



KANSAS BOARD OF REGENTS

Agenda Call
Fiscal Affairs and Audit Standing Committee
Tuesday, November 5, 2013
Noon-1:00pm, Conference Room B, Teleconference
Dial in number - - (866) 620-7326
Conference Code – 476-523-6449

FAA AGENDA ITEMS FOR NOVEMBER 20-21, 2013 BOARD MEETING

FACILITIES – NOVEMBER 20, 2013 AGENDA – CONSENT ERIC KING

1. AUTHORIZE REPLACEMENT OF OBSOLETE MECHANICAL/ELECTRICAL EQUIPMENT AT WATKINS HEALTH CENTER - KU

The University requests authorization to replace obsolete mechanical and electrical equipment at the Watkins Health Center. Much of the equipment is seriously outdated and beyond its normal service life and is in dire need of replacement for energy efficiency, for life cycle function, and for overall comfort of the building occupants. The project includes replacing air handling units, chilled water pumps, fan coils, piping repairs and controls systems. The estimated cost of the project is \$1,449,500 and will be funded from the Health Service student fee fund.

2. AUTHORIZE INSTALLATION OF A NEW FIRE SPRINKLER SYSTEM AT OLIVER HALL - KU

The University requests authorization to install a wet fire sprinkler system per NFPA 13 throughout the building and convert the existing center dry standpipe to wet connecting it to the automatic sprinkler system. The estimated cost of the project is \$1,160,000 and will be funded with Housing Rehabilitation and Repair funds.

3. AUTHORIZE INSTALLMENT OF A SPECIALIZED ENERGY CONTROL SYSTEM - KUMC

The University of Kansas Medical Center engaged Siemens Corporation to investigate options for reducing energy costs on the Kansas City campus. Siemens has recommended installation of a specialized control system that will optimize the central chilled water plant and chilled water distribution system across the campus. The technology solution is called Demand Flow™ which is a patent-pending chilled water optimization method that uses coordinated engineering control strategies in order to produce energy savings of a high order of magnitude as compared to other common control strategies. This project will cost approximately \$2.4 million and will reduce total energy consumption resulting in an attractive payback of only 4.6 years. The project will be financed through the state of Kansas Master Lease program.

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4. AUTHORIZE ACCEPTING OWNERSHIP OF PROPERTY FROM THE KSU FOUNDATION – KSU

Kansas State University requests Board of Regents action to formally accept ownership of property located at 1930 College Heights, Manhattan, Kansas from the KSU Foundation. The former fraternity house is being utilized by Housing and Dining Services for additional housing of students. Board of Regents approval was given in January 2013 to enter into a ten-year lease purchase agreement with the KSU Foundation. It was the intention of the Foundation to gift the property to the University upon full reimbursement of the acquisition. Payment has been made in full and the KSU Foundation is requesting acceptance of the property by the University. The University will not be seeking any state appropriations to finance maintenance of the building.

FACILITIES – NOVEMBER 20, 2013 AGENDA – DISCUSSION

1. APPROVE REVISED CAPITAL IMPROVEMENT REQUESTS FOR FY 2015 AND FIVE-YEAR PLANS – UNIVERSITY SYSTEM

The Board approved the FY 2015 requests at the May 15, 2013 meeting and standard documents were subsequently submitted to the Division of Budget. A presentation of the university system capital improvements to the Joint Committee on State Building Construction is scheduled for November 21, 2013.

Some time ago, the 5-year plans included numerous projects on the horizon. In most cases, the funding was unknown or speculative; there was no way to predict when a donor would step forward for example. The result was that many of the same projects appeared year after year on the plan.

There is no requirement in the Division of Budget's Capital Improvement Instructions [http://budget.ks.gov/files/FY2015/Forms/Capital Improvement Instructions.pdf](http://budget.ks.gov/files/FY2015/Forms/Capital%20Improvement%20Instructions.pdf) that all five years contain projects. In fact, the instructions (page 5) state "The Five-Year Capital Budget Plan should include projects for which financing has already been provided but additional expenditure authority is needed." Adhering to this direction, in recent years we have included only projects with known sources or reasonable expectations of funding.

However, on October 3, Regent's staff received a telephone message from a Kansas Legislative Research Department (KLRD) staff member informing us that another state agency had presented their capital improvements to the Joint Committee on State Building Construction that day, and the Committee had rejected the requests due to the fact that there were no projects shown in the latter years of the 5-year plan. KLRD stated that we, or any other state agency could expect similar treatment if our 5-year plans have blanks. The result would be to resubmit and re-present the plans to the Committee.

To avoid that scenario, the campuses were contacted and asked to amend their FY 2015 Capital Improvements and 5-Year Plans to comply with the Joint Committee on State Building Construction's current wishes.

The attached 5-year plans have been bolded and highlighted for your convenience to differentiate previously approved items from new. Projects that have been added, and/or budgets and funding sources that have been amended are bolded and highlighted.

FISCAL - NOVEMBER 20, 2013 – DISCUSSION
DIANE DUFFY

1. ACT ON EPSCOR PROPOSAL (Blake Flanders)

Attachment 1

2. RECEIVE FY 2015 HOUSING AND FOOD SERVICE RATE ADJUSTMENT PROPOSALS SUBMITTED BY STATE UNIVERSITIES (FIRST READING) –

Attachment 2

OTHER MATTERS

1. Next FAA Regular Committee Meeting – Wednesday, November 20, 2013, 10:00 am – 11:55am. Agenda items include:
 - Follow up on issues raised during the November 5, 2013 teleconference call regarding FAA items on the Board’s agenda and any other questions/clarifications
 - FAA 13-02 Review of each of the state universities organizational financial reporting structures and development of specific board policy on designation of a “Chief Financial Officer” at each state university
 - Cindy Bontrager, Interim Vice-President, Administration and Finance, KSU
 - Staff Overview of Board policies in the areas of ~~fiscal management~~ and facilities
 - Facilities – FAA topic to review the Board’s capital budgeting process
 - Report from KBOR Staff and COBO on capital construction processes
 - Begin committee discussion of capital budgeting process and the development of the Board’s capital improvement request for FY 2016-FY 2017
2. Other Items

**KANSAS BOARD OF REGENTS INSTITUTIONS
FY 2011 CAPITAL IMPROVEMENT REQUESTS AND FIVE-YEAR PLANS**

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A									
DIVISION OF THE BUDGET									
STATE OF KANSAS									
AGENCY NAME: University of Kansas									
Rev. November 1, 2013									
PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS COST FUNDS	CURRENT YEAR COST FUNDS	FY 2015 COST FUNDS	FY 2016 COST FUNDS	FY 2017 COST FUNDS	FY 2018 COST FUNDS	FY 2019 COST FUNDS	SUBSEQUENT YEARS
Science Facility Master Plan Phase 1: Haworth Renovation - Phase 1	12,000,000				\$ 12,000,000 EBF, RB				
Science Facility Master Plan Phase 1: Integrated Sciences Building - Phase 1 (Class Labs)	114,305,000				\$ 10,000,000 TBD	\$ 50,000,000 TBD	\$ 40,000,000 TBD	\$ 14,305,000 TBD	
Subtotal - State Funds	\$ 126,305,000	\$ -	\$ -	\$ -	\$ 22,000,000	\$ 50,000,000	\$ 40,000,000	\$ 14,305,000	\$ -
Science Facility Master Plan Phase 1: Earth, Energy and Environment - North	32,973,000		2,973,000 PG	16,000,000 PG	10,000,000 PG	4,000,000 PG			
Science Facility Master Plan Phase 2: Earth, Energy and Environment - South	63,590,000			5,411,000 PG	35,000,000 PG/RB	23,179,000 RB			
New School of Business Building	65,740,200		14,350,000 PG/Univ	36,300,000 PG/Univ	15,090,200 PG/Univ				
Spencer Museum of Art - Phase 1 Improvements	3,300,000		3,300,000 PG						
Marvin Hall - Forum Addition	2,080,000		2,080,000 PG						
Parking Improvements	6,500,000		1,500,000 PF	1,000,000 PF	1,000,000 PF	1,000,000 PF	1,000,000 PF	1,000,000 PF	
Watkins Health Center - MEP Improvements	1,449,500		1,449,500 SF						
Oliver Hall - New Fire Sprinkler System	1,160,000		1,160,000 HF						
Film and Media Studies - Relocate to Summerfield Hall	6,000,000				5,000,000 TBD	1,000,000 TBD			
Memorial Stadium Improvements - Phase 1	50,000,000					5,000,000 TBD	25,000,000 TBD	20,000,000 TBD	
Subtotal Other Funds	\$ 232,792,700	\$ -	\$ 26,812,500	\$ 58,711,000	\$ 66,090,200	\$ 34,179,000	\$ 26,000,000	\$ 21,000,000	\$ -
TOTAL	\$ 359,097,700	\$ -	\$ 26,812,500	\$ 58,711,000	\$ 88,090,200	\$ 84,179,000	\$ 66,000,000	\$ 35,305,000	\$ -

FUNDING SOURCES:

AA - Athletic Association
EBF - Educational Building Fund
F - Federal

HF - Housing Funds
TBD - To Be Determined
KBA - Kansas Bioscience Authority

PF - Parking Fees
PG - Private Gifts
RB - Revenue Bonds

RI - Research Institute
RF - Restricted Fees
SB - State Bonds

SF - Student Fees
SGF - State General Fund
T - Tuition

U - Union
UI - University Interest
VMR - Veterinary Medicine Hosp. Rev.

**KANSAS BOARD OF REGENTS INSTITUTIONS
FY 2015 CAPITAL IMPROVEMENT REQUESTS AND FIVE-YEAR PLANS**

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: **UNIVERSITY OF KANSAS MEDICAL CENTER**

Rev. November 1, 2013

PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS		CURRENT YEAR		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		SUBSEQUENT YEARS
		COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	
Health Education Building	\$ 75,000,000	\$ -		\$ 1,000,000	EBF	\$ 39,000,000	SGF/FICA	\$ 35,000,000	RB	\$ -		\$ -		\$ -		\$ -
Applegate Energy Center Chiller Replacement	\$ 4,340,000	\$ -		\$ -		\$ -		\$ -		\$ -		\$ 2,000,000	TBD	\$ 2,340,000	TBD	\$ -
Subtotal State Funds	\$ 79,340,000	\$ -		\$ 1,000,000		\$ 39,000,000		\$ 35,000,000		\$ -		\$ 2,000,000		\$ 2,340,000		\$ -
Parking Facility No. 5	\$ 25,000,000	\$ -		\$ -		\$ -		\$ 1,000,000	PF/RB	\$ 24,000,000	PF/RB					
Parking Lot/Garage Maintenance & Improvements	3,000,000	\$ -		500,000	PF	500,000	PF	500,000	PF	500,000	PF	500,000	PF	500,000	PF	\$ -
Subtotal Other Funds	\$ 28,000,000	\$ -		\$ 500,000		\$ 500,000		\$ 1,500,000		\$ 24,500,000		\$ 500,000		\$ 500,000		\$ -
TOTAL	\$ 107,340,000	\$ -		\$ 1,500,000		\$ 39,500,000		\$ 36,500,000		\$ 24,500,000		\$ 2,500,000		\$ 2,840,000		\$ -

FUNDING SOURCES:

AA - Athletic Association

CERTA - County Educ. Research Triangle Auth.

