



KANSAS BOARD OF REGENTS

Agenda Call for January Meeting
Fiscal Affairs and Audit Standing Committee
Tuesday, January 3, 2012, NOON
Conference Rm B

Teleconference Dial in number 866-620-7326 and Conference Code 476-523-6449

COMMITTEE AGENDA ITEMS FOR JANURAY 19 BOARD MEETING

FACILITIES – JANUARY 19, 2012 AGENDA – CONSENT (Eric King)

APPROVE REPLACEMENT OF STADIUM TURF - PSU

Pittsburg State University requests approval to replace the existing artificial turf in the football stadium. The estimated cost for the project is \$400,000 and will be funded from a combination of private gifts and athletic funds. The financing will be secured from a loan from the Pittsburg State University Foundation. Work will begin in the spring and finished by August 1, 2012. The existing sub surface will be elevated to bring the track and field runways flush with the new turf. This will correct a problem with the old turf installation.

ACCEPT THE CENTER FOR LEADERSHIP STUDIES CONSTRUCTION PROJECT FROM THE KSU FOUNDATION – KSU

In November 2005 the Kansas Board of Regents approved Kansas State University's request to modify its FY 2007 Capital Improvements Plan to include construction of a Center for Leadership Studies. The \$8.7 million dollar project was funded entirely by private gift funds on deposit with the KSU Foundation. The project is now complete and KSU is requesting Board approval for acceptance of the project from the KSU Foundation.

AMEND FY 2011 CAPITAL IMPROVEMENT PLAN – KSU

In October 2010 the Kansas Board of Regents approved modification of Kansas State University's FY2011 Capital Improvement Plan to include a privately funded \$600 thousand project to replace a deteriorating greenhouse at the Agricultural Research Center in Hays. Approval is being sought to modify the greenhouse budget to \$1 million. The project will still be funded with private funds.

APPROVE CONSTRUCTION OF METAL PRE-ENGINEERED BUILDING AT TRIBUNE, KS – KSU

Kansas State University requests approval to construct a 50' x 100' metal pre-engineered building at Tribune, KS. The enclosed building will be used for storage of agricultural field

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equipment. The building will have overhead doors, a concrete floor, and electrical connections. It will not have office space or bathroom facilities. The purchase and all future maintenance costs will be funded with restricted fees. The estimated cost is \$175,000.

AMEND FY 2012 CAPITAL IMPROVEMENT PLAN – KSU

Kansas State University requests approval to modify its FY 2012 Capital Improvement Plan to include upgrades to its outdoor recreation area. The project will include upgrading the tennis courts, replacing the outdoor equipment storage/checkout building, creating outdoor basketball courts and sand volleyball courts. Funding source will be \$2 million in restricted fees and athletic funds.

AUTHORIZE ACCEPTANCE OF PROPERTY FROM THE KANSAS UNIVERSITY
ENDOWMENT ASSOCIATION – KU

The University of Kansas requests authorization to accept the transfer of the following buildings from the Kansas University Endowment Association: Higuchi Annex, Higuchi Hall, Parker Hall and the Kansas Geological Core Library at the Lawrence campus and Breidenthal Annex on the Medical Center campus.

The University has reviewed the condition of each building and found them to be in good condition with some repairs needed in the next five years.

Higuchi Annex (KU Building Number 133) GSF = 2,725

This facility has low level lab functions, and as such does not have heavy use. The Kansas Biological Survey uses the building for storage and research space.

Higuchi Hall (KU Building Number 136) GSF = 42,655

Higuchi Hall was originally used as a laboratory facility by InterX Corporation and then Oread Labs. The building now houses the Kansas Biological Survey and animal care facilities for researchers in the area.

