



KANSAS BOARD OF REGENTS

Agenda Call
Fiscal Affairs and Audit Standing Committee
12:15 pm, Tuesday, November 4, 2025
[Link to Zoom Meeting](#) or
Meeting ID: 832 2542 5079
Passcode: 349 900

AGENDA ITEMS FOR NOVEMBER BOARD MEETING RELATED TO FISCAL AFFAIRS

CONSENT AGENDA

1. Act on Request for Changes to Appropriation Language for the FY 2027 Budget – System

Board staff recommends changes to appropriation provisos for the upcoming legislative session to make best use of the state funds appropriated to the Kansas Board of Regents and state universities.

Draft issue paper is attached (Attachment A).

2. Act on Request to Convey Land from the University of Kansas to the Kansas University Endowment Association – KU

The University of Kansas requests the Kansas Board of Regents approve the University's conveyance of 4.94 acres of land immediately adjacent to the east of David Booth Kansas Memorial Stadium to the Kansas University Endowment Association (KUEA) at no cost. KUEA will manage the commercial development of the Gateway Project Phase Two project that supports the economic development for the University and the City of Lawrence. The property was gifted to the University in 1949 by Mary Elizabeth Marsh and Robert E. Marsh for the consideration of \$1.00 (one dollar) (Exhibit B). Per K.S.A. 76-7,152, upon authorization of the Board, a state educational institution may convey real property given as an endowment, bequest or gift to such institution without of legislative approval. Further, K.S.A. 74-3254 authorizes the Board to convey or transfer title of property to the institution's investing agent (here, KUEA) without further legislative authorization.

Draft issue paper is attached (Attachment B).

Appraisal is attached (Attachment C).

Professional survey will be provided with the Board materials prior to the meeting.

3. Act on Request for Exchange of Real Property between the University of Kansas and the Kansas University Endowment Association – KU

The University of Kansas requests that the Board of Regents approve a property exchange with the Kansas University Endowment Association to accommodate a wider turning radius for buses at the City of Lawrence's Transit Hub and allow KUEA to enter into a long-term lease with the City of Lawrence related to the Transit Hub. In September of 2021, a multi-property exchange between KU and KUEA consisting of properties on or near KU's Lawrence campus was approved by the Board of Regents. (Exhibit A, Item #1). One of these exchanges allowed for approximately 3 acres of land at the corner of Bob Billings Parkway and Crestline Drive (the "Northen Crestline Drive Property") to be transferred so that KUEA could enter into a lease with the City of Lawrence for a Bus Transfer Station. (Exhibit B – property *above* the dashed line). KUEA has now determined that it needs a slightly larger piece of property to accommodate a wider turning radius for the buses. This proposed transfer of 2.06 additional acres (the "Southern Crestline Drive Property") would allow KUEA to consolidate ownership of the entire Bus Transfer Station site and finalize a long-term lease with the City. (Exhibit B – property *below* the dashed line). Pursuant to K.S.A. 74-3254 and Chapter II, Section E.11.e.i.(7) of the Kansas Board of Regents Policy, KU requests authorization to transfer an additional 2.06 acres – the Southern Crestline Drive Property – to KUEA.

This additional acreage is necessary to allow for larger ingress and egress routes for bus traffic, accommodating a wider turn radius than originally anticipated. It will also allow KUEA to amend its lease with the City of Lawrence to include this additional land.

KU and KUEA have agreed that, if approved, the additional property will be exchanged for nominal consideration (i.e., \$1.00), taking the aforementioned 2021 property exchange into consideration.

Draft issue paper is attached (Attachment D).

4. Act on Request to Implement an Affiliated Housing Plan for the University of Kansas – KU

The University of Kansas requests that the Board act on a plan to implement an Affiliated Housing Process to designate private off-campus housing locations as affiliated properties if the property meets defined criteria for affiliation.

Draft issue paper is attached (Attachment E).