F - Federal

HF - Housing Funds

IMP - Infrastructure Maintenance Program

KBA - Kansas Bioscience Authority

PF - Parking Fees

PG - Private Gifts

RB - Revenue Bonds

RI - Research Institute

RF - Restricted Fees

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SF - Student Fees

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VMR - Veterinary Medicine Hosp. Rev.

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A

 DIVISION OF THE BUDGET
 STATE OF KANSAS

 AGENCY NAME: **Kansas State University**

Rev. November 1, 2013

PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS		CURRENT YEAR		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		SUBSEQUENT YEARS
		COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	
Subtotal State Funds	\$ -	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Parking Lot Improvement	5,400,000	600,000	PF	800,000	PF	800,000	PF	800,000	PF	800,000	PF	800,000	PF	800,000	PF	
Bramlage Coliseum & Bill Snyder Family Stadium Improvements Phase II	86,965,000	73,435,000	AA/PG /RB	13,530,000	AA/PG /RB											
Engineering Complex Addition	40,000,000			20,000,000	PG/SB	20,000,000	PG/SB									
West Memorial Stadium Renovation Phase I	5,600,000	1,300,000	SF/UI	2,000,000	UI	2,300,000	UI									
Rowing Practice Building	2,000,000	750,000	PG	1,250,000	PG											
College of Business Building	50,000,000			2,500,000	PG/RB	26,000,000	PG/RB	21,500,000	PG/RB							
Tennis Courts	2,700,000	1,000,000	AA/RF	1,700,000	AA/RF											
Mosier Hall Lab Renovations	8,000,000	1,000,000	RF/SGF	5,500,000	RF/SGF	1,500,000	RF/SGF									
Southeast Research & Extension Center Headquarters Building	3,000,000	750,000	PG/RF	2,250,000	PG/RF											
Agronomy Education Center	2,028,000			228,000	PG	1,800,000	PG									
East Seaton Hall Renovation & Addition - College of Architecture	75,000,000			2,500,000	TBD	3,000,000	TBD	26,500,000	TBD	25,000,000	TBD	18,000,000	TBD			
New Residence Hall & Dining Center * (Revised & Approved in June)	70,000,000	10,000,000	HF/RB	25,000,000	PG/RB	25,000,000	PG/RB	10,000,000	PG/RB							
Vet Med Library Renovation (Approved in September)	1,300,000			300,000	RF/T	1,000,000	RF/T									
West Hall Mechanical Renovation (Project Delayed)	3,000,000											2,500,000	HF/RB	500,000	HF/RB	
KSU Salina Apartment Complex (Project Delayed)	6,000,000							3,000,000	HF/RB	3,000,000	HF/RB					
Cardwell Hall Addition (Physics)	20,000,000											2,000,000	PG	9,000,000	PG	9,000,000

East Memorial Stadium - Welcome Center	20,000,000						2,000,000	PG	12,000,000	PG	6,000,000	PG		
Kansas Synergy Center for Interdisciplinary Research	45,000,000												45,000,000	
Library Annex (Printing Services)	4,000,000			500,000	PG	2,000,000	PG	1,500,000	PG					
Rathbone - 3rd Floor Remodel	1,500,000										500,000	PG	1,000,000	PG
Mosier Hall Research Lab Renovation	1,105,500			200,000	SGF/T	905,500	SGF/T							
New Chiller Plant	56,000,000			2,000,000	RB	27,000,000	RB	27,000,000	RB					
K-State Student Union Expansion	25,000,000					2,000,000	SF/RB	10,000,000	SF/RB	10,000,000	SF/RB	3,000,000	SF/RB	
West Memorial Stadium Renovation Phase II	2,500,000							1,250,000	RF/UI	1,250,000	RF/UI			
West Memorial Stadium Renovation Phase III	2,250,000										1,000,000	RF/UI	1,250,000	RF/UI
Subtotal Other Funds	\$ 538,348,500	\$ 88,835,000		\$ 80,258,000		\$ 113,305,500		\$ 103,550,000		\$ 52,050,000		\$ 33,800,000		\$ 54,000,000
TOTAL	\$ 538,348,500	\$ 88,835,000		\$ 80,258,000		\$ 113,305,500		\$ 103,550,000		\$ 52,050,000		\$ 33,800,000		\$ 54,000,000

FUNDING SOURCES:

AA - Athletic Association

CERTA - County Educ. Research Triangle Auth.

F - Federal

HF - Housing Funds

TBD - To Be Determined

KBA - Kansas Bioscience Authority

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SGF - State General Fund

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UI - University Interest

VMR - Veterinary Medicine Hosp. Rev.

**KANSAS BOARD OF REGENTS INSTITUTIONS
FY 2015 CAPITAL IMPROVEMENT REQUESTS AND FIVE-YEAR PLANS**

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: **WICHITA STATE UNIVERSITY**

November 1, 2013

PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS		CURRENT YEAR		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		SUBSEQUENT YEARS
		COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	
Expansion / Improvements to Central Energy Plant	\$ 14,000,000									\$ 500,000	TBD	\$ 750,000	TBD	\$ 12,750,000	TBD	
Subtotal State Funds	\$ 14,000,000	\$ -		\$ -		\$ -		\$ -		\$ 500,000		\$ 750,000		\$ 12,750,000		\$ -
Parking Maint. & Improvements	3,450,500	175,000	PF	339,000	PF	376,000	PF	120,000	PF	1,150,000	PF	1,290,000	PF			
Eck Stadium / Home of Tyler Field - Phase V Improvements	6,802,400	3,527,000	PG/AA					3,275,400	PG/AA							
Rhatigan Student Center Expansion & Renovation	28,400,000	18,400,000	RB/SF	8,000,000	RB/SF	2,000,000	RB/SF									
700+ Bed Residence Hall & Dining Facility-KBOR Amended 2/13	60,000,000			57,000,000	RB/HF	3,000,000	RB/HF									
Expand Surface Parking Lot 5 KBOR Amended 2/13	475,000			350,000	PF	125,000	PF									
Perimeter Road Relocation and and Pedestrian Linkage	3,000,000			2,500,000	RB/PF	500,000	RB/PF									
Jardine 4th Floor Remodel	1,375,000			900,000	RF	475,000	RF									
Technology Transfer & Experiential Learning Building	30,000,000			1,000,000	RF/RB	14,000,000	RF/RB	14,000,000	RF/RB	1,000,000	RF/RB					
17th St. Entrance, Perimeter Road & Parking	2,000,000			200,000	PF	1,250,000	PF	550,000	PF							
Subtotal Other Funds	\$ 135,502,900	\$ 22,102,000		\$ 70,289,000		\$ 21,726,000		\$ 17,945,400		\$ 2,150,000		\$ 1,290,000		\$ -		\$ -
TOTAL	\$ 149,502,900	\$ 22,102,000		\$ 70,289,000		\$ 21,726,000		\$ 17,945,400		\$ 2,650,000		\$ 2,040,000		\$ 12,750,000		\$ -

FUNDING SOURCES:

AA - Athletic Association

CERTA - County Educ. Research Triangle Auth.

F - Federal

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TBD - To Be Determined

KBA - Kansas Bioscience Authority

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**KANSAS BOARD OF REGENTS INSTITUTIONS
FY 2015 CAPITAL IMPROVEMENT REQUESTS AND FIVE-YEAR PLANS**

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: **EMPORIA STATE UNIVERSITY**

Rev. November 1, 2013

PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS		CURRENT YEAR		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		SUBSEQUENT YEARS
		COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	
Relocate/Remodel Academic Department	\$ 10,352,000									\$ 4,852,000	TBD	\$ 5,500,000	TBD			
King Hall Remodel	\$ 3,500,000											\$ 1,500,000	TBD	\$ 2,000,000	TBD	
New Elevators	\$ 1,000,000									\$ 1,000,000	TBD					
Subtotal State Funds	\$ 14,852,000	\$ -		\$ -		\$ -		\$ -		\$ 5,852,000		\$ 7,000,000		\$ 2,000,000		\$ -
Singular/Trusler Remodel Project - Phase II	2,330,125					2,330,125	HF/RF									
Relocate/Remodel Academic Department	500,000							500,000	PG							
Morse Complex Improvements	15,500,000							500,000	PG	1,000,000	HF/RB	8,000,000	HF/RB	6,000,000	HF/RB	
King Hall Remodel	500,000									500,000	PG					
Parking Improvements	750,000					150,000	PF	150,000	PF	150,000	PF	150,000	PF	150,000	PF	
Subtotal Other Funds	\$ 19,580,125	\$ -		\$ -		\$ 2,480,125		\$ 1,150,000		\$ 1,650,000		\$ 8,150,000		\$ 6,150,000		\$ -
TOTAL	\$ 34,432,125	\$ -		\$ -		\$ 2,480,125		\$ 1,150,000		\$ 7,502,000		\$ 15,150,000		\$ 8,150,000		\$ -

FUNDING SOURCES:

AA - Athletic Association

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**KANSAS BOARD OF REGENTS INSTITUTIONS
FY 2015 CAPITAL IMPROVEMENT REQUESTS AND FIVE-YEAR PLANS**

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A

DIVISION OF THE BUDGET
STATE OF KANSAS

AGENCY NAME: Pittsburg State University
Rev. November 1, 2013

PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS		CURRENT YEAR		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		SUBSEQUENT YEARS
		COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	
KTC Expansion	\$ 15,000,000							\$ 8,000,000	TBD	\$ 7,000,000	TBD					
McPherson Hall Expansion	\$ 4,000,000									\$ 4,000,000	TBD					
Kelce Expansion	\$ 15,000,000											\$ 15,000,000	TBD			
Tyler Research Center Expansion	\$ 10,000,000													\$ 10,000,000	TBD	
Subtotal State Funds	\$ 44,000,000	\$ -		\$ -		\$ -		\$ 8,000,000		\$ 11,000,000		\$ 15,000,000		\$ 10,000,000		\$ -
Fine & Performing Arts Center	33,500,000	8,400,000	PG	22,700,000	PG/SF/RB	2,400,000	PG									
Indoor Event Center	13,200,000			7,500,000	PG/SF/RB	5,700,000	PG									
Weede PE Building Renovation	2,900,000	1,600,000	PG	1,300,000	PG/SF/RB											
Sports Complex Improvements	1,200,000	400,000	PG	200,000	PG	600,000	PG									
Business Conference Center	8,500,000							4,250,000	PG	4,250,000	PG					
Parking Maintenance & Improvements	1,200,000			200,000	PF	200,000	PF	200,000	PF	200,000	PF	200,000	PF	200,000	PF	
JHO Student Center Improvements	1,500,000			250,000	SF	250,000	SF	250,000	SF	250,000	SF	250,000	SF	250,000	SF	
JHO Student Center Expansion	14,000,000	1,000,000	SF/U	13,000,000	SF/RB											
Housing System Maintenance & Improvements	1,750,000			500,000	HF	250,000	HF	250,000	HF	250,000	HF	250,000	HF	250,000	HF	
Renovation of Existing Housing	16,500,000	11,400,000	HF/RB	5,100,000	HF/RB											
Subtotal Other Funds	\$ 94,250,000	\$ 22,800,000		\$ 50,750,000		\$ 9,400,000		\$ 4,950,000		\$ 4,950,000		\$ 700,000		\$ 700,000		\$ -
TOTAL	\$ 138,250,000	\$ 22,800,000		\$ 50,750,000		\$ 9,400,000		\$ 12,950,000		\$ 15,950,000		\$ 15,700,000		\$ 10,700,000		\$ -