Legal description for Higuchi Hall and Higuchi Annex

SECTION 2 TOWNSHIP 13 RANGE 19 BEGINNING AT A POINT 1320 FEET NORTH OF THE SOUTH EAST CORNER OF SAID SECTION; THENCE WEST 275 FEET; THENCE NORTH 57 DEGREES 15' WEST, 120 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 32 DEGREES 45' WEST, 390 FEET; THENCE NORTH 57 DEGREES 15' WEST, 450 FEET; THENCE NORTH 32 DEGREES 45' EAST, 390 FEET; THENCE SOUTH 57 DEGREES 15' EAST, 450 FEET TO THE POINT OF BEGINNING
(CORRECTED DESCRIPTION FOR 1985)

Parker Hall (KU Building Number 122) GSF = 15,935

Parker Hall was originally occupied by the United States Geological Survey. Since 1989, the building has been occupied by the Kansas Geological Survey and leased from the KU Endowment Association.

Kansas Geological Survey Core Library (KU Building Number 191) GSF = 11,590

This facility is used by the Kansas Geological Survey for storage of the physical geological cores taken in the state of Kansas.

Both Parker Hall and the KGS Core Library are included in the Tract 1 legal description below. Tract 2 is a small trapezoidal shaped parcel that is owned by KUEA but is surrounded by university owned property. We request that this parcel be transferred in order to simplify ownership in this part of the West campus.

**LEGAL DESCRIPTIONS KANSAS GEOLOGICAL SURVEY CORE LIBRARY /
PARKER HALL TRACTS 1 AND TRACT 2**

LEGAL DESCRIPTION TRACT 1

A TRACT OF LAND IN THE SOUTHEAST ONE- QUARTER OF SECTION 2,
TOWNSHIP 13 SOUTH, RANGE 19 EAST OF THE SIXTH PRINCIPAL MERIDIAN, IN
THE CITY OF LAWRENCE, DOUGLAS COUNTY, KANSAS, MORE PARTICULARLY
DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH EAST CORNER OF SAID QUARTER SECTION;
THENCE NORTH 89°54'57" WEST ALONG A LINE A DISTANCE OF 310.00 FEET TO
A POINT, SAID LINE BEING THE NORTH LINE OF A TRACT OF LAND DEEDED IN
BOOK 277 NUMBER 27035 AND SAID POINT BEING THE NORTH WEST CORNER
OF A TRACT OF LAND DEEDED IN BOOK 277 NUMBER 27035 SAID POINT ALSO
BEING THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89°54'37"
WEST A DISTANCE OF 100.00 FEET TO A POINT; THENCE SOUTH 42°00'44" WEST
A DISTANCE OF 165.00 FEET TO A POINT OF CURVATURE; THENCE SOUTHERLY
ON A CURVE TO THE LEFT HAVING A RADIUS OF 660.00 FEET A CENTRAL
ANGLE OF 30°16'14" AND AN ARC LENGTH OF 348.69 FEET TO A POINT, SAID
POINT BEING ON THE NORTH LINE OF A TRACT OF LAND DEEDED IN BOOK
1041 AT PAGE 1240; THENCE SOUTH 80°40'14" EAST ALONG THE NORTH LINE OF
SAID TRACT A DISTANCE OF 40.11 FEET TO A POINT, SAID POINT BEING THE
NORTHEAST CORNER OF SAID TRACT; THENCE NORTH 45°30'55" EAST A
DISTANCE OF 56.00 FEET TO A POINT; THENCE SOUTH 60°11'00" EAST A
DISTANCE OF 317.19 FEET TO A POINT, SAID POINT BEING THE SOUTHWEST
CORNER OF THE TRACT OF LAND DEEDED IN BOOK 277 NUMBER 27035;
THENCE NORTH 00°05'23" EAST ALONG THE WEST LINE OF SAID TRACT OF
LAND A DISTANCE OF 560.00 FEET TO THE POINT OF BEGINNING AND
CONTAINING 2.8680 ACRES, MORE OR LESS.