5. Act on Request to Amend the FY 2026 Capital Improvement Plan and Approve Program Statement for East Side of David Booth Kansas Memorial Stadium Renovation (Phase Two) – KU

The University of Kansas Lawrence requests approval to amend the FY 2026 capital improvement project plan to update the funding sources and acceptance of the program statement to reconstruct the east side of the David Booth Kansas Memorial Stadium. The Gateway District at the corner of 11th and Mississippi now includes the recently completed west and north stands of the David Booth Kansas Memorial Stadium and the University of Kansas Conference Center constructed at a cost of \$448 million (Phase One). This request is to complete the east side of the stadium and related infrastructure (as part of Phase Two). Phase Two includes the completed east stadium with an adjusted footprint to support the mixed-use development including hotel, student housing, plaza, retail, restaurants, parking and infrastructure.

This project will reimagine the east side of the stadium to be cohesive with the recently completed west sidelines and north bowl. Additional seating will also be added in the south end zone. The current project

timeline anticipates partial completion of the east seating bowl and south end zone seating available for the 2026 football season. The balance of the east seating bowl, fan amenities and back of house facilities will be completed for the 2027 season.

Total costs including architectural fees, construction, movable equipment, and contingencies are estimated at \$177.0 million. The project is funded with STAR and TIF bonds, as well as private donations and executed pursuant to K.S.A. 76-7,127.

Program statement is attached (Attachment F).

6. Act on Request to Approve Program Statement for Prophet Aquatic Research and Outreach Center (PAROC) Room Addition – ESU

Emporia State University requests acceptance of the program statement for a room addition to the Prophet Aquatic Research and Outreach Center (PAROC), state building # 37900-00099 to support STEM outreach and biology research programming. PAROC, a mission critical facility constructed in 2021, is an approximately 4,500 square feet raised platform structure supported on dozens of utility poles and sitting six feet above grade and flood plain. The outreach programs within the building have experienced exponential participant growth since opening and additional storage for supplies, tables, chairs, and equipment, as well as staff work area is necessary to improve the outreach programming. The facility features a large outdoor deck and overhanging roof line. The new 600 square feet of indoor space will be built atop the existing large deck platform area and underneath the existing roof overhang. This small capital improvement project will be designed by university staff as authorized by K.S.A. 76-1254 and on-call contractors will be utilized to perform the work. Total cost is expected not to exceed \$150,000. The project will be funded with private gift(s) and is expected to be completed in the Spring of 2026.

Program statement is attached (Attachment G).

7. Act on Request to Amend the FY 2026 Capital Improvement Plan, Approve Program Statement, and Reallocate Building Demolition Funds for Morse Hall Complex South and Southeast Demolition – ESU

Emporia State University requests approval to amend the FY 2026 capital improvement project plan to update the funding sources, revise the project name, and requests acceptance of the program statement. ESU also requests reallocation of \$199,757 from building demolition funds remaining after razing Butcher Education Center. The Board previously approved the university's request to raze Morse Hall South and Morse Hall Southeast (state building numbers 37900-00005 and 37900-00006) at the April 2024 meeting and allocated \$1,913,437 from the FY 2024 Building Demolition Fund for the project. With the construction of the new Nursing and Student Wellness Center, occupants of Morse Hall Complex South and Southeast will relocate to the new facility vacating these existing buildings for demolition. The two former residence halls are now both over 60 years old and had been adaptively reused for various multipurpose mission critical functions for many years, however, have limited capacity for institutional growth. They are currently serving limited storage, academic, and student support functions. Razing these facilities will eliminate over \$8.8 million in deferred maintenance, improve operating costs and space utilization on campus, and reduce the overall footprint of ESU by 65,946 square feet. The project will be designed and bid utilizing the standard state processes and procedures to support a completion date in the summer of 2026. The total project cost is budgeted to not exceed \$2,764,258 and the funding sources will now include the university's share of allocations from the FY 2023 and 2024 Building Demolition Fund and FY 2027 Kansas Campus Restoration Fund.

Program statement is attached (Attachment H).

8. Act on Request to Raze Welch Stadium East – ESU

Emporia State University requests approval to raze Welch Stadium East, a portion of state building #37900-0015. Originally constructed in 1938, 87 years ago, East Stadium has reached the end of its structural service life. Multiple structural and geotechnical engineering assessments, the most recent conducted in 2021, have observed significant cracking, corrosion and spalling of the concrete throughout the structure and determined that the reinforced concrete seating, structural framing, and foundations are beyond repair.