FUNDING SOURCES:

AA - Athletic Association
CERTA - County Educ. Research Triangle Auth.
F - Federal

HF - Housing Funds
TBD - To Be Determined
KBA - Kansas Bioscience Authority

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**KANSAS BOARD OF REGENTS INSTITUTIONS
FY 2015 CAPITAL IMPROVEMENT REQUESTS AND FIVE-YEAR PLANS**

FIVE-YEAR CAPITAL BUDGET PLAN - DA 418A																
DIVISION OF THE BUDGET										AGENCY NAME: Fort Hays State University						
STATE OF KANSAS										Rev. 11-1-13						
PROJECT TITLE	ESTIMATED PROJECT COST	PRIOR YEARS		CURRENT YEAR		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		SUBSEQUENT YEARS
		COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	COST	FUNDS	
Project Name																
Subtotal State Funds	\$ -	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		
Parking Improvements	2,000,000					400,000	PF	400,000	PF	400,000	PF	400,000	PF	400,000	PF	
Tiger Place Housing	9,200,000	9,200,000	Priv Dev													
Indoor Practice Facility	4,000,000	4,000,000	PG/T													
Center for Networked Learning	10,250,000	5,400,000	T	4,850,000	T											
Wind Power Generation Facility	9,300,000	9,300,000	T													
Wiest Housing Replacement	26,000,000			1,670,000	HF/T	11,850,000	HF/T	12,480,000	HF/T							
*Art & Education Building	20,580,000					1,217,000	T	10,000,000	T	9,363,000						
Rarick Hall Renovation	9,325,000							705,000	T	4,620,000	T	4,000,000	T			
Raze Wiest 'B'	1,580,000									1,580,000	HF					
Forsyth Library Renovation	13,230,000									980,000	T	6,250,000	T	6,000,000	T	
*Architectural program is currently in development and has not been reviewed or approved by the Kansas Board of Regents																
Subtotal Other Funds	\$ 105,465,000	\$ 27,900,000		\$ 6,520,000		\$ 13,467,000		\$ 23,585,000		\$ 16,943,000		\$10,650,000		\$ 6,400,000		
TOTAL	\$ 105,465,000	\$ 27,900,000		\$ 6,520,000		\$ 13,467,000		\$ 23,585,000		\$ 16,943,000		\$10,650,000		\$ 6,400,000		

FUNDING SOURCES:

AA - Athletic Association	HF - Housing Funds	PF - Parking Fees	RI - Research Institute	SF - Student Fees	U - Union
CERTA - County Educ. Research Triangle Auth.	IMP - Infrastructure Maintenance Program	PG - Private Gifts	RF - Restricted Fees	SGF - State General Fund	UI - University Interest
F - Federal	KBA - Kansas Bioscience Authority	RB - Revenue Bonds	SB - State Bonds	T - Tuition	VMR - Veterinary Medicine Hosp. Rev.

Act on EPSCoR Proposal

Summary and Staff Recommendation

In accordance with the Guidelines for Coordination, Oversight and Fiscal Management of the Experimental Program to Stimulate Competitive Research (EPSCoR), approved in June 2011, the KBOR appointed a committee to review grant proposals submitted. This item asks the Board to award EPSCoR state matching funds to two proposals recommended by the EPSCoR Program Review Committee.

Background

The Experimental Program to Stimulate Competitive Research (EPSCoR) is a federal program that encourages university partnerships with industry. The program is designed to stimulate sustainable science and technology infrastructure improvements in states that historically have received a disproportionately low per-capita average of federal research dollars. In the past, taxpayers in the EPSCoR states essentially had been subsidizing the research efforts of universities in states that received a large share of federal research dollars. EPSCoR seeks to correct this disparity by improving the ability of universities in these states to compete for federal and private sector research and development funding. The program requires a state match of federal funding. The Kansas Board of Regents is the authorized source for the matching funds in Kansas.

There is also a companion program which funds programs similar to EPSCoR. Projects eligible for the companion program are ones that technically do not require state matching funds, but state matching funds greatly enhances the competitiveness of the proposal. Eligible projects also promote national competitiveness in strategic technology niches that hold the most promise for the Kansas economy. The companion program fund pairs the state's science and technology research strengths with commercialization capacities of Kansas businesses in order to diversify Kansas' innovation economy and sustain a national and global competitive advantage.

In Fiscal Year 2013, KBOR invested approximately \$1 million in state matching funds for EPSCoR and EPSCoR-like projects. KBOR's investment in these projects attracted a total commitment of \$22.6 million in federal and industry funds. In addition, another \$6.2 million in federal funds were received during the fiscal year as follow-on funding to projects that received state matching funds during previous fiscal years.

Request

At its September 2013, meeting, the Program Review Committee meeting considered funding for the following projects:

1. The Center for Environmentally Beneficial Catalysis (CEBC), located at the University of Kansas, brings together chemists and chemical engineers to develop cleaner and more efficient processes for making fuels and chemicals from both traditional and renewable feedstocks. With input and support from corporate partners, the center targets industrially relevant processes that will have broad application. Quantitative economic and environmental impact analyses guide research and development and also assist the industry partners in making business decisions about adopting new technologies.

Since 2003, the CEBC has been awarded more than \$31 million in research funding; eight patents have been issued, and 35 inventions have been disclosed. Funds from KBOR will support one-year seed grants initiated within CEBC to stimulate new ideas, broaden the “project pipeline”, and to generate preliminary results to make external proposals more competitive. These projects are high-risk, high-return projects that address challenges identified by CEBC’s industry partners. Funds will also support research infrastructure essential for the operation of CEBC labs.

Committee recommendation: Award \$184,325 for FY 14. This award provides 15:1 leverage for state funds (federal:state).

2. The mission of the Kansas INBRE (K-INBRE), located at the University of Kansas Medical Center, is to strengthen the ability of Kansas researchers to compete effectively for National Institutes of Health (NIH) funds by building a "critical mass" of junior and senior investigators, as well as undergraduates, graduate students, and post-doctoral fellows supported with cutting edge technology within a scientific research theme. The program brings together NIH-funded mentors, trainees, and new investigators from the state universities and three other institutions to advance a statewide initiative to build life sciences research in Kansas.

Since 2000, NIH funding awarded to faculty in Kansas has increased three-fold from \$32.9 million to \$97.4 million in 2012. Funds from KBOR will support two bridging grant proposals to increase their competitiveness for NIH funding.

Committee recommendation: Award \$75,000 for FY 14. This award provides 46:1 leverage for state funds (federal:state).

Recommendation

The EPSCoR Program Review Committee recommends approval of these awards.

**1. Receive FY 2015 Housing and Food Service Rate
Adjustment Proposals Submitted by State
Universities (First Reading)**

**Diane Duffy,
VP, Finance & Administration**

Summary

All six state universities submitted housing and food service rate proposals for FY 2015 first reading. The details are described in documentation submitted by each university and attached to this issue paper. The documentation includes: (1) proposed rates; (2) justification for the proposed rates; (3) summary housing and food service financial information (FY 2011-FY 2015). Staff recommends the proposed rates be considered for final action by the Board at its December meeting.

Background

Pursuant to Board policy (Ch.II,B.4.c.(1)(a)), the state universities submit housing and food service rates to the Board for first reading in November, with final action taken by the Board in December. Accordingly, all six universities submitted proposals which, if approved, become effective July 1, 2014 at KU, KSU and WSU and fall semester 2014 at ESU, FHSU and PSU for the academic year 2014-2015.

Housing and food service operations are auxiliary enterprises; therefore, user fees must cover the total cost of operation. The six universities have different housing and food service rate structures due to factors such as the amount of outstanding bonded debt, occupancy rates, age of facilities, and economies of scale related to the capacity of the housing and food service operation. In order to illustrate the level of the proposed rate increases for each university, the following table compares the current and proposed annual (two semester) rate at each institution for a typical double occupancy room and board contract.

	Current "Typical" Rate AY 2013-2014	Proposed "Typical" Rate AY 2014-2015	\$ Increase	% Increase
KU	\$7,702	\$7,896	\$194	2.5%
KSU	\$7,710	\$8,060	\$350	4.5%
WSU	N/A	\$10,164	N/A	N/A
ESU	\$6,792	\$7,034	\$242	3.6%
PSU	\$6,734	\$6,936	\$202	3.0%
FHSU	\$7,130	\$7,280	\$150	2.1%

KU – Traditional Residence Halls Double Room, plus Crimson Flex dining plan

KSU – Residence Halls, Double Room plus 20 Meal Plan

WSU – NEW Housing Facility, Plan 3, 2 Shared Bed/1 Bath plus 15 Meal Plan with \$300 Shocker Dollars. There is not a previous year comparable rate because this is a new facility that is not comparable to others.

ESU – Morse Double Room Rate plus 15 Block Meal Plan

PSU – Residence Halls, Double Room plus Unlimited Meal Plan

FHSU – Residence Hall Double Room Rate plus Open Access Meal Plan

Each university describes in their respective documentation the business case for the various proposed increases. Furthermore, each state university provides summary financial information for its housing system.

Generally, the proposed increases are driven by anticipated inflationary costs and facility maintenance and enhancements. Each university indicates the proposed increases were reviewed by the appropriate campus groups with student representation.

The College Board's report, "*Trends in College Pricing, 2013*" reports on the prices charged by colleges and universities in 2013-2014, how prices have changed over time, and how they vary within and across types of institutions, states, and regions. The report includes a calculation of average room and board charges weighted by the number of undergraduates living in college housing. The average room and board charge for four-year, public institutions in the Midwest is \$8,737. This figure would be comparable to the AY 2013-2014 column. The average Midwest room and board charge for AY 2013-2014 increased 3% over last year's figure of \$8,478. States included in the Midwest region are: Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, and West Virginia. The report can be found at <http://trends.collegeboard.org/sites/default/files/college-pricing-2013-full-report.pdf>

THE UNIVERSITY OF KANSAS
Department of Student Housing
Fiscal Year 2015 Business Case for Increasing Student Housing and Dining Rates

I. PROPOSED RATES FOR FISCAL YEAR 2015

The proposed rate for a traditional residence hall double room, the primary option for residence hall students, will increase from \$4,162 to \$4,262 or 2.4%. Residential dining plan rates proposed for 2014-15 will increase 2.7% on average. The charge for the Crimson Flex dining plan (\$3,634) plus a traditional residence hall double room (\$4,262) equals \$7,896, an overall 2.52% increase for Fiscal Year 2015. Rates for on-campus housing and dining plans proposed to be effective July 1, 2014 follow.