LEGAL DESCRIPTION TRACT 2

A TRACT OF LAND IN THE SOUTHEAST ONE- QUARTER OF SECTION 2,
TOWNSHIP 13 SOUTH, RANGE 19 EAST OF THE SIXTH PRINCIPAL MERIDIAN, IN

THE CITY OF LAWRENCE, DOUGLAS COUNTY, KANSAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH EAST CORNER OF SAID QUARTER SECTION; THENCE SOUTH 00°05'23" WEST ALONG THE EAST LINE OF SAID QUARTER SECTION A DISTANCE OF 897.46 FEET TO A POINT; THENCE NORTH 89°54'37" WEST A DISTANCE OF 100.00 FEET TO A POINT, SAID POINT BEING THE NORTHEAST CORNER OF A TRACT OF LAND DEEDED IN BOOK 485 PAGE 2021; THENCE NORTH 57°09'37" WEST ALONG A LINE A DISTANCE OF 473.178 FEET TO A POINT, SAID LINE BEING THE NORTH LINE OF AND SAID POINT BEING THE NORTHERN MOST CORNER OF THE TRACT OF LAND DEEDED IN BOOK 485 PAGE 2021, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 32°50'23" WEST ALONG SAID TRACT A DISTANCE OF 170.18 FEET TO A POINT, SAID POINT BEING THE EASTERN MOST CORNER OF A TRACT OF LAND DEEDED IN BOOK 378 PAGE 1847; THENCE NORTH 24°39'37" WEST ALONG A LINE A DISTANCE OF 237.54 FEET TO A POINT, SAID LINE BEING THE NORTH EASTERN MOST LINE OF THE TRACT OF LAND DEEDED IN BOOK 378 PAGE 1847, AND SAID POINT BEING ON A LINE OF A TRACT OF LAND DEEDED IN BOOK 1041 PAGE 1240; THENCE NORTH 78°00'01" EAST ALONG A LINE OF SAID TRACT A DISTANCE OF 59.88 FEET TO A POINT, SAID POINT BEING THE SOUTH EASTERN MOST CORNER OF THE TRACT OF LAND DEEDED IN BOOK 1041 PAGE 1240; THENCE SOUTH 57°16'40" EAST A DISTANCE OF 157.87 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.4677 ACRES MORE OR LESS.

Breidenthal Annex (KUMC building #38) GSF = 7,920

This building is currently occupied by researchers in the departments of Cardiology, Clinical Lab Sciences, and Dietetics and Nutrition.

Legal description for Breidenthal Annex (3800 Cambridge)

A tract of land over part of the Fractional Northwest Quarter of Section 35, Township 11, Range 25, in the City of Kansas City, Wyandotte County, Kansas, more particularly described as follows:

Commencing at the Northwest corner of the Fractional Northwest Quarter of said Section 35; thence North 89°48'39" East, along the North line of said Fractional Northwest Quarter, a distance of 623.26 feet, to a point on the West right-of-way line of Eaton Street, as now established; thence South 00°07'25" West, along the Southerly prolongation of the West right-of-way line of said Eaton Street, a distance of 20.00 feet, to a point on the South right-of-way line of 38th Street, as now established; thence North 89°48'39" East, along the South right-of-way line of said 38th Street, a distance of 180.26 feet, to the Point of Beginning; thence continuing North 89°48'39" East, along said South right-of-way line, a distance of 139.50 feet, to a point on the West right-of-way line of Cambridge Street, as now established; thence South 00°06'41" West, along the West right-of-way line of said Cambridge Street, a distance of 151.05 feet; thence South 89°48'26" West, departing said West right-of-way line, a distance of 139.50 feet; thence North 00°06'41" East, a distance of 151.05 feet, to the Point of Beginning, containing 21,071.37 square feet or 0.4837 acres, more or less

APPROVE PROJECT TO RECONSTRUCT CONSTANT AVENUE FROM IRVING HILL ROAD TO 19TH STREET – KU

The University of Kansas requests approval of a project to reconstruct Constant Avenue from Irving Hill Road to 19th Street.

