately 325,000 gross square foot building with a total project cost of \$205 million. This phase will house academic programs from WSU College of Health Professions, KUMC College of Medicine Wichita, WSU Tech Health Professions, and KU School of Pharmacy. Phase 1 is being funded with a combination of various grants and state funding. A construction management at risk alternative delivery method will be used with project completion anticipated in Fall 2026. The balance of the initial program spaces will be assessed and defined in a subsequent Phase 2 project.

A revised architectural program of the Phase 1 project has been submitted to the Board office for approval along with this request.

Program statement is attached (Attachment F).

7. Act on Request to Demolish Building – Housing Maintenance Shop – WSU

Wichita State University requests authorization to raze the Housing Maintenance Shop, building #064, located at the corner of Hillside and E. 22nd Street. The structure is not designated as mission critical. Constructed in 1945, this 2,880 gross square foot building served as the base of operations for the housing maintenance team until the demolition of Fairmount Towers in FY 2019 at which point it was used for storage. Following demolition, the building site will be returned to green space. The total project cost to demolish the building is approximately \$35,000 and will be financed with housing funds.

Reference material is attached (Attachment G).

8. Amend FY 2024 Capital Improvement Project Plan and Approved Revised Program for the Demolition of the Natatorium and Gymnasium - KSU

Kansas State University requests approval to amend the Fiscal Year 2024 capital improvements project plan and to approve the revised program statements for the demolition of the Natatorium and Gymnasium. In July 2023, the university updated the Board on anticipated increased costs for the demolition of the buildings. The original program requesting approval for the demolition of the buildings was approved by the Board in November 2022.

Through the state's competitive process managed by the Office of Facilities Planning and Management of the Department of Administration (OFPM) architectural professionals were engaged to investigate and prepare construction drawings for the demolition. In that process, investigations revealed that the west wall of Ahearn Field House is slightly offset from the adjoining gymnasium, even though the two facilities were built as an interconnected pair in 1956. This means that even after demolition of the gymnasium, a silhouette of the gymnasium's adjoining profile would be highly visible on the west elevation of Ahearn Field House. The university decided that restoring the west elevation of Ahearn Field House by realigning the structural plane to match the remaining Ahearn Field House wall was the best long-term solution.

The university has completed in-depth and comprehensive plans for the project, which include additional selective deconstruction and reconstruction of a portion of the west elevation of Ahearn Field House. Reconstruction efforts will also entail filling the exterior wall with matching masonry units and windows, seamlessly blending with the existing façade. Furthermore, Ahearn Fieldhouse and the Gymnasium share numerous interconnected utilities and systems; extensive rerouting and updating of these utilities will be necessary. Among those tasks are the creation of a new mechanical room to accommodate the relocated utility lines, as well as upgrading the systems within Ahearn Field House, as they were previously supported by the Gymnasium's infrastructure. This will involve replacing the fire alarm and electrical distribution systems to ensure the functionality of Ahearn Field House both now and in the future.

The bidding process through OFPM confirmed the anticipated higher construction costs associated with the reconstruction. The increased project scope has increased the budget from \$3.4 million to \$5.5 million. Increased costs will be paid with university funds.

Demolition is slated to begin in the Fall 2023, with restoration expected to be completed by the Summer of 2024.

Program statements attached. (Attachment F)

9. Act on Request to Sell Real Property - KSU

Kansas State University requests approval to sell 102 acres of property in Riley County near Pillsbury Crossing. The property was gifted to the university in 1966 by Edwin and Ruby Frick to be used for research purposes. It was later named the Frick Research Farm. Due to its distance from campus, the property has not been utilized for the past 15 years. There are no known restrictions related to the original gift that prevent the sale of the property. Legislation enacted in 2022 authorizes the Board of Regents to approve the disposition of property without separate legislative action.

A professional survey of the property was completed in 2023. Three appraisers appointed by the Director of Property Valuation established the value of the property at \$715,000. Proceeds from the sale will be used to renovate the small animal surgery suite in Mosier Hall. The College of Veterinary Medicine plans to feature a story about the Fricks and their donation in a future edition of the Wildcat Veterinarian or Lifelines publications once the sale is finalized as a tribute to the original donors.

10. Amend FY 2024 Capital Improvement Project Plan and Approve Revised Program Statement for the Bickle-Schmidt Athletic Complex – FHSU

Fort Hays State University requests approval to amend the FY 2024 capital improvement plan for the Bickle Schmidt Athletic Complex. This project was last approved with a revised budget of \$10,000,000 earlier in FY 2024. The new proposed total budget is \$12,000,000. The 20,000 gross square foot, two-story facility is planned to be located in the south end zone of Lewis Field Stadium, in lieu of a building addition to the Bickle Schmidt Indoor Facility. Upward revision to the budget is due to inflation factors and construction market cost increases. This project is funded by private donations and a \$2,380,161 American Rescue Plan Act (ARPA) grant.