RESIDENCE HALLS

	2013-14	2014-15	\$ Incr.	% Incr.
Traditional Residence Halls				
Double Room (<i>2 residents per room</i>)	\$4,162	\$4,262	\$ 100	2.4
Single Room*	\$5,528	\$5,660	\$ 132	2.4
Renovated Residence Halls				
Double Room (<i>Ellsworth, GSP, Hashinger</i>)	\$5,268	\$5,426	\$ 158	3.0
Double Room w/Bath; 4-Person Suite (<i>any</i>) & Large 2-Person (<i>GSP, Hashinger</i>)	\$5,568	\$5,734	\$ 166	3.0
2-Person Suite (<i>any</i>) & 2-Person Studio (<i>Ellsworth</i>)	\$5,970	\$6,150	\$ 180	3.0
Double Room as Single* (<i>Ellsworth, GSP, Hashinger</i>) & 1-Person Suite (<i>Templin</i>)	\$7,020	\$7,230	\$ 210	3.0

Contract rates listed above are for the 9-month academic year and include utilities, data/internet, and basic cable television service.

* 2-person room contracted by a single resident on a space-available basis

STOUFFER PLACE STUDENT FAMILY APARTMENTS – Monthly Rates

	2013-14	\$ Incr.	% Incr.	Util. Incr.	Cable TV	2014-15
One Bedroom Traditional Apt	\$452	\$ 5	1.15	+\$17	+\$17	= <i>\$491</i>
Two Bedroom Traditional Apt	\$510	\$ 6	1.15	+\$17	+\$17	= <i>\$550</i>
Two Bedroom Renovated Apt	\$672	\$11	1.6	+\$21	+\$17	= <i>\$721</i>
Three Bedroom Renovated Apt	\$856	\$14	1.6	+\$26	+\$17	= <i>\$913</i>

Stouffer Place rates include utilities; apartments are unfurnished. Contracts are for a 12-month period.

Based on actual FY 2013 utility costs, a 20% increase in utility charges is necessary for 2014-15. Utility charges for 2014-15 will rise \$17/month and become \$102/month (up from \$85/mo.) for traditional apartments; rise \$21/month and become \$126/month (up from \$105/mo.) for renovated 2-BR apartments; and, rise \$26/month and become \$156/month (up from \$130/mo.) for renovated 3-BR apartments.

For 2014-15, a \$17 charge for basic cable television service has been proposed per apartment.

Far right column in italics: rates for 2014-15 including utilities increases plus cable television charge.

SUNFLOWER DUPLEX APARTMENTS

	2013-14	2014-15	\$ Incr.	% Incr.
Two Bedroom Apartment	\$694	\$711	\$ 17	2.4

This monthly contract rate includes water and sanitation. All other utilities, including data service, are paid by residents. Apartments are unfurnished and most are short-term, transitional housing for new faculty and staff relocating to Lawrence.

JAYHAWKER TOWERS APARTMENTS

	2013-14	2014-15	\$ Incr.	% Incr.
Two-Bedroom Apartments				
4 residents per apartment, <i>cost for each</i>	\$3,390	\$3,472	\$ 82	2.4
2 residents per small apartment, <i>cost for each*</i>	\$4,768	\$4,882	\$ 114	2.4
2 residents per apartment, <i>cost for each</i>	\$5,800	\$5,940	\$ 140	2.4
Renovated Two-Bedroom Apartments				
4 residents per apartment, <i>cost for each</i>	\$4,328	\$4,458	\$ 130	3.0
2 residents per apartment, <i>cost for each</i>	\$7,464	\$7,688	\$ 224	3.0

Contract rates listed above are for the 9-month academic year and include utilities, data/internet, and basic cable television service. Apartments are partially furnished.

* A total of 3 of these small, non-standard apartments remain in the Jayhawker Towers complex.

SCHOLARSHIP HALLS

	2013-14	2014-15	\$ Incr.	% Incr.
Traditional Scholarship Halls	\$3,686	\$3,774	\$ 88	2.4
<i>(Battenfeld, Douthart, Grace Pearson, Pearson, Sellards, Stephenson)</i>				
Suite-Style Scholarship Halls	\$4,010	\$4,130	\$ 120	3.0
<i>(Dennis E. Rieger, K.K. Amini, Margaret Amini, Krehbiel)</i>				
Meal Charge for the 10 halls listed above	\$1,966	\$2,024	\$ 58	3.0
Miller and Watkins Halls	\$2,598	\$2,656	\$ 58	2.2
<i>(women in these halls purchase and prepare their own food)</i>				

Contract rates listed above are for the 9-month academic year and include utilities, data/internet, and basic cable television service.

The suite-style halls provide amenities and more square footage per resident, increasing operating costs.

The Elizabeth Miller Watkins Trust provides a rate subsidy for Miller and Watkins residents and because Miller and Watkins residents cooperatively purchase and prepare their own food, there is no meal charge for residents of those two women's scholarship halls.

RESIDENTIAL DINING PLANS

Proposed residential dining plan rates show an aggregate 2.7% increase for Fiscal Year 2015. As residence hall students complete the on-line contracting process they select dining plans based on their personal preferences and needs. For 2014-15, the unlimited access dining plans continue to provide the greatest flexibility and value.

Residential Dining Plans, continued:

	2013-14	2014-15	\$ Incr.	% Incr.
Jayhawk Unlimited Access Dining Plan	\$3,964	\$4,064	\$100	2.5
Unlimited residential dining; \$500 Cuisine Cash; up to 2 Cuisine To Go meals/day; 10 guest meals; six 14" pizzas; 5% discount at register				
Rock Chalk Unlimited Access Dining Plan	\$3,764	\$3,864	\$100	2.7
Unlimited residential dining; \$300 Cuisine Cash; up to 2 Cuisine To Go meals/day; 6 guest meals; four 14" pizzas				
Residential Dining Plans, continued:				
Crimson Flex Dining Plan	\$3,540	\$3,634	\$ 94	2.7
400 residential dining meals; \$200 Cuisine Cash; up to 2 Cuisine To Go meals/day; 4 guest meals				
Blue Basic Dining Plan	\$2,930	\$3,010	\$ 80	2.7
10 residential dining meals/week; \$100 Cuisine Cash; up to 2 Cuisine To Go meals/day; 4 guest meals				
Campanile Dining Plan	\$1,088	\$1,104	\$ 16	1.5
\$500 Cuisine Cash; 2 residential dining meals/week; up to 2 Cuisine To Go meals/day; 4 guest meals; 5% discount at register – not available for residence hall students				

Rates for 2014-15 are proposed following study and review by staff in Student Housing, Dining Services, and the Student Housing Advisory Board (SHAB), which consists of faculty, staff, and students, including representatives from the Stouffer Place Association (SPA); the Association of University Residence Halls (AURH); the Jayhawker Towers Tenants' Association (JTTA); and, the All Scholarship Hall Council (ASHC). The proposals were reviewed by SHAB at the September 13, September 20, and October 4 meetings. In addition to SHAB meetings, the Student Housing director and KU Dining Services director met with student government leaders and student groups for further discussion and to answer questions. These rates have been reviewed and recommended by the Vice Provost for Student Affairs. SHAB's approval of these rates was confirmed by vote at the October 4, 2013 meeting, with the Stouffer Place Association deciding to add the cable television charges at their October 11, 2013 meeting.

II. EXPENDITURE IMPACT OF PROPOSAL

Rates are established to cover costs of maintenance, materials, food (where applicable), utilities, salaries, and benefits to maintain a qualified staff and operate facilities. The proposed housing rates incorporate projected cost increases, the most significant of which include utilities, maintenance, salaries, and employee benefits.

Current and future plans focus on security and life safety enhancements including fire sprinkler system installations, increased energy efficiency, and improving amenity levels throughout the system. Windows and mechanical systems are upgraded as part of an ongoing commitment to achieve greater energy efficiency.

KU has a tradition of holding rates as low as possible, although students' expectations continue to rise. Upgrades and renovations of traditional facilities must continue to ensure that campus housing remains competitive in a community with many options for students. Momentum is building and improvements are under way in the Daisy Hill area. Plans are being developed for renovations in the scholarship halls and Campus Master Plan efforts include a comprehensive review of the Stouffer Place neighborhood.

KU Dining continues to employ management practices to control expenses and implement efficiencies leading to cost savings. The \$5 million renovation of the Ekdahl Dining Commons (Mrs. E's) was completed in 78 days during summer 2013. This facility was built in 1993, and serves an average of 3,500 meals per day, so the renovation was much-needed and has been very well received. Plans now turn toward the renovation of Oliver Dining Center, as continued renovation is essential to recruitment and retention of students.

With the proposed increases for fiscal year 2015, KU housing and dining rates will remain below both Big-12 and national averages, reflecting good management practices and a continued commitment to good stewardship of students' money.

III. POTENTIAL REVENUE IMPACT OF RATE PROPOSAL

Estimated revenue increases for each rate proposal are:

Residence Halls	\$475,200	Sunflower Apartments	\$3,800
Scholarship Halls	\$53,000	Stouffer Place Apartments	\$130,600
Jayhawker Towers	\$109,000		
Potential Housing Revenue Impact	\$771,600		
Potential Dining Revenue Impact	\$222,000	<i>(a unit of Kansas Memorial Unions since FY'05)</i>	

See attached supplemental financial information.

IV. EXPECTED BENEFITS FROM PROPOSAL

Approximately 5,200 students currently live in Student Housing facilities. The proposed increases will enable the housing and dining operations to continue providing exceptional on-campus living experiences, which remain a great value for the students' dollar.

V. ALTERNATIVES TO PROPOSAL

None identified. Only basic services are being provided and these charges are established to cover expenses associated with the cost recovery of basic services. There are no State-appropriated funds in this auxiliary operation; therefore, user fees must cover total costs.

VI. IMPACT OF NOT IMPLEMENTING PROPOSAL

The annual operating budget of the auxiliary housing operation is approximately \$24 million, with a physical plant insured replacement value in excess of \$300 million. Failure to increase revenue commensurate with increased operating expenses would jeopardize the fiscal stability of the operation. These proposed rates were carefully evaluated prior to presentation to the Student Housing Advisory Board and senior staff in Student Affairs. Rental income is pledged as part of a long-range renovation program which will continue to be financed by bonds. Each project is evaluated carefully to ensure the building's income can support its operation plus debt service. Inability to guarantee bond obligations would compromise the department's ability to finance future renovation projects.

**The University of Kansas Department of Student Housing
Supplemental Financial Information
KBOR Rate Increase Request**

	Projected FY 2015	Estimated FY 2014	Actual FY 2013	Actual FY 2012
Gross Operating Revenue	25,512,000	24,896,300	24,177,662	22,084,857
Gross Operating Expense	<u>(17,712,000)</u>	<u>(17,280,000)</u>	<u>(16,914,419)</u>	<u>(16,418,418)</u>
Gross Operating Revenue (Loss)	7,800,000	7,616,300	7,263,243	5,666,439
Capital Improvements Expense	(3,500,000)	(8,000,000)	(1,177,476)	(2,343,910)
Annual Debt Service	(3,703,432)	(3,686,576)	(3,650,485)	(3,636,287)
Other Capital Expenditures	-0-	-0-	-0-	-0-
Net Operating Revenue (Loss)	<u>596,568</u>	<u>(4,070,276)</u>	<u>2,435,282</u>	<u>(313,758)</u>
Ending Balance Operating plus Reserve Accounts	6,425,791	5,829,223	9,899,499	7,464,217
Residence Hall Occupancy	96.5%	96.5%	92.4%	91.9%
Long-Term Debt Outstanding (as of 6/30)	46,215,000	48,065,000	49,855,000	51,610,000
Lewis Hall (orig. 1998D), Ellsworth Hall (orig. 2002A) plus Towers A and D, 2010A Hashinger Hall and Templin Hall Refunding, 2005E-1 Ellsworth Hall, 2002 A-1 GSP Hall, 2011C				

Capital Improvements Detail

Future \$47.8M Replacement of McCollum Residence Hall Project

Capital Improvements Description

Future - Replacement of 910-bed traditional residence hall (McCollum Residence Hall) with two 350+ bed residence halls designed for first-year students, which will include variety of room and occupancy designs based on market research/consultant report. The Project will be funded with a combination of existing balances and revenue bonds to be issued through the Kansas Development Finance Authority. The debt service will be funded with Housing and Parking funds.

