



KANSAS BOARD OF REGENTS

Agenda Call
Fiscal Affairs and Audit Standing Committee
12:15 pm, Tuesday, November 28, 2023
[Link to Zoom Meeting](#) or
Phone: 346-248-7799
Meeting ID: 915 5850 7558
Passcode: 457 743

FAA AGENDA ITEMS FOR DECEMBER 13, 2023 BOARD MEETING

FISCAL – DECEMBER 13, 2023 – CONSENT

1. Act on Request to Allocate EPSCoR Appropriation

Draft issue paper is attached, with background on the EPSCoR program (Attachment A).

2. Act on Proposed Allocation for Kansas Comprehensive Grant – System

Draft issue paper is attached (Attachment B) and detailed table will be provided.

FACILITIES – DECEMBER 13, 2023 – CONSENT

1. Amend the FY 2024 Capital Improvement Plan for NIAR Hub for Advanced Manufacturing and Research – WSU

Wichita State University requests authorization to modify the capital improvement plan to increase the budget for the NIAR Hub for Advanced Manufacturing and Research (formerly NIAR Technology and Innovation Building) on the Innovation Campus at Wichita State University from \$60.62 million to \$69 million. The project scope and budget were approved to increase at the May 2023 KBOR meeting. Updated project cost estimates following design development reflect additional increases in construction costs resulting in a total project cost of \$69 million. The project scope and program have not changed since the last approval.

The building project has been developed as part of a larger EDA grant received by WSU. The project will be with EDA grant funds supplemented with additional funds from WSU National Institute for Aviation Research (NIAR), revenue bonds, and additional grant funds.

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A standard design-bid-build project delivery method will be used for this project with project completion anticipated in fall 2025.

2. Act on Request to Authorize WSU Ground Lease to WSIA and WSIA Ground Sublease to Connected Nation Internet Exchange Points, LLC for New IXP Facility – WSU

The issue paper is under development.

3. Act on Request to Accept Real Property from City of Wichita by the University of Kansas and Wichita State University

Draft issue paper is attached (Attachment C).

4. Act on Request to Amend FY 2024 Capital Improvement Project Plan and Approve Program Statement for Renovations to Willard Hall, King Hall, and Chemistry/Biochemistry Building – KSU

Kansas State University requests approval to amend the FY 2024 capital improvement project plan and to accept the program statement for renovations to Willard Hall, King Hall and the Chemistry/Biochemistry Building. Renovations are required to support the relocation of the Department of Geology from Thompson Hall. The proposed relocation improves space utilization and allows for the renovation and repurposing of Thompson Hall, which was approved by the Board at the November 2023 meeting.

Approximately 7,500 square feet will be renovated in Willard Hall to accommodate teaching labs, outreach space, sample storage, work areas, GTA offices, faculty offices and faculty research labs. Former chemistry labs within the Chemistry/Biochemistry Building will be repurposed for geology research labs and an existing shared instrumentation lab will house two pieces of geology equipment. Approximately 3,000 square feet in King Hall will be renovated for use by Geology. Renovations in all three buildings will include HVAC, plumbing, electrical, lighting and fire protection upgrades. Renovation of the space is scheduled to begin in December 2024 and be completed in Fall 2025. The estimated cost is \$5.2 million and will be funded from a combination of capital renewal, philanthropic and university funds.

Program statement attached (Attachment D).

5. Act on Request to Approve Ground Lease – KSU

Kansas State University, on behalf of K-State Salina Polytechnic, requests approval to enter into a thirty-year ground lease agreement with the Salina Airport Authority (SAA) for the construction of the Kansas Advanced Immersive Research and Emergent Systems (K-AIRES) facility project. SAA will use the ground to be leased, located near 724 Beechcraft Rd, Salina, Kansas, to construct the K-AIRES project, a state-of-the-art research and teaching facility focused on simulation and AI-capabilities. Pure Imagination, a company centered on developing and marketing those same capabilities, will be the flagship tenant. K-State will lease the ground to SAA in consideration for SAA's procurement of the K-AIRES facility, with that facility becoming property of K-State upon

termination of the ground lease. Funds to pay SAA's initial design costs have been appropriated by the state are currently being held by the Kansas Department of Commerce.

Draft Lease is attached (Attachment E).

FISCAL – DECEMBER 13, 2023 – DISCUSSION AGENDA

1. Act on FY 2025 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities

The issue paper will be included in the Board agenda materials. No changes have been made to the universities' proposed rates that were presented in November.

FACILITIES – DECEMBER 13, 2023 – DISCUSSION AGENDA

1. Receive Report on Universities' Facilities Condition and Space Utilization, and Projected Maintenance Assessment Expenditures – System

Board policy (Ch.II,E,5) directs each state university to report on space utilization efficiency, facilities condition, and maintenance assessment projected expenditures in October of each year. In this first year of the data collection, the Board will receive a summary as well as the universities' data. This report also exceeds the requirement in K.S.A. 76-7,103 that information be provided to the Legislature on deferred and annual maintenance, building inventory and space utilization every other year, as this information is now updated annually.

