



## KANSAS BOARD OF REGENTS

**Teleconference Meeting  
Fiscal Affairs and Audit Standing Committee  
12:15 pm, Tuesday, January 2, 2024  
[Link to Zoom Meeting](#) or  
Phone: 346-248-7799  
Meeting ID: 915 5850 7558  
Passcode: 457 743**

### **FAA AGENDA ITEMS FOR JANUARY 17, 2024 BOARD MEETING**

#### ***FACILITIES – JANUARY 17, 2024 – CONSENT***

##### **1. Act on Request to Amend the FY 2024 Capital Improvement Plan and Approve Program Statement for Construction of an Addition to the Geological Core Library – KU**

The University of Kansas Lawrence requests approval to amend the FY 2024 capital improvement project plan and to accept the program statement for an addition to the Geological Core Library on the Lawrence Campus. The need for additional core storage space, improved processing space, research space and office space have led to this request. The existing Geological Core Library is on West Campus just south of 19<sup>th</sup> Street and east of Constant Avenue.

The 2023 Legislature has appropriated funding for this project from ARPA funds. Total estimated costs, including architectural/engineering fees, construction, lab equipment, and contingencies are \$3.8 million. KU anticipates a six-month design period beginning in April 2024, bidding the project in Winter 2025, followed by an eight-month construction period, with completion planned for Summer of 2025. The timing will depend on supply chain and other external issues.

*Program statement is attached for reference. (Attachment A)*

##### **2. Act on Request to Amend the FY 2024 Capital Improvement Plan and Approve Revised Program Statement for Utility Tunnel Repairs – PSU**

Pittsburg State University requests approval to amend its FY 2024 capital improvement plan and accept the revised program statement to reflect an increase in the total project cost for the Utility Tunnel Repair Project. The Board approved the program in July 2022 with an estimated total cost of \$1.5 million for the first phase. Since that time, the design team has completed design development work including a phasing plan. The inflationary pressures in construction projects, materials availability and cost, and various design decisions to maintain steam service during the project, resulted in an updated cost estimate of \$1.9 million for the first phase. In an effort to avoid additional cost escalation and prevent additional major emergency steam repairs, as were just completed in December 2023, PSU determined it best to proceed with design and bid replacement of all remaining original brick tunnels. For budget protection, PSU will structure the project bid as a base project with additional scopes of work designated as alternates that can be included in

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the contract if bids are favorable to the budget. This expedited effort will result in an increase to the total project budget from \$4.5 million up to \$6 million. The increased estimated total project cost also includes the additional design fees, surveying, test borings, and contingency for the expanded scope of work that could then be awarded as alternates under a single project rather than phased as a future separate project or projects. The University would add \$1.5 million of Capital Renewal Funds (SGF) to the original \$4.5 million from the allocation from the Educational Building Fund should the additional scopes of utility tunnel repair work be awarded.

*Program statement is attached for reference. (Attachment B)*

### **3. Act on Request to Amend the FY 2024 Capital Improvement Plan and Approve Program Statement for Tyler Prove-Out Facility – PSU**

Pittsburg State University requests approval to amend the FY 2024 capital improvement project plan to update the total project cost budget, to accept the program statement, and to approve changing the project name for the Tyler Research Center Expansion to Tyler Prove-Out Facility. Tyler is home to the National Institute for Materials Advancement (NIMA), which helps drive innovation, research, and degree programs supporting business and industry. In 2022, PSU received KBOR approval to build and equip NIMA's Prove-Out Facility, ultimately hiring a design team via the state RFQ selection process to develop a program for KBOR approval and potential construction of an \$8 million expansion while planning for strategic future development of the project site and the City's adjacent land comprising the Research Park.

The programming process, industry interest in the Prove-Out Facility, and potential for additional funding sources to build upon the current momentum inspired NIMA and its partners to increase the original budget to approximately \$13 million for an anticipated 22,000 square foot Phase 1 construction project to provide research labs, shared lab resources, design and testing, production labs, and support spaces. In preparation for the real potential of future growth and investment, the project program includes a nearly \$9 million expansion of 11,000 to 13,650 square feet of additional lab and research space. The projected budget for both Phase 1 and 2 totals \$22 million, which includes an additional \$2 million buffer to accommodate donor enhancements or construction escalation. The project is being funded from a combination of private gifts, federal, and state grants.

To minimize escalation for Phase 1 and expedite serving students, local, and regional entrepreneurs and businesses with this much-needed facility, the university is pursuing an aggressive construction schedule and approval for delivery via the state alternative delivery method of Construction Manager at Risk with the intent to break ground in Fall 2024 for December 2025 completion.