**KANSAS STATE UNIVERSITY
HOUSING AND FOOD SERVICE RATES**

I. PROPOSED RATES (Room and Board)

These rates have been thoroughly reviewed by staff and overwhelmingly supported by the Association of Residence Halls.

<u>Single Students Per Person</u> ³⁾	<u>Regular Semester</u> <u>Effective July 1, 2014</u>	
	<u>Present</u>	<u>Room & Meals</u> ¹⁾ <u>Recommended</u> ²⁾
Residence Halls - 20 Meal Plan Double Room	\$3,855.00	\$4,030.00
Residence Halls - 15 Meal Plan (any 15 per week) Double Room	\$3,805.00	\$3,955.00
Residence Halls - 10 Meal Plan (any 10 per week) Double Room	\$3,770.00	\$3,920.00
Residence Halls – Flex 15 Meal Plan (Any meal plan may choose optional Marketplace Dollars) ⁴⁾ Double Room	\$3,940.00	\$4,090.00
Cooperative House - 20 Meal Plan ⁵⁾ Double Room	\$3,240.00	\$3,465.00
Suite Options priced by semester		
1 Person Private Apartment	\$1,295.00	\$1,360.00
1 Person Private	\$1,095.00	\$1,150.00
1 Person by 1 Person (bath between)	\$1,000.00	\$1,040.00
1 Person side of a 1 by 2 (bath between)	\$950.00	\$990.00
2 Person side of a 1 by 2 (bath between)	\$820.00	\$870.00
2 Person Private	\$910.00	\$955.00
3 Person Private	\$820.00	\$855.00
2 Person by 2 Person (bath between)	\$725.00	\$790.00
4 Person Private	\$550.00	\$590.00
Unattached Triple	\$350.00	\$365.00
1 Person Private Inside Cluster	\$950.00	\$990.00
2 Person Private Inside Cluster	\$875.00	\$910.00
3 Person Private Inside Cluster	\$800.00	\$830.00
Single room with community bath additional rate	\$210.00	\$220.00

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- ¹⁾ Includes housekeeping service other than within rooms. Sunday evening meals are not served.
²⁾ Plus a non-refundable application fee of \$30.00 per academic year, from which a sum not to exceed \$25.00 may be deducted as a recreational and social fee.
³⁾ For payment due dates, cancellation dates and charges, please refer to “Student Housing Contract Terms”.
⁴⁾ For payment due dates, cancellation dates and charges, please refer to “Student Housing Contract Terms”.
⁵⁾ For payment due dates, cancellation dates and charges, please refer to “Student Housing Contract Terms”.

- 4) Students may choose to add \$100, \$150 or \$200 per semester of Residential Dining Market Place Dollars to be used in all Housing and Dining Services Retail options, including JPs Restaurant, Cornerstone Coffee Shop, Derby Bakery, All 5 Quick Cats C-Stores, Rec Center C Store Operation and Housing Laundry Facilities. Students will have unlimited Grab and Go Meals with all meal plans.
- 5) Plus assisting with house and food service operations on an average of one hour per day.

Salina Campus Regular Semester^{1), 2), 3)}
Effective July 1, 2014

<u>Single Students Per Person</u>	Room & Meals	
	<u>Present</u>	<u>Recommended</u>
Residence Halls - 14 Meal Plan		
Double Room	\$3,043.00	\$3,104.00
Single Room	\$4,875.00	\$4,972.00
Residence Halls - 19 Meal Plan		
Double Room	\$3,255.00	\$3,320.00
Single Room	\$5,087.00	\$5,188.00
Other Salina Campus Housing Fees		
Application Fee	\$30.00	\$30.00

- 1) Plus a non-refundable application fee of \$30 per contract from which a sum not to exceed \$25.00 may be used as a recreational and social fee.
- 2) For payment due dates, cancellation dates and charges please refer to "Student Housing Contract Terms".
- 3) Residents may lock-in their starting residence hall rate for a maximum of five years if fall contract are turned in no later than the first Friday in May each year.

Manhattan Campus Apartments^{1), 2), 3)}
Effective July 1, 2014
Rate Per Month

<u>Traditional Rate Per Apartment^{1), 2)}</u>	<u>Present</u>	<u>Recommended</u>
One Bedroom Unfurnished	\$420.00	\$435.00
Two Bedroom Unfurnished	\$495.00	\$515.00
<u>Renovated Rate Per Apartment^{1), 2)}</u>		
One Bedroom Unfurnished	\$485.00	\$505.00
Two Bedroom Unfurnished	\$555.00	\$575.00
<u>Highly Renovated Rate Per Apartment^{1), 2), 3)}</u>		
One Bedroom Unfurnished	\$520.00	\$545.00
Two Bedroom Unfurnished	\$625.00	\$655.00
Three Bedroom Unfurnished	\$725.00	\$755.00
<u>New Construction Rate Per Person^{1), 2), 3)}</u>		
One Bedroom Unfurnished	\$600.00	\$630.00
Two Bedroom Unfurnished	\$510.00	\$535.00
Three Bedroom Unfurnished	\$450.00	\$470.00
Four Bedroom Unfurnished	\$420.00	\$435.00
Studio Unfurnished	\$555.00	\$575.00

Town House Unfurnished	\$998.00	\$998.00
Studio Loft Unfurnished	\$580.00	\$625.00

- 1) In addition to the monthly rates, a refundable deposit of \$400.00 is required at time of application and a non-refundable application fee of \$30.00 for each application from which a sum not to exceed \$25.00 may be deducted as a recreational and social fee. A late payment fee of \$10.00 will be charged for apartment rent not paid when due.
- 2) Students provide linen, dishes, telephone and electricity.
- 3) Furniture is available for rent on a limited basis.

Summer Session
Effective May, 2014

	Double Room as Single		Double Room	
	Present	Recommended	Present	Recommended
Room and 20 Meals Weekly	\$354.00	\$370.00	\$235.00	\$245.00
Room and 15 Meals Weekly	\$350.00	\$365.00	\$232.00	\$242.00
Room and 10 Meals Weekly	\$347.00	\$362.00	\$229.00	\$239.00

Salina Campus

	Single Room		Double Room	
	Present	Recommended	Present	Recommended
Room and 15 Meals Weekly	\$213.00	\$218.00	\$175.00	\$179.00
Room and 10 Meals Weekly	\$191.00	\$195.00	\$153.00	\$156.00

Optional Meal Plans For Residents of Housing and Dining Services Apartments Per Semester

	Present	Recommended
Optional 5 Meal Plan (Lunch, M-F), with \$75 Marketplace Value	\$663.00	\$689.00
Optional 5 Dinner Plan (Dinner M-F) with \$100 Marketplace Value	\$980.00	\$1,019.00
Optional 10 Meal Plan	\$1,731.00	\$1,800.00
Optional 15 Meal Plan	\$1,747.00	\$1,817.00
Optional 20 Meal Plan	\$1,770.00	\$1,841.00
Market Place Dollars (\$500 to be used in the Jardine Marketplace includes \$50 Bonus Marketplace)	\$400.00	\$450.00

Salina Campus

Optional 5 Meal Plan (Lunch, M-F)	\$428.00	\$428.00
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II. Expenditure Impact of Proposal.

The proposed rates are recommended to cover increased operational costs. Expenditures for salaries and benefits, facility maintenance, food, utilities, and other operational categories such as technology are expected to rise about 3.8% collectively. Capital improvement projects are expected to be \$250,000 less in FY 2015. Debt service also decreases by \$80,000 in FY 2015. But a new residence hall and dining center will be constructed ready for occupancy by August, 2015; therefore debt service is expected to increase by \$4.4 million in FY 2016.

Because K-State does not require any student to live in university owned residence halls or apartments, we provide excellent facilities and exemplary service to maintain the optimal number of residents.

Salaries and KPERS	\$332,000	Student Labor	\$150,000
Food Costs Increase	\$420,000	Other Operational Categories	\$82,000
Utilities Increase	\$210,000	Household Supplies	\$100,000

III. Revenue Impact of Proposal

Our Housing System operates as an auxiliary unit so all projected revenue is deposited to auxiliary funds. The estimated additional revenue, an increase of about 3.3% over FY 2014 Residence Hall and Apartment, is categorized as follows:

Residence Halls	\$1,768,000	
Apartments	<u>\$265,000</u>	
Total Revenue	\$2,033,000	(Including Dining Service)

IV. Estimated Benefits from Proposal

Approximately 5,500 students living in Residence Halls, Cooperative House and apartments will be affected by the rate increase. The proposed increases are primarily driven by inflationary increases in costs for labor, utilities, food and facility maintenance. Additionally, planned upgrades to roofs, elevators, heating and cooling systems, dining service facilities and academic support facilities require resources. Even though it's a challenge, we successfully maintain room and board rates that are below national and Big XII averages. Within the Big XII, we continue to remain in the lower one-third.

V. Alternatives to Proposal

None Identified. Because Housing and Dining is entirely self-supporting, user fees must cover costs.

VI. Impact of Not Implementing Proposal

The Housing and Dining Services annual operating budget is approximately \$39 million. The insured replacement value of the housing facilities is about \$411 million. Prudent management and legally binding bond covenants require a fiscally stable budget and a properly maintained physical plant – in other words a stable future. Failure to properly plan, budget and operate would compromise our ability to meet core responsibilities to students. Additionally, failure to meet bond covenants would jeopardize any University efforts to finance future capital improvements.

VII. Supplemental Financial Information**Salina and Manhattan Campuses**

	Projected FY 2015	Projected FY 2014	Actual FY 2013	Actual FY 2012	Actual FY 2011
Gross Operating Revenue	45,490,000	43,457,000	43,038,000	38,186,000	37,459,000
Salaries and Wages	18,488,000	17,995,000	17,490,000	16,898,000	16,386,000
Other Operating Expenditures	<u>17,415,000</u>	<u>16,585,000</u>	<u>15,950,000</u>	<u>12,794,000</u>	<u>13,526,000</u>
Total Gross Operating Expense	35,903,000	34,580,000	33,440,000	29,692,000	29,912,000
Gross Operating Revenue(Loss) ⁽¹⁾	9,587,000	8,877,000	9,598,000	8,494,000	7,547,000
Capital Improvements Expense *	4,360,000	4,607,000	1,597,000	4,020,000	1,923,000
Annual Debt Service	5,112,000	5,196,000	5,920,000	5,055,000	4,378,000
Other Capital Expenditures	<u>190,000</u>	<u>190,000</u>	<u>188,000</u>	<u>192,000</u>	<u>144,000</u>
Net Revenue(Loss)	(75,000)	(1,116,000)	1,893,000	(773,000)	1,102,000
Occupancy Rate	97.94%	97.52%	100.99%	101.60%	98.55%
Housing System Earned Fund Balance ⁽²⁾	12,281,000	12,356,000	13,472,000	11,579,000	12,352,000
L/T Debt Outstanding	70,360,000	72,375,000	74,470,000	76,425,000	66,125,000

*Capital Improvements Planned:

FY 2014 - \$4,607,000 (Rehab and Repair Renovations including HVAC repairs, roof replacements, and \$2 million reserve for upgrade to Food Service Centers)

FY 2015 - \$4,360,000 (Rehab and Repair Renovations including roof replacements and \$2 million reserve for upgrade to Food Service Centers)

- (1) Bond covenants require 1.25 times annual debt service. Failure to meet this requirement will jeopardize the university's financial rating.
- (2) Fund Balance excludes unearned advance payments that have been collected for the upcoming academic year. The remaining fund balance is primarily in place for cash flow needs such as those associated with KSU's self-operated dining services, employment protection issues, reserves for capital projects (as noted above), and emergency equipment and building repairs. KSU's housing operations have buildings with replacement values in excess of \$411 million. Long term fiscal stability requires a properly maintained physical plant.