Demolition of the East Stadium will remove a liability and eliminate approximately \$1.5 million in deferred maintenance for the facility creating opportunities for future site improvements aligned with the University's campus master plan. The structural decking within the concrete seat decking is rusting and failing, which will lead to failure of the seating deck. Currently the underside of the concrete decking is spalling and falling into public space below. The structural steel supporting the decking is rusting due to water intrusion. The steel frames are bearing on stone walls which show signs of structural stress. Repairs to the structure to return it to original form are estimated at \$8-10 million. The facility is not listed on the historic register. Total estimated project cost is expected not to exceed \$500,000, including relocation costs for existing storage areas. The project will be funded entirely with private gifts and is expected to be completed in the Fall of 2026. Design documents will be completed by agency architects with the assistance of on-call engineers. Procurement of a demolition contractor will be through OFPM plan room.

Project information is attached (Attachment I)

9. Act on Request to Execute a Master Lease Agreement – KSU

Kansas State University requests approval to execute a master lease agreement with 1880 Kimball, LLC, for the use of office space. The KSU Foundation owns the building located at 1880 Kimball Ave., Manhattan, Kan., as part of the Edge District. The master lease agreement will be for a period of approximately nine years, beginning January 1, 2026, and ending August 31, 2034.

An addendum, which will incorporate the terms of the master lease agreement, will be created to lease office space—unit 140D, containing approximately 810 rentable square feet—for use by the Office of Military and Veteran Affairs. Use of shared areas such as lobbies, meeting and conference spaces are also included. The initial term of the lease will be for three years with the option to extend for six additional one-year terms. Six months' written notice prior to the lease expiring is required for each renewal request. The annual base rent for years one through three is \$29,160. Occupants will move into the space following Kansas Board of Regents' approval, and completion of scheduled renovations to the office space, estimated on or around January 1, 2026.

Proposed lease agreement is attached (Attachment J).

9. Act on Request to Enter into a Lease Agreement – KSU

Kansas State University requests approval to enter into a 20-year lease agreement with Pure Imagination Labs LLC. Pure Imagination intends to lease space within the Kansas Artificial Intelligence Research and Entertainment Studio, or K-AIRES, building on the Kansas State University Salina campus. The lease will begin upon occupancy of the building, which is expected in September 2026, and conclude in August 2046. At the conclusion of the initial 20-year term, Pure Imagination will have the option to renew the lease for an additional ten-year term. Pure Imagination will pay K-State an amount equal to 2% of gross revenue, derived from all business activity generated solely by Pure Imagination Labs. Additionally, Pure Imagination will provide reasonable collaborative educational services which may include teaching, training, lectures or other mutually agreed upon programs. The combined value of the percentage rent based

on gross revenue and the in-kind educational services provided by Pure Imagination shall not be less than \$250,000 per year.

Addendum to Master Lease Agreement is attached (Attachment K).

DISCUSSION AGENDA

1. Receive FY 2027 Housing and Food Service Rate Adjustment Proposals Submitted by State Universities (First Read)

According to Board policy (Ch. II, D.1c.(i)(1)), the state universities submit housing rate adjustments to the Board for first read in November, with action taken by the Board in December. Accordingly, all six universities submitted proposals which, if approved, will take effect July 1, 2026, for Academic Year 2027. Food service rate proposals are also provided in the same sequence, as a student cost that typically accompanies on-campus housing.

Each university describes in the respective documentation the business case for the proposed increases, and financial information for its housing system. Generally, the proposed increases are driven by anticipated inflationary costs and facility maintenance or improvements. Documentation notes when the proposed increases were reviewed by the appropriate campus groups with student representation and feedback.

The university proposals are attached with a draft issue paper (Attachment L).

Fiscal Affairs & Audit Standing Committee Agenda
Wednesday, November 19, 2025
2:30-3:15pm (estimated)
Virtual Meeting via Zoom
Regents will attend from Fort Hays State University Campus

I. Old Business

- A. Approve minutes of prior committee meeting
- B. Follow up on questions raised during agenda call

II. New Business

- A. Review Board Agenda Items under Fiscal Affairs

III. Standing Topics

- A. Monitor Progress on Kansas Campus Restoration Act (FAA 26-08)
- B. Review Audit Findings (FAA 26-09)

IV. Other Committee Business

Upcoming Committee Meetings:

December 2 – 12:15pm, Virtual Agenda Planning Conference Call

December 17 – 10:15 am In Person Committee Meeting