Also included in the report will be tabular data for each university's EBF expenditures. The Board allocated amounts from the Educational Building Fund (EBF) to the state universities for FY 2023 in December 2021. As conditions change and circumstances warrant changes to project priorities, the universities now have the flexibility to re-allocate their EBF allocation to the most strategic or urgent projects. The Board will receive a report from the universities on how the funds were used in FY 2023.

Report is forthcoming.

2. Act on Allocation of FY 2025 Educational Building Fund Appropriation – System

The Board has responsibility for allocating the legislative appropriation from the Educational Building Fund (EBF) in accordance with the legislative appropriation and Board policy. Staff will present recommendations on the allocation of the EBF for FY 2025 using the same allocation percentages as used in recent years.

The issue paper is under development.

3. Act on Request to Exchange Real Property with the University of Kansas Endowment Association – KU

The University of Kansas requests approval to finalize the exchange of property with KU Endowment Association (KUEA). In September 2021, the Board approved the university’s request to seek legislative authority to exchange three University of Kansas properties for one parcel of KUEA property. Legislative authorization was contained in Section 170 (a,b,c,d) of 2022 House Substitute for Senate Bill 267, signed into law by Governor Kelly. As required by statute, four appraisers appointed by the Director of Property Valuation of the Department of Revenue established the value of the parcels. In accordance with the Board’s Policy Manual, Chapter II, Section E.11.e.i.(3): “Where trades of real property between the State and any related organization may benefit the state university and disposal of the state property has been approved by the Legislature, the Board of Regents may authorize the state university negotiate a trade of the realty.”

The three parcels of University of Kansas properties have a total appraised value of \$1,850,000:

Wesley Building property (0.50 acres)

Appraised value \$965,000

Bob Billings and Crestline Drive (Site of Lawrence Transit Hub) (3.082 acres)

Appraised value \$525,000

21st Street and Iowa Street (0.918 acre)

Appraised value \$360,000

The KUEA property has an appraised value of \$1,852,722:

Westbrooke Street Property (28.416 acres)

Appraisals for the University of Kansas properties are attached (Attachment F).

Appraisal for the KUEA parcel is forthcoming.

4. Receive Update on Campus Master Plan – KU and KUMC

The University of Kansas will update the Board on its campus master plan.

5. Receive Update on Global Center for Grain and Food Innovation project – KSU

The Global Center for Grain and Food Innovation (GCGFI) project, initially approved by the Board in November 2022, has undergone subsequent developments and refinements to enhance its scope and address specific needs. The selection of a different architectural team followed the initial approval, conducted through the competitive Office of Facilities Planning and Management (OFPM) process. Collaborations with university leadership, colleges and departments, and design professionals resulted in the refinement of the original program, leading to the decision to divide the project into separate programs to better focus on individual project needs.

The Livestock Competition Arena and Horse Unit have been separated from the original program and submitted as distinct programs for approval in March 2023, reflecting a strategic decision to address their unique requirements independently.

As a result, this program update now encompasses the following components:

1. New Global Center for Grain and Food Innovation
2. Demolition of Weber Arena and Weber 123
3. Call and Weber Hall renovations

Following the 2024 Rodeo and Cattleman's Day events scheduled for March 2024, the arena is set to undergo demolition and become part of the site package for the GCGFI construction project. Partial demolition for Weber 123 is anticipated to be completed to better accommodate classroom and laboratory needs. The Call Hall and Weber Hall renovations will continue to serve College of Agriculture departments and address deferred maintenance and teaching and research lab modernization. The new GCGFI building will include connectors to Call Hall and Weber Hall, facilitating interdisciplinary functions throughout the complex.

In January 2024, the university plans to submit an agenda item to KBOR, complete with a revised program statement with updated budget costs and project timelines. The comprehensive planning and strategic approach adopted by the University aim to ensure a seamless transition, uphold the educational mission, and facilitate cross-campus collaboration.

FAA COMMITTEE AGENDA

FAA Committee Meeting: Wednesday, December 13, 2023, 10:15 am
 Kansas Board of Regents' Office, Topeka

I. Old Business

- A. Approve minutes of November 15, 2023 committee meeting
- B. Follow up on issues raised during the November 28 teleconference call

II. New Business

- A. Board Agenda Items under Fiscal Affairs & Audit
- B. Presentation on Facilities Space Inventory, Utilization, and Needs Analysis: A Collaborative Effort to Develop and Cross-Reference/Harness Data Collections to Inform Campus Planning
- C. **FAA 24-02** Review Capital Budgeting Process and Current Status of University Campus Master Plans
- D. **FAA 24-08** 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

Future meeting dates:

January 2 – 12:15 pm, Agenda planning conference call

January 17 – 10:15 am Committee Meeting, Board Office, Topeka

January 30 – 12:15 pm, Agenda planning conference call

February 14 – 10:15 am Committee Meeting, Board Office, Topeka

March 5 – 12:15 pm, Agenda planning conference call

March 20 – 10:15 am Committee Meeting, Board Office, Topeka

April 2 – 12:15 pm, Agenda planning conference call

April 17 – 10:15 am Committee Meeting, Fort Hays State University

April 30 – 12:15 pm, Agenda planning conference call

May 15 – 10:15 am Committee Meeting, Board Office, Topeka

June 4 – 12:15 pm, Agenda planning conference call

June 18 – Time to be determined, Committee Meeting, Board Office, Topeka