Wichita State University
Proposed Housing and Board Rates for Fiscal Year 2015

Proposed Housing and Board Rates for Fiscal Year 2015

Wichita State University requests authorization to amend the Comprehensive Fee Schedule for Fiscal Year 2014 for the following adjustments to housing and board rates in the residence halls.

Fairmount Towers Proposed Fiscal Year 2015 Room and Board Options
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Plan Type	FY 2014 Double Occupancy	Proposed FY 2015 Double Occupancy	Percent Increase	FY 2014 Single Occupancy	Proposed FY 2015 Single Occupancy	Percent Increase
<u>Academic Year 2014-2015</u>						
19 Meal Plan with \$200 Shocker Dollars	\$6,689	N/A	N/A	\$7,490	N/A	N/A
15 Meal Plan with \$200 Shocker Dollars	\$6,648	N/A	N/A	\$7,450	N/A	N/A
10 Meal Plan with \$200 Shocker Dollars	\$6,473	N/A	N/A	\$7,280	N/A	N/A
19 Meal Plan with \$300 Shocker Dollars	\$6,792	\$8,373	23.28%	\$7,590	\$9,767	28.68%
15 Meal Plan with \$300 Shocker Dollars	\$6,751	\$8,319	23.23%	\$7,550	\$9,634	27.60%
10 Meal Plan with \$300 Shocker Dollars	\$6,576	\$7,903	20.18%	\$7,380	\$9,292	25.91%
19 Meal Plan with \$400 Shocker Dollars	N/A	\$8,522	0.00%	N/A	\$9,806	0.00%
15 Meal Plan with \$400 Shocker Dollars	N/A	\$8,469	0.00%	N/A	\$9,753	0.00%
10 Meal Plan with \$400 Shocker Dollars	N/A	\$8,106	0.00%	N/A	\$9,390	0.00%
5 Meal Plan with \$1500 Shocker Dollars	N/A	\$8,352	0.00%	N/A	\$9,636	0.00%

Plan Type	FY 2014 Double Occupancy	Proposed FY 2015 Double Occupancy	Percent Increase	FY 2014 Single Occupancy	Proposed FY 2015 Single Occupancy	Percent Increase
<u>Summer Session 2014</u>						
Pre-Session with 10 Meal Plan	\$516	\$516	0.00%	\$675	\$675	0.00%
Four Week Session	\$590	\$590	0.00%	\$773	\$773	0.00%
Pre-Session Plus Four Week Session	\$931	\$931	0.00%	\$1,269	\$1,269	0.00%
Eight Week Session	\$962	\$962	0.00%	\$1,322	\$1,322	0.00%
Pre-Session Plus Eight Week Session	\$1,409	\$1,409	0.00%	\$1,927	\$1,927	0.00%

Note: The above plans include 10 meals per week at \$60/week with No Shocker Dollars. 15 and 19 meals are available for an additional \$20/week and \$30/week respectively.

Weekly Break Housing Only (No meals)	\$70	\$70	0.00%	\$112	\$112	0.00%
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<p align="center">New Residence Hall Proposed Fiscal Year 2015 Room and Board Options</p>
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Unit Type Style	FY 2014 Per Person Occupancy Rate	Proposed FY 2015 Per Person Occupancy Rate	Percent Increase
<u>Academic Year 2014-2015</u>			
Plan 1, 1 bed/1 bath			
19 Meal Plan with \$300 Shocker Dollars	NA	\$12,053	NA
15 Meal Plan with \$300 Shocker Dollars	NA	\$12,000	NA
10 Meal Plan with \$300 Shocker Dollars	NA	\$11,638	NA
19 Meal Plan with \$400 Shocker Dollars	NA	\$12,171	NA
15 Meal Plan with \$400 Shocker Dollars	NA	\$12,118	NA
10 Meal Plan with \$400 Shocker Dollars	NA	\$11,755	NA
5 Meal Plan with \$1500 Shocker Dollars	NA	\$12,001	NA
Plan 2, 3 private bed/1 bath			
19 Meal Plan with \$300 Shocker Dollars	NA	\$10,577	NA
15 Meal Plan with \$300 Shocker Dollars	NA	\$10,524	NA
10 Meal Plan with \$300 Shocker Dollars	NA	\$10,162	NA
19 Meal Plan with \$400 Shocker Dollars	NA	\$10,695	NA
15 Meal Plan with \$400 Shocker Dollars	NA	\$10,642	NA
10 Meal Plan with \$400 Shocker Dollars	NA	\$10,279	NA
5 Meal Plan with \$1500 Shocker Dollars	NA	\$10,546	NA
Plan 3, 2 shared bed/1 bath			
19 Meal Plan with \$300 Shocker Dollars	NA	\$10,217	NA
15 Meal Plan with \$300 Shocker Dollars	NA	\$10,164	NA
10 Meal Plan with \$300 Shocker Dollars	NA	\$9,802	NA

19 Meal Plan with \$400 Shocker Dollars	NA	\$10,335	NA
15 Meal Plan with \$400 Shocker Dollars	NA	\$10,282	NA
10 Meal Plan with \$400 Shocker Dollars	NA	\$9,919	NA
5 Meal Plan with \$1500 Shocker Dollars	NA	\$10,856	NA
Plan 4, 2 private bed/1 bath			
19 Meal Plan with \$300 Shocker Dollars	NA	\$11,279	NA
15 Meal Plan with \$300 Shocker Dollars	NA	\$11,226	NA
10 Meal Plan with \$300 Shocker Dollars	NA	\$10,864	NA
19 Meal Plan with \$400 Shocker Dollars	NA	\$11,397	NA
15 Meal Plan with \$400 Shocker Dollars	NA	\$11,344	NA
10 Meal Plan with \$400 Shocker Dollars	NA	\$10,981	NA
5 Meal Plan with \$1500 Shocker Dollars	NA	\$12,036	NA
Plan 5, 4 private bed/2 bath			
19 Meal Plan with \$300 Shocker Dollars	NA	\$10,811	NA
15 Meal Plan with \$300 Shocker Dollars	NA	\$10,758	NA
10 Meal Plan with \$300 Shocker Dollars	NA	\$10,396	NA
19 Meal Plan with \$400 Shocker Dollars	NA	\$10,929	NA
15 Meal Plan with \$400 Shocker Dollars	NA	\$10,876	NA
10 Meal Plan with \$400 Shocker Dollars	NA	\$10,513	NA
5 Meal Plan with \$1500 Shocker Dollars	NA	\$10,759	NA

<p align="center">Other Housing Fees Proposed Fiscal Year 2015</p>

Fee Description	FY 2014 Rate	Proposed FY 2015 Rate	Percent Increase
Non-refundable Application Fee	\$75	\$75	0.00%
Late Payment Fee	\$100	\$100	0.00%
Contract Cancellation Fee	\$275	\$275	0.00%
Contract Prepayment – Fairmount & New Residence Hall	\$200	\$200	0.00%

Expenditure Impact of the Proposal

The revenue received from the proposed housing and board rates will be used to pay for operating expenditures, utilities, staffing, capital expenditures, major remodeling and improvements and debt service on the residence halls. The Fiscal Year 2015 rate increases will also cover mandatory meal plan cost increases in accordance with WSU's food service management contract.

Revenue Impact of the Proposal

The increased revenue anticipated from the proposed housing rate increase of 20% is estimated to be approximately \$150,000 based on 85% occupancy. This would impact approximately 1,100 residential students.

Student Involvement with the Proposal

Student feedback on rates and increases on meal costs were conducted with a number of task force meetings in April through the consultant group SCION. These meetings were held to allow students feedback on the current housing structure, future rates and room assignments:

Tuesday, April 16 th	12:00 – 1:00 PM	Student Focus Group #1- Current Residents	Fairmount Towers Game Room
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Tuesday, April 16 th	4:30 – 5:30 PM	Student Focus Group #2- Student Leaders	Fairmount Towers Game Room
Tuesday, April 16 th	6:00 – 7:00 PM	Student Focus Group #3- International Students	Fairmount Towers Game Room
Tuesday, April 16 th	7:00 – 8:00 PM	Student Focus Group #4- Off Campus Students	Fairmount Towers Game Room
Tuesday, April 16 th	8:00 – 9:00 PM	Student Focus Group #5- Greek Students	Fairmount Towers Game Room

Estimated Benefits from the Proposal

Students who live on campus accrue a variety of benefits, including easy access to classrooms, laboratories, dining facilities, Ablah Library, the Heskett Center and the Rhatigan Student Center. Professional and paraprofessional staff members live in each building to provide academic and personal support services to the residents. Additionally, residents are provided with computer rooms, laundry facilities, meeting facilities, and are more easily able to participate in campus events and activities compared to those who commute.

Cable television service and Ethernet connections are provided to each student room. Extensive renovations to Fairmount Towers have resulted in improvements to the quality of the residential living experience. Scheduled facilities maintenance projects for Fiscal Years 2014 and 2015 are listed in the Supplemental Financial Information below. The cost of the aforementioned items is included in the recommended rates outlined in this proposal and from existing reserves.

Alternatives to the Proposal

Alternatives to the proposed rate increases have not been identified. The projected revenue from the increased rates is to be used for inflationary increases in expenditures for basic services, planned improvements and contractual agreements as mentioned above. As an auxiliary operation, housing must cover all expenses through fees charged to students living in the residence hall facilities.

Impact of Not Implementing the Proposal

If the proposed housing and board rates are not implemented, the current financial stability of the housing and residence life operations would be compromised. Financial stability is also important to maintaining quality ratings on the outstanding revenue bonds.

Implementation Date

If approved, the rates will become effective on July 1, 2014. Rates for the summer session housing will become effective with the beginning of the summer contract.

