



## KANSAS BOARD OF REGENTS

### **Fiscal Affairs and Audit Standing Committee Meeting Minutes Wednesday, December 17, 2025**

The December 17, 2025, meeting of the Fiscal Affairs and Audit Standing Committee was called to order by Chair Dicus at 10:15 a.m. The meeting was held in the Board Office located in the Curtis State Office Building, 1000 S.W. Jackson, Suite 520, Topeka. *Proper notice was given according to the law.*

MEMBERS PRESENT:           Regent John Dicus, Chair  
                                      Regent Neelima Parasker  
                                      Regent Kathy Wolfe Moore  
                                      Regent Matt Crocker

#### **Approval of Minutes**

Regent Crocker moved to approve the minutes of the September 17, 2025, meeting. Following Regent Parasker's second, the motion carried.

#### **Follow up on Questions Raised During Agenda Call**

David Vranicar, Chief Operating Officer at the University of Kansas, updated the Committee on changes to the proposed Cancer Center building. The plan was originally approved by the Board in December 2023. Since then, KUMC has received all the bid responses, and the new price of the building is \$330 million. Funding for the project will come from various sources, including \$30 million contributed by the KU Medical Center, \$9 million from the shared cost of the health system, \$75 million from state appropriations, \$60 million from federal grants, \$57 million from private gifts, and \$98 million in bonding. The university is seeking approval of the revised proposal to reflect the updated total of \$330 million. Regent Parasker moved to approve the update and additions to the Cancer Center project. Regent Crocker seconded the motion, and the motion passed unanimously.

#### **New Business**

##### **Act on Request to Amend the FY 2026 Capital Improvement Plan and Approve Program Statement for Construction of the Gateway District Phase II Parking Podium and Plaza – KU**

Jeff DeWitt, Chief Financial Officer at the University of Kansas, provided an update on the progress of the Gateway construction project. He noted that the project is funded by Sales Tax and Revenue (STAR) and Community Improvement District (CID) bonds. The university requested approval to update the project to include the parking podium and plaza on the east side of the David Booth Kansas Memorial Stadium. Regent Crocker moved to approve the update. Regent Parasker seconded the motion, and the motion passed unanimously.

##### **Act on FY 2027 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities.**

Chair Dicus shared the Committee was conducting the second reading of the universities proposed housing and dining rate adjustments. Azwad Arif, Student Body President at Emporia State University, shared that

each university seeks student input on new rates, often through Residence Hall Associations, which may conduct informal votes or gather feedback after decisions have been made. A representative from Pittsburg State University's Residence Hall Association clarified their process requires formal approval from the association before moving forward. A student representative from Wichita State University noted the Director of Housing and Residence Life attends Student Senate meetings to present proposed rates allowing students to provide feedback and ask questions, regardless of whether changes are being considered. During these meetings, elected students provide feedback and ask questions. Historically, when students raised concerns about proposed changes, they discussed these with university leadership, and after their concerns were addressed, they supported the proposals submitted to the Kansas Board of Regents. Regent Wolfe Moore moved to advance the FY 2027 housing and food service rate adjustment proposals to the full board meeting. Regent Parasker seconded the motion, and the motion passed unanimously.

### **Receive Report of Universities' Facilities Condition and Space Utilization, and Projected Maintenance Assessment Expenditures – System**

Director of Facilities, Chad Bristow, presented an overview of the annual report on deferred maintenance and renewal needs. He stated that the estimated renewal costs for the backlog of liability or deferred maintenance and renewal needs have grown from \$1.5 billion to \$1.66 billion this year. The recommended best practice is to reinvest 2% of the building replacement value annually into mission-critical facilities. This guideline aligns with industry standards, as a 50-year building depreciates at approximately 2% per year.

The report includes projections from FY 2023 through FY 2032, and details estimated replacement values, annual maintenance assessment requirements, and reported expenditures toward meeting those requirements for each university.