*Program statement is attached for reference. (Attachment C)*

### **4. Act on Request to Amend the FY 2024 Capital Improvement Plan for University Stadium Project – WSU**

Wichita State University (WSU) requests approval to amend the FY 2024 capital improvement plan for the multi-phased University Stadium project to be funded entirely with non-state money. The project scope has not changed, and the total budget remains at \$78 million previously approved by the Board of Regents at the June 2023 meeting.

Funding for Phase 1A/1B will be a combination of private gifts and \$11.8 million funded by the WSU Board of Trustees through a K DFA bond issue. Funding for Phase 2A/2B is yet to be determined.

WSU anticipates requesting approval to utilize the Construction Manager at Risk delivery method for projects entirely funded with non-state money authorized by the state educational institution project delivery construction procurement act in K.S.A. 76-7,131.

**5. Act on Request to Amend the FY 2024 Capital Improvement Plan and Approve Revised Program Statement for Global Center for Grain and Food Innovation (GCGFI) – KSU**

Kansas State University (KSU) requests approval to amend the FY 2024 capital improvement project plan and for the Board of Regents to accept the revised program statement for the Global Center for Grain and Food Innovation (GCGFI). The Global Center for Grain and Food Innovation 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 process. Collaboration with university leadership, colleges, 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 comprehensive planning and strategic approach adopted aim to ensure a seamless transition, uphold the educational mission and facilitate cross-campus collaboration.

The Livestock Competition Arena and Horse Unit have been separated from the original program and will be submitted as distinct programs for approval in March 2024, reflecting a strategic decision to address their unique requirements independently. As a result, the program update presented to the Board now encompasses the following components:

- New Global Center for Grain and Food Innovation;
- Demolition of Weber Arena and Weber 123 Classroom; and
- Call Hall 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.

With the revised project scope, the project cost has increased to \$166.2 million. The project will be completed in two phases. Phase one will include demolition of Weber Arena and Weber 123 classroom, followed by construction of the Global Center for Food and Grain Innovation expected to be completed by August 2026. Phase two will include Call Hall and Weber Hall renovations and will follow phase one as funding is identified.

*Program statement is attached for reference. (Attachment D)*

*FINANCE – JANUARY 17, 2024 – CONSENT*

**1. Act on Request to Suspend the Annual Audit Requirement for Pittsburg State University Research Foundation – PSU**

The Pittsburg State University Research Foundation (PSURF) is a controlled affiliate that was established to aid the university in its research and educational missions by owning, managing, protecting, and maximizing the impact of intellectual property generated by faculty, staff, and students of Pittsburg State University. The entity operated and conducted planning work for several years, but the need for the intended utilization of PSURF did not materialize at that time. The entity has no active operations currently and has not met for several years. The only transactions for the entity are those related to keeping the entity active (state filing fees, audit fees, insurance), all of which are processed and reviewed by PSU's accounting department. While PSU anticipates that PSURF may be useful in the future given expanded research activity, this is not expected over the next 2 or 3 years. To avoid significantly increasing audit costs for an entity that has no active operations, PSU intends to suspend operations for PSURF while assessing the future role of the organization in the university research enterprise.

KBOR policy II.D.13.a.iii requires an annual audit be conducted by an independent certified public accountant for a corporation whose operations are substantially controlled by a state university and that the audit be furnished to the Board of Regents. Since there have been no PSURF operations for the past few years and no plans for operations for at least the next couple of years, PSU requests that the Board waive the requirement for an independent audit of PSURF for FY 2023 and until either PSURF resumes operations or such time when the University decides to completely terminate the entity.

## FAA COMMITTEE AGENDA

Next FAA Committee Meeting:            Wednesday, January 17, 2024, 10:15 am  
   Kansas Board of Regents' Office, Topeka

### **I. Old Business**

- A. Approve minutes of December 13th committee meeting
- B. Follow up on issues raised during the January 2nd teleconference call

### **II. New Business**

- A. Receive Annual Update on State's Investment in Research Programs
  - 1. KSU College of Veterinary Medicine
  - 2. KSU Global Food Systems
  - 3. WSU National Institute of Aviation Research
  - 4. KUMC Cancer Center
  - 5. KU Geological Survey
- B. **FAA 24-03** Meet with State University Internal Auditors and Receive Internal Audit Plans
  - 1. Jana Clark, Kansas State University
  - 2. Brett Gerber, Fort Hays State University
  - 3. Chris Cavanaugh, Wichita State University
  - 4. Cate Neeley, University of Kansas
  - 5. Nicole Rich, Pittsburg State University

*(Tammy Norman of Emporia State University will present at the February meeting)*
- C. Review Board Agenda Items under Fiscal Affairs
- D. **FAA 24-08** Capital Renewal Initiative Update (standing item)
- E. Audits for committee review and discussion (standing item)
- F. Other Committee Business

### **III. Other Committee Items of Consideration**

Next meeting dates:

- 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
- Tuesday, June 18** – 2:00-4:00 pm, Committee Meeting, Zoom