Supplemental Financial Information

<u>Revenue and Expenditures</u>	<u>Projected FY 2015</u>	<u>Projected FY 2014</u>	<u>Actual FY 2013</u>	<u>Actual FY 2012</u>	<u>Actual FY 2011</u>
Gross Operating Revenue – See Note 1	\$11,552,548	\$6,701,239	\$6,726,192	\$6,531,996	\$6,470,509
Gross Operating Expenditures	7,608,800	5,527,523	4,646,665	4,710,802	4,045,065
Gross Operating Revenue (Loss)	\$3,943,748	\$1,173,716	\$2,079,527	\$1,821,194	\$2,425,444
Annual Debt Service – See Notes 2 and 3	\$4,088,373	\$3,464,560	\$964,778	\$1,991,133	\$1,202,688
Other Capital Expenditures	100,000	100,000	1,095,688	676,301	1,271,067
Transfers (In) Out – See Note 4	(1,507,036)	(2,394,513)	(328)	19,095	19,026
Other Operating (Revenue) Expenditures	\$2,681,337	\$1,170,047	\$2,060,138	\$2,686,529	\$2,492,781
Net Operating Revenue (Loss)	\$1,262,411	\$3,669	\$19,389	(\$865,335)	(\$67,337)
Less Capital Improvement Expense – See Below	\$106,000	\$0	\$205,684	\$481,795	\$722,912
Net Change in Fund Balance	\$1,156,411	\$3,669	(\$186,295)	(\$1,347,130)	(\$790,249)
Occupancy Rate	81.00%	85.00%	92.00%	91.00%	88.70%
Housing System Earned Fund Balance	\$4,552,977	\$3,396,566	\$3,392,897	\$3,579,192	\$4,926,322
Long Term Debt Outstanding – See Notes 2 and 3	\$70,523,871	\$71,353,871	\$6,922,028	\$7,780,153	\$9,250,000

Notes to Supplemental Financial Information

Note 1 – In FY 2014, WSU began construction of a new housing facility which will open on August 6, 2014. Wheatshocker will be demolished following the opening of the new housing facility. The net number of beds available will increase by 184. Housing rates in the new facility will be higher due to the greater number of single rooms, rooms with larger square footage, enhanced amenities, and location in the heart of the campus near the Rhatigan Student Center. Rates at Fairmount Towers have increased approximately 20% to 29% in the above proposal.

Note 2 – In FY 2012, WSU refunded the 2002P Series Revenue Bonds in the amount of \$8,135,000 in order to get a lower interest rate and annual debt service payment. Due to the timing of the refunding, WSU made two annual principal payments on the housing bonds in FY 2012.

Note 3 – In FY 2014, WSU issued revenue bonds in the amount of \$65,226,843, including premium, to fund the new housing facility, and to refund the 2010D Series that was issued for energy conservation improvements.

Note 4 – In FY 2014 and 2015, capitalized interest will be transferred in to partially cover debt service requirements.

**Emporia State University
Division of Student Affairs
Department of Residential Life and Memorial Union Corporation**

**Statement of proposed Residence Hall and Contract Board Rates
Academic Year 2014-2015**

Emporia State University requests authorization to amend the Comprehensive Fee Schedule, effective fall semester 2014 as follows:

Description of Fee Adjustment: Figures shown represent academic year totals, unless otherwise noted. The housing and meal contract's default time period includes both the fall 2014 and the spring 2015 semesters.

Room & Board Options Total Standard Double

	<u>From</u>	<u>To</u>	<u>Increase</u>	<u>% Increase</u>	<u>Room+Board, % Increase</u>	
Morse Double Room Rate	\$3,558	\$3,718	\$160	4.5%		
Morse Triple Room Rate	\$4,175	\$4,279	\$104	2.5%		
Morse Quad Room Rate	\$0	\$3,960				
Towers/Trusler/Singular Dbl Rate	\$3,963	\$4,181	\$218	5.5%		
Towers Suite	\$4,175	\$4,363	\$188	4.5%		
Private rooms when available – all buildings	\$5,077	\$5,280	\$203	4.0%		
All access Meal Plan	\$3,320	\$3,400	\$80	2.4%	\$7,118	3.5%
15 Block Meal Plan	\$3,234	\$3,316	\$82	2.5%	\$7,034	3.6%
10 Block Meal Plan	\$2,732	\$2,800	\$68	2.5%	\$6,518	3.6%

Justification for Fee Adjustment and Projected Revenue

Residence Hall Impact

Proposed room and board rates for FY15 have been held to an increase of 3.6%. The opening of the newly renovated Singular and Trusler Halls combined with rate increases will generate additional gross revenue of approximately \$145,000. Bringing these facilities on line will require that additional staff, a Complex Coordinator along with custodial employees, be hired therefore increasing salary and associated benefits. Other estimated expenses for FY15 are expected to increase moderately, with most increases coming from changes in utility rates and fringe benefit rates. Any additional revenue not obligated by operating increases, will be utilized to finance capital improvements related to existing facilities, Morse Hall and Towers.

Memorial Union Impact

The proposed rates for meal plans represent a 2.5% increase in food plan costs. Proposed adjustments to the board rate are needed to meet the higher food costs of dining operations. All students living in the Residence Halls participate in one of three meal plans. The proposed increase would generate approximately \$57,000 of additional revenue, which will be used to fund projected increased costs of the food service contract for FY15.

Review of Proposal Increases

The Residence Hall and meal plan increases were developed in consultation with students who live in the residence halls and serve on the Memorial Union board of directors which has student board member positions representing the Residence Halls and Associated Student Government. The proposed increases contained in this document were presented to the Memorial Union Board of Directors and approved by that body on October 4, 2013.

**Emporia State University
Housing System Financial Report Summary Prepared for KBOR Increase
Request**

Fiscal Years 2011 through 2015

	Projected <u>FY 2015</u>	Estimated <u>FY 2014</u>	Actual <u>FY 2013</u>	Actual <u>FY 2012</u>	Actual <u>FY 2011</u>
Gross Operating Revenue	\$3,875,418	\$3,244,652	\$3,061,310	\$3,131,652	\$3,034,279
Salaries and Wages	1,611,795	1,476,111	1,336,970	1,341,800	1,376,079
Other Operating Expenditures	<u>700,681</u>	<u>622,797</u>	<u>558,965</u>	<u>715,630</u>	<u>685,645</u>
Gross Operating Expense	<u>2,312,476</u>	<u>2,098,908</u>	<u>1,895,935</u>	<u>2,057,430</u>	<u>2,061,724</u>
 Gross Operating Revenue Gain/(Loss)	 <u>\$1,562,942</u>	 <u>\$1,145,744</u>	 <u>\$1,165,375</u>	 <u>\$1,074,222</u>	 <u>\$972,555</u>
 Capital Improvements Expense*	\$0	\$111,000	\$47,321	\$0	\$256,294
Annual Debt Service	727,205	707,560	706,044	720,041	697,414
Other Transfers	397,000	597,000	357,429	178,144	296,190
Other Transfer – Topeka Cuts					2,617
Major Maintenance & Repair*	<u>425,000</u>	<u>395,000</u>			
Net Operating Revenue Gain/(Loss)	<u>\$13,737</u>	<u>(\$664,816)</u>	<u>\$54,581</u>	<u>\$176,037</u>	<u>(\$279,960)</u>
Operating Fund Balance-June 30th	\$272,534	\$258,797	\$923,613	\$869,032	\$692,995
 Occupancy Rate **	100.0%	105.6%	90.8%	88.6%	80.0%
Long Term Debt Outstanding	\$6,160,000	\$6,610,000	\$7,025,000	\$7,425,000	\$7,825,000

***Capital Improvements Description**

FY 11 Finish internet in Morse and Towers, Chiller in Morse

FY 12 Phase 1 of continued remodeling of Singular/Trusler

FY 13 Continue Phase 1 and begin Phase 2 remodeling of Singular/Trusler

FY 14 Capital Improvement – Technology infrastructure in Towers

FY 14 Major Repairs – New furnishing for Singular/Trusler, Morse Hall Lounges, and hot water tank/lines in Trusler basement

FY 15 Major Repairs – Central Morse Hall, room doors, flooring, blinds, paint and bathroom renovation Central Morse Hall

**** Occupancy rates reflect adjustment of temporary closure of Trusler Hall**

KANSAS BOARD OF REGENTS
AGENDA ITEM
Pittsburg State University
November, 2013

REQUEST AMENDMENT TO HOUSING RATES - Pittsburg State University

In accordance with Board Policy, Pittsburg State University requests that the Board of Regents consider for final action at its December 2013, meeting the following adjustments in housing rates to be effective with the 2014 Fall Semester.

Residence Halls	Academic Year	
	<u>13-14</u>	<u>14-15</u>
Double Room/Seven Day Access	\$6,734	\$6,936
Double Room/Any 14 Access	6,344	6,534
Double Room/Any 10 Access	5,978	6,158
Single room charge (maximum)	900	900
Crimson Commons room additional charge*	1,000	1,000
Willard Hall room additional charge	440	440
Renovated Hall room additional charge**	220	220
Application fee	45	45
Installment fee (optional payment plan)***	25	25
Late Payment fee (maximum)	30	30

*new residence hall complex opened Fall 2010

**charged on all rooms in Bowen, Trout, Tanner, and Tanner Annex and Dellinger

***per semester

	<u>13-14</u>	<u>14-15</u>	<u>Increase for</u> <u>Annual Cost</u>	<u>%</u>
Double Room/Unlimited Meal Plan	\$6734	\$6,936	\$202	3.00
Double Room/14 Meal Plan	6,344	6,534	190	2.99
Double Room/10 Meal Plan	5,978	6,158	180	3.01

Student Family Apartments	Academic Year	
	<u>13-14</u>	<u>14-15</u>
Two Bedroom	\$490	\$490
Three Bedroom	555	555
Processing Fee for each new lease	45	45
Late Payment Fee	30	30

The proposed rates were developed by the Director of University Housing in consultation with the Assistant Director of University Housing for Operations and the Associate Vice President for Campus Life and Auxiliary Services.

**Pittsburg State University
Financial Impact Statement
Housing Rates**

I. DESCRIPTION OF RATE ADJUSTMENT

An increase in the rates is proposed. If approved, the new rate schedule would be effective for the 2014 fall semester.

Residence Halls	Academic Year		<u>Increase for Annual Cost</u>	<u>%</u>
	<u>13-14</u>	<u>14-15</u>		
Double Room/Unlimited Meal Plan	\$6,734	\$6,936	\$202	3.00
Double Room/14 Meal Plan	6,344	6,534	\$190	2.99
Double Room/10 Meal Plan	5,978	6,158	\$180	3.01
Single room charge (maximum)	900	900	--	--
Crimson Commons room charge*	1,000	1,000	--	--
Willard Hall room charge	440	440	--	--
Renovated Hall room charge**	220	220	--	--
Application Fee	45	45	--	--
Installment Fee (optional payment plan)***	25	25	--	--
Late payment fee (maximum)	30	30	--	--

*new residence hall complex opened Fall 2010

**charged on all rooms in Bowen, Trout, Tanner, and Tanner Annex, and Dellinger

***per semester

Crimson Village Apartments				
Two Bedroom	\$490	\$490	--	--
Three Bedroom	555	555	--	--
Processing Fee (new lease)	45	45	--	--
Late Payment fee	30	30	--	--

II. JUSTIFICATION FOR RATE ADJUSTMENT

In late May, 2009, Pittsburg State University began an ambitious but critical, multi-year, \$22 million effort to renovate all existing residence halls and a twelve month project to construct a new residence hall complex designed to accommodate 204 additional students. Funding for the new construction and an initial phase of renovation (\$14 million) was derived from sale of bonds to be repaid from the revenues received from operation of the housing system. The revenue pledged for repayment of the bonds, approved in the initial authorization for the overall project, included in part, targeted room rental rate increases beyond those authorized for annual operating cost increases (\$100 per occupant per year for each of five consecutive years beginning FY09). The remaining increased revenue for debt service will come from occupancy growth derived from the additional bed space in the new construction and reallocation of historically large and growing annual expenditures for maintenance of facilities from that category to debt service.