For the first three years, universities have exceeded the reinvestment targets, aided by additional state funding, one-time grants, and other incentives. The Board and universities previously agreed to gradually increase reinvestment rates, starting at 0.25% and moving toward the 2% benchmark. For FY 2026, the assessment is 1%, with incremental increases planned thereafter. As replacement values approach \$8 billion, achieving the 2% goal will require approximately \$180 million annually, underscoring the importance of continued state support.

The report also includes Educational Building Fund (EBF) expenditures, a longstanding funding source established in the 1940s for campus facility rehabilitation and repair. The Legislature appropriates EBF monies annually, and the Board allocates them to the state universities based on factors such as square footage, building age, and complexity. Universities use these funds for rehabilitation, remodeling, and demolition of mission-critical buildings.

For FY 2025, the Board allocated \$62 million, and universities reported expenditures of approximately \$56 million. Director Bristow also stated that the Data, Research, and Planning team at the Kansas Board of Regents had worked with the universities to collect space inventory data, which is shared on the Board's website.

**Adopt Systemwide Plan for Kansas Campus Restoration Act (FY2026 – FY2031) – System** Chad Bristow then reviewed the adoption of a systemwide plan for the Kansas Campus Restoration Act, as required by statute. In September, the Board approved the individual university plans, which have been compiled into a single system wide plan. The consolidated plan includes approximately 130 projects, which are categorized as 70% rehabilitation and repair, 20% remodeling, and 10% demolition.

It was noted during the September meeting that campus facilities management is dynamic, with frequent emergent needs and liabilities. To address this, universities will submit annual updates or priority changes each October as part of their standard facilities reporting process.

A detailed tabular breakdown of the projects is included in the report, and the recommendation is to adopt the compiled plan as the official Board plan. Regent Wolfe Moore asked whether this information is presented to the appropriate legislative committee. Vice President Frisbie responded that opportunities are limited to what the Legislature permits as presentations, as they typically set their own agenda for topics they wish to address. However, whenever possible, the universities highlight the Legislature's contributions and support in these areas.

#### **Act on Allocation of FY 2027 Educational Building Fund Appropriation – System**

Director Bristow then reviewed the allocation of the FY 2027 Educational Building Fund (EBF). Each year, the Board reviews and considers the allocation of the EBF, for campus facility improvements. A key change this year results from 2025 Senate Bill 35, which was passed during the most recent legislative session. This shifts the funding source starting in FY 2027 from the longstanding property tax revenue to transfers from the State General Fund. For FY 2027, the starting allocation will be \$56 million, with future adjustments based on the average percentage change in property valuation over a ten-year period. If the valuation change is negative, the allocation will remain flat.

The EBF has historically been a stable and primary source of funding for campus facilities for decades, but it currently covers only about one-third of what is needed under best practice standards. To prevent significant backlog, reinvestment should reach approximately 2% of annual replacement value, which is far above current funding levels. While the EBF remains an essential component of the funding structure, its limitations underscore the need for additional resources.

Regent Wolfe Moore asked for clarification on whether the same amount of funding would still be received, with the only change being a shift from an automatic process to a demand transfer. Director Bristow confirmed that this was correct. Regent Crocker then inquired if the definition of mission-critical structures remained consistent across the funds and programs presented, and Director Bristow affirmed that it did.

#### **Act on Request to Amend the FY 2026 Capital Improvement Plan and Approve Revised Program Statement and Project Budget for Cancer Center – KUMC**

This was addressed during the follow-up discussion earlier in the meeting.

#### **Monitor Progress on Kansas Campus Restoration Act (FAA 26-08)**

Director Bristow shared that his earlier update on the Kansas Campus Restoration Act will be reviewed in more detail during the full Board meeting.

#### **Review Audit Findings (FAA 26-09)**

Chair Dicus discussed the audit findings. Vice President Frisbie shared that the state's annual comprehensive financial report and audit are due by the end of this month. Once it is published, results will be shared with the Committee. Additionally, she shared that the internal audit presentations for each campus have been rescheduled and will now be presented during the January and March committee meetings.

#### **Adjournment**

Chair Dicus adjourned the meeting at 11:29 a.m.