

MINUTES

Fiscal Affairs and Audit Standing Committee Kansas Board of Regents MINUTES

Wednesday, September 18, 2024

Chair Benson called the September 18, 2024, meeting of the Fiscal Affairs and Audit Standing Committee to order at 10:17 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 law.*

MEMBERS PRESENT: Regent Blake Benson, Chair
Regent Jon Rolph
Regent Wint Winter
Regent John Dicus

Approval of Minutes

Regent Dicus moved that the minutes of the June 18th meeting be approved. Following the second of Regent Winter, the motion carried.

Follow up on Questions Raised During Agenda Call

Vice President Elaine Frisbie noted that the renovation project for Kansas State University was stricken from the consent agenda.

New Business

Chair Benson introduced David Vranicar from University of Kansas Medical Center to give an update on KU's restructuring of leadership, entitled "One KU." David shared that Jeff DeWitt, KU CFO, will now be responsible for all KU financial matters, including the Medical Center. David shared that he will now serve as the Chief Operating Officer for all of KU. This role will oversee facilities, IT, Public Safety, Parking, and Tech Transfer. David shared that Matthias Salathe, Vice Chancellor of Research at KUMC will now lead the research enterprise on both campuses. Last, he shared that Dr. Steve Stites has been named Executive Vice Chancellor of KU Medical Center. Chair Benson thanked David for the update. Chair Benson then welcomed Aaron Mitchell, new CFO at Wichita State University, to the committee.

Finalize and Adopt Committee Organization, Agenda and Work Plan

Regent Rolph moved to approve the Committee Organization, Agenda, and Work Plan. Following the second of Regent Dicus, the motion carried.

Board Agenda Items under Fiscal Affairs

Vice President Frisbie reviewed the Consent Agenda items discussed on the Agenda Call, making note that the "Summary of Changes to the Agreement Between FHSU-AAUP and the University" header in the consent item A9 (top of page 86), should read "WSU-AFT" instead of "FHSU-AAUP."

Chair Benson then transitioned to the discussion agenda, noting that the discussion on budget requests will be saved until the end.

Vice President Frisbie reviewed the discussion agenda items discussed on the Agenda Call, noting that state universities are requesting to table the discussion and action on the facility (Section E) board policy amendments. Vice President Frisbie shared that the request to act on distributing of IT Infrastructure and Cybersecurity was only to distribute \$1.8 million and that the Universities would be working together on a request for the remaining.

Vice President Frisbie shared that the University IT staff have been working along with Board Staff to propose a new board policy for cybersecurity and risk management, which Governance approved at their meeting earlier in the morning.

Vice President Frisbie share that WSU is seeking a limited exemption to board policy on tuition assistance to allow WSU Athletic Association employees to be eligible. Regent Dicus asked if this item was extending the policy for other universities. Vice President Frisbie responded that it makes a limited exception to the board policy and would extend to employees of one of the seven affiliated corporations at WSU.

Vice President Frisbie shared that at the September 19th meeting, the Technical Education Authority will be asking for board approval for distribution of state funding for 2-year colleges. The board staff have been running enrollment details through the instructional cost model to calculate state aid for several programs, including Senate Bill 155, which helps cover tuition for HS students taking college courses. The TEA approved the amounts as calculated and has asked that the board include the coverage of the shortfall into the Unified Budget Request. She added that the Unified Budget Request also includes a request to fund the calculated costs for tiered, non-tiered, and excel CTE funding. The exact amount is to be determined as calculations are needed for the tiered and non-tiered portions.

Next, Chair Benson transitioned to a discussion on Unified Appropriations budget requests. He extended his thanks to all involved for their time and effort with these requests and noted that all requests that were received were heard at the July board retreat.

Vice President Frisbie shared that there was a supplemental request for FY 2025 for Excel in CTE, Accelerating Opportunity- Kansas, AO-K to Work, and GED Accelerator. The committee approved these items by consensus.

Vice President Frisbie shared that several campus-specific items that were shared at the July budget retreat had been withdrawn. She also shared that the items for regional literacy centers has also been withdrawn. Regent Dicus noted that some of the withdrawn items have been moved to other agencies, such as the Department of Commerce. Vice Chair Rolph commended all involved for their trusting and collaborative spirit while focusing on student affordability, economic development, and compensating team members at a market rate.

Regent Dicus asked if another line had moved into Regional Growth & Development budget request to account for the increase from \$15 million to \$21 million. Chair Benson responded that the increase was due to additional requests and not another lined being rolled into the request.

Regent Winter asked what the percentage increase would be compared to the existing approved funding. Vice President Frisbie responded that \$219.6 million was funding requested for new projects of some kind, although the total funding was approximately only \$20 million higher than the previous year. She added that the budget director has asked the board to be cautious in their spending, although no current funding is being withdrawn or removed. Regent Winter expressed concern that the additional funding being asked for could be seen as unreasonable, although he is prepared to advocate as strongly as possible for the best interests of the universities.

Regent Rolph moved to recommend the budget as is to the board. Regent Winter abstained; all others voted yes. The motion passed.

Monitor Progress: State University Capital Renewal Initiative and Campus Restoration Act

Director of Facilities Chad Bristow reported that the universities have been working on updating information in several categories, including Overall building inventory, space utilization, and facilities expenditures, for an internal deadline of October 1st. He added that universities have submitted their room-by-room space inventory data to KBOR's Data, Research and Planning team via automated web collection. He thanked the KBOR staff from DRP and IT for their efforts on this automated system.

Director Bristow noted that KBOR will be presenting the FY 2026 capital improvement plans to the Joint Committee on State Building Construction on Wednesday, Oct. 9th. He shared that Senate Bill 18, enrolled this past session, established the Campus Restoration Act, which established a specific fund and funding for FY 2026 through FY 2031. The purpose of the act is to support a strategic approach to bringing higher ed facilities across the state into good repair. He shared that the Board will need to develop a comprehensive restoration plan as well as determining how to allocate the \$30 million to the universities. The funding for the Community Colleges, Technical Colleges, and Washburn is outlined in the act at \$110k per institution.

Adjournment

Regent Dicus moved that the meeting be adjourned. Following the second of Regent Winter, the motion carried, and the meeting was adjourned at 11:22am.