Aside from annual debt service, the remaining majority of University Housing expenditures are tied to areas that are subject to annual increases (food service board plan rate increases negotiated with

contract provider, utility costs, and salaries and benefits). Food service, utilities, and employee salary and benefits costs continue to increase. While cost of living increases and merit raises in staff compensation have been minimal in recent years, even minimal increases (1-2%) and pay plan adjustments stipulated by the legislature for classified employees have had an impact on the budget.

It is important to note, as with any complex renovation taking place over a total project period of several years, hidden issues arise and inflation occurs which increase the total cost of the project. To address these factors, in the past five fiscal years, University Housing funded \$2.8 million from annual revenues and reserves in furnishing and other renovation costs in order to preserve the availability of authorized bond funding to sufficient levels to complete the project. Continued expenditures of this nature are expected through the final two phases over the next two fiscal years. Most notable in the coming two fiscal years is projected expenditure of nearly \$2.5 million from University Housing revenues and reserves beyond the \$3.3 million remaining bond funds for completion of construction and furnishing of Nation and Mitchell halls. The estimated \$320,000 in additional revenue projected from the proposed rate increase will be utilized not only to address inflationary increases in operating cost, but more importantly to contribute to the \$2.5 million needed to complete the renovations of all existing facilities.

III. STUDENT REVIEW OF FEE ADJUSTMENT

The rate adjustment of a maximum 4% increase for residence halls was presented to the Residence Hall Assembly at their September 24, 2013, regular session. The assembly voted in favor of the proposed changes at that same meeting, by the following vote: 6 affirmative, 3 negative, and 7 abstentions [Note: The abstentions were from Resident Assistants (staff) who are part of the assembly or were from students who plan to graduate or live off campus next year who did not believe it appropriate to participate in the decision process relative to setting of rates]. The group endorsed the university's continuing efforts to invest funds in the updating and improvement of the residence halls. Subsequent review by University Housing staff and President's Council reduced the original consideration from a 4% increase to the 3% level reflected in this rate request.

V. PROJECTION OF REVENUE FROM AND NUMBER OF STUDENT AFFECTED BY FEE ADJUSTMENT

The rate increases should increase annual revenue by approximately \$320,000. Over 1,300 students are projected to live in the residence halls.

VI. PROJECTED IMPACT OF RATE ADJUSTMENT ON STUDENT OCCUPANCY

Because residence halls are in direct competition with off-campus rentals for student occupancy, any rate increase must remain within the appropriate levels that the overall market will support. University Housing is committed to providing students with high quality accommodations at reasonable rates. Given the proximity to campus, the programmatic efforts of the departmental staff, the amenities and services provided, and the reliable maintenance provided by the university, residence hall rates are very competitive with other student housing options of equal quality in the community. The additional 204 beds available with the completion of the new construction are occupied and the housing system is at 101% occupancy of rated capacity for the Fall 2013 semester.

**Pittsburg State University Housing
KBOR Rate Increase Request
Supplemental Financial Information
October 29, 2013**

	Projected FY2015	Estimated FY2014	Actual FY2013	Actual FY2012
Gross Operating Revenue	\$8,970,000	\$8,650,000	\$8,556,883	\$8,477,899
Salaries and Benefits	1,996,515	1,930,015	1,892,147	1,862,012
Other Operating Expenses	3,328,510	3,200,490	2,972,591	3,025,909
Gross Operating Revenue(Loss)	\$3,644,975	\$3,519,495	\$3,692,145	\$3,589,978
Capital Improvements Expense	630,000	630,000	732,600	1,389,021
Annual Debt Service	2,678,681	1,982,662	1,849,967	1,849,175
Other Capital Expenditures	^2,500,000	0	0	*2,062,915
Net Operating Revenue(Loss)	(\$2,163,706)	\$906,833	\$1,109,578	(\$1,711,133)
Operating Fund Balance (EOY)	\$1,845,053	\$4,008,759	\$3,101,926	\$1,992,348
L/T Debt Outstanding	\$25,920,000	\$26,395,000	\$26,835,000	\$18,300,000
Occupancy Rate	100%	101%	101.2%	101%

Capital Improvements Planned

*FY 2012 \$2,062,195—Out of Reserves to fund Tanner Annex project

^FY2015 \$2,500,000—Out of Reserves to finalize Nation Hall project

FORT HAYS STATE UNIVERSITY
DIVISION OF STUDENT AFFAIRS
Department of Residential Life

Consistent with Board of Regents policy, the following amendments to the Comprehensive Fee Schedule are submitted to the Board's November 2013 meeting.

Recommended Residence Hall and Apartment Rates – 2014-2015
Rates are reported for both fall and spring semesters

Residence Hall Double Room Rates, Fall & Spring Semester

Accommodations/Plan	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
No meal plan	\$3,510	\$3,656	\$55	1.6%
Open access meal plan	\$7,130	\$7,280	\$150	2.1%
10 meals per week	\$6,965	\$7,111	\$146	2.1%
7 meals per week	\$6,914	\$7,059	\$145	2.1%

Residence Hall Single Room Rates, Fall & Spring Semester

Accommodations/Plan	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
No meal plan	\$4,040	\$4,105	\$65	1.6%
Open access meal plan	\$7,660	\$7,820	\$160	2.1%
10 Meals per week	\$7,495	\$7,652	\$157	2.1%
7 Meals per week	\$7,444	\$7,600	\$156	2.1%

Agnew Hall Suites, Fall & Spring Semester

Accommodations	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
No meal plan	\$4,545	\$4,618	\$73	1.6%
Open access meal plan	\$8,165	\$8,336	\$171	2.1%
10 Meals per week	\$8,000	\$8,168	\$168	2.1%
7 Meals per week	\$7,949	\$8,116	\$167	2.1%

Wooster Place Apartment, Fall & Spring Semester (10 Months)

Accommodations (Unfurnished)	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
1 Bedroom	\$5,050	\$5,131	\$81	1.6%
2 Bedroom	\$5,475	\$5,563	\$88	1.6%
2 Bedroom Shared	\$4,465	\$4,536	\$71	1.6%

Stadium Place Apartment, Fall & Spring Semester (10 Months)

Accommodations	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
2 Bedroom	\$5475	\$5,563	\$88	1.6%
4 Bedroom	\$4970	\$5,050	\$80	1.6%

Additional Fees

Fee	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
Upgrade charge for a Wiest Hall suite	\$200	\$200	\$0	0%
Application fee	\$35	\$35	\$0	0%
Late fee	\$25	\$25	\$0	0%

Weekly Rates

Accommodations	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
Early arrival for students with housing contracts	\$120	\$120	\$0	0%
Guest room	\$167	\$167	\$0	0%

Daily Rates

Accommodations	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
Early arrival for students with housing contracts	\$55	\$55	\$0	0%
Guest Room	\$27	\$27	\$0	0%

Summer Term

Accommodations	2013-2014 Rate	2014-2015 Proposed Rate	Difference in Amount	Difference in Percentage
Camper daily rate for a double room	\$13	\$13	\$0	0%
Camper daily rate for a single room	\$26	\$26	\$0	0%

FORT HAYS STATE UNIVERSITY
PROPOSED INCREASES IN RESIDENCE HALL, CONTRACT BOARD AND APARTMENT
RENTAL RATES AND FEES
2014 -2015

Business Impact of Proposed Rates

Expenditures Impact

The proposed increase of 1.6% in the traditional residence halls, suites, and apartments and an increase of 2.6% in contract board rates, equaling a blended increase of 2.1%, will generate approximately \$195,000 in additional revenue for the 2015 fiscal year. These resources will become part of the base budget and will be used for increases in ongoing operating expenses as a result of inflation, staff adjustments, changes in compensation and capital improvements as well as the costs associated with the food service rate increase. Residential Life has been able to hold the increase to a minimum due in part to anticipated savings resulting from the implementation of wind generation. Projections indicate a savings in electrical cost of approximately \$100,000 annually. These savings plus the revenue generated by the rate increase will offset expense increases and add a small amount to reserves for use in capital improvement projects needed in the existing residence halls.

Estimated Benefits from Proposal

The proposed rate of increase in university housing will be used to help offset general operating expense increases, increases in the board rates proposed by our food service provider due to increases in overall food and benefits costs of operation and will help fund facility improvements throughout housing. Scheduled facility improvements include window replacements in Custer Hall, electrical upgrades in McMindes Hall, masonry cleaning and sealing for Wooster Hall and replacement of stairwells in Wooster Hall.

Alternatives to Proposal

The proposed rates of increase depicted on the accompanying “Recommended Residence Hall and Apartment Rates—2014-2015” were determined to be the most advantageous to all parties concerned. The rate proposal was presented to the Residence Hall Association at its regular meeting on September 30, 2013 and was approved. No alternatives were discussed.

Impact of Not Implementing Proposal

The rate increases proposed are to cover anticipated and known increases in operational costs for residential life. While the operation could survive without the increase future plans for the maintenance, improvement, and replacement of facilities would have to be reconsidered. The goal of residential life over the next five years is to replace or refurbish all its facilities and to accomplish that its price increases minimally should be near inflation during that time period. Planning has begun for the replacement of Wiest Hall with an anticipated completion date of August 2016. Once complete Wiest Hall will be razed. The project is anticipated to include an additional food service facility and more than 400 beds.

Supplemental Financial Information KBOR Rate Increase Request	Projected FY 2015***	Estimated FY 2014***	Actual FY 2013***	Actual FY 2012
Gross Operating Revenue	\$9,384,268	\$9,188,838	\$8,004,146	\$7,550,117
Gross Operating Expense	\$5,246,242	\$5,211,020	\$4,959,566	\$4,846,874
Gross Operating Revenue (Loss)	\$4,138,026	\$3,977,818	\$3,044,580	\$2,703,243
Capital Improvements Expense*	\$5,570,000	\$3,526,000	\$1,384,625	\$1,449,295
Annual Debt Service	\$1,010,888	\$ 981,446	\$ 498,150	\$ -
Other Capital Expenditures	\$ -	\$ -	\$ -	\$ -
Net Operating Revenue (Loss)	\$(2,442,862)	\$ (529,628)	\$1,161,805	\$1,253,948
Occupancy Rate	90%	90%	88%	91%
Reserve Balance (EOY)	\$1,206,144	\$3,649,007	\$4,178,634	\$2,993,489
L/T Debt Outstanding	\$ -	\$ -	\$ -	\$ -
Capital Improvements Planned*				
FY 2014		\$3,526,000		
FY 2015	\$5,570,000			

*** Capital Improvements Description:**

FY 2014- Wiest replacement capital investment, Agnew storm room, Wooster stairwells and masonry, Custer windows.

FY 2015- Wiest replacement capital investment, McMIndes furnishing replacement.

Debt Service:

***** Agnew replacement cash flow guarantee estimate beginning 2013 for first phase. 2014 includes guarantee cash flow for second phase.**