Revised program statement attached. (Attachment I).

11. Amend FY 2024 Capital Improvement Project Plan and Approve Revised Program Statement for the Gross Coliseum HVAC Improvements – FHSU

Fort Hays State University requests approval to amend the FY 2024 capital improvement plan for HVAC improvements to Gross Coliseum. This project was originally approved with the FY 2024 request with a budget of \$7,700,000. The project bid on June 18, with only one bid being received. A rebid of the project three weeks later yielded two bids, which were both over budget as well. Other less costly solutions were explored, but did not offer the same long-term savings which would be realized by the original plans. It is requested the total project cost budget be raised to \$11,400,000. The project will be funded with \$5,000,000 of ARPA funding, \$2,653,000 of FY 2023 State General Funds match dollars from FHSU and \$3,747,000 of Repair and Rehabilitation funds.

Revised program statement attached. (Attachment J).

FACILITIES – SEPTEMBER 20, 2023 – DISCUSSION

1. Amend the FY 2024 Capital Improvement Plan, Approve Program Statement for Emporia State University East Chiller Project and Other Deferred Maintenance Measures, Approve Contract with Energy Services Company and Act on Request to Seek Legislative Bonding Authority - ESU

Program statement attached. (Attachment K).

FISCAL – SEPTEMBER 20, 2023 – CONSENT

1. Act on Annual Budget for Wichita State University Mill Levy — WSU

Since WSU's affiliation as a state institution in 1964, the City of Wichita has levied 1.5 mills on all taxable property. The levy was extended to all taxable property within Sedgwick County beginning in 1988. Although the funds are under the control of the nine-member WSU Board of Trustees, state law provides that the Trustees may expend funds only with the approval of the Kansas Board of Regents.

A draft issue paper is attached (Attachment L).

2. Act on Distribution of FY 2024 Appropriations for Technical Education (Excel in Career Technical Education Initiative, AO-K Proviso and Postsecondary Education Performance-Based Incentives Fund)

The Excel in CTE Initiative provides state-financed college tuition for high school students in postsecondary technical education courses for students earning industry-recognized credentials in high demand occupations. An appropriation proviso first applied for FY 2022 was enacted again for FY 2024 requiring payments for this program be made to institutions in a certain timeframe.

The issue paper will be provided later; colleges will certify their enrollment data by September 8 and the Postsecondary Technical Education Authority will meet prior to the Board's meeting to review and approve the distributions.

FISCAL – SEPTEMBER 20, 2023 – DISCUSSION

1. Act on Board’s Unified State Appropriations Request

A statutory responsibility of the Kansas Board of Regents is to develop and submit to the Governor and Legislature a unified request for state appropriations for all postsecondary education, in accordance with the state budget process. The Board held a budget work session in August to further understand the budget requests for new funding from each institution and sector. The Board will take official action at the September meeting to approve the Board’s unified FY 2025 state appropriations request so the Board’s official budget document can be completed and submitted to the Governor and Legislature by the statutory deadline of October 1.

The issue paper will be included in the full agenda materials.

OTHER – SEPTEMBER 20, 2023 – DISCUSSION

1. Receive Responses to Student Athlete Health Care Task Force Recommendations

The issue paper will be included in the full agenda materials.

Fiscal Affairs & Audit Standing Committee (FAA) Agenda

FAA Committee Meeting: Wednesday, September 20, 2023, 10:15 am
Board Room, Curtis Office Building, Topeka, with Zoom Option

I. Old Business

- A. Approve minutes of FAA meeting on June 14, 2023
- B. Follow up on questions raised during the agenda call regarding FAA agenda items

II. New Business

- A. Finalize and Adopt Committee Organization, Agenda and Work Plan
- B. Staff Overview of Board Policies Relevant to the Committee
- C. Board Agenda Items under Fiscal Affairs (e.g., WSU Mill Levy)
- D. **24-09** Monitor Progress on State University Capital Renewal Initiative (standing item)
- E. Audits for committee review and discussion (standing item)
- F. Other Committee Business

III. Other Committee Items of Consideration

Upcoming meeting dates:

October 3 – 12:15pm, Agenda planning conference call

October 18 – 10:15 am Committee Meeting, University of Kansas, Lawrence

October 31 – 12:15pm, Agenda planning conference call

November 16 – 10:15 am Committee Meeting, Emporia State University

November 28 – 12:15pm, Agenda planning conference call

December 13 – 10:15 am Committee Meeting, Board Office, Topeka