The City of Lawrence is planning a major street construction project at 15th and Iowa starting late 2012. The project will shut down 15th Street from Crestline to Iowa and from Iowa to Engel after Commencement 2013. The detour for the City's project will use Crestline to Irving Hill and Constant to 19th Street. As a matter of coordination with the City we need to reconstruct Constant Avenue in the summer 2012 so it can be used as a detour for the City's project. Constant Avenue is in bad condition now and the winter weather will rapidly deteriorate the pavement. The estimated cost of the project is \$1.2 million and it will be funded with Restricted Fees funds and Tuition funds. The University will construct the project under the authority granted by K.S.A. 76-7,125 *et seq.*

LEGAL -- JANUARY 19, 2012, DISCUSSION (JULENE MILLER)

1. APPROVE AMENDMENTS TO THE LIMITED RETIREMENT HEALTH CARE BRIDGE POLICY (See below)

FISCAL-JANUARY 19, 2012 AGENDA – DISCUSSION (DIANE DUFFY)

1. RECEIVE REPORT ON GOVERNOR'S BUDGET RECOMMENDATIONS
2. RECEIVE UPDATE ON THE TIERED AND NON-TIERED FUNDING FORMULA FOR COLLEGES

OTHER COMMITTEE MATTERS

1. Because of the Board's schedule there does not appear to be a good time for a January FAA Committee meeting. Staff proposes moving the audit/reports scheduled for January review to the Committee's February 15 meeting. These audits and reports include Internal Auditor Reports, 990 Reviews, Affiliated Corporations Reports, and Non-controlled Corporations Reports, External Management Review – Change of CEO at ESU and State University Annual Financial Reports. Also will schedule a couple of the state university internal auditors for the Feb. 15 FAA meeting.
2. Next Committee Meeting will be the February Agenda Call – Tuesday, January 31, Noon

January 19, 2012

**AMEND HEALTH CARE BRIDGE POLICY TO PROVIDE
FOR MORE FLEXIBILITY IN IMPLEMENTATION**

Summary and Staff Recommendation

Existing policy, adopted in 2009, provides a mechanism whereby state universities may assist unclassified employees who desire to retire before they become eligible for Medicare by outlining specific procedures that only allow a lump sum payment. The proposed changes remove specific procedures from policy to allow other payment methods similar to those being used to provide health insurance assistance under the State's Classified Voluntary Retirement Incentive Program. This change was requested by the Council of Business Officers and has been approved by the Council of Presidents.

Background

In 2009, the Board adopted a policy that establishes a specific mechanism whereby state universities may assist unclassified employees who desire to retire before they become eligible for Medicare by contributing to the cost of the employee's health care coverage. When the policy was adopted, the only viable process available for payment of the health care bridge benefit was by lump sum payment. The proposed changes remove specific procedures from policy to allow other payment methods similar to those being used to provide health insurance assistance under the State's Classified Voluntary Retirement Incentive Program.

In the course of discussing this specific change, it was decided by the Council of Business Officers that the Board should consider removing all of the procedural components from the policy. If the Board is supportive of the concept of providing a health care bridge to employees who meet the eligibility requirements stated in the policy, then the process of how to implement that policy should be left to the universities. The primary concern was that having a specific process in the Policy Manual would lead to a need for Policy Manual amendments when those specified processes are no longer viable, even though the underlying concept remains intact.

These changes were proposed by the Council of Business Officers and were reviewed and approved by the Council of Presidents at their December 14, 2011 meeting.

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Staff recommends adoption of the amendments set forth below.

F. Faculty and Staff

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17. RETIREMENT (11-20-08)

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c. Limited Retirement Health Care Bridge (1-15-09)

The purpose of the Limited Retirement Health Care Bridge Program is to provide a mechanism whereby state universities may assist unclassified employees who desire to retire before they become eligible to qualify for Medicare by contributing to the cost of the employee's health care coverage.

(1) Eligibility.

(a) Participation in the Limited Retirement Health Care Bridge Program is a privilege, not a right, and is strictly voluntary. The university CEO or the CEO's designee and the employee must all agree that it is in the best interest of both the university and the employee for the employee to participate in the Program; this decision will be made on a case-by-case basis taking the employee's appointment or job responsibilities, the timing of the request and other pertinent factors into consideration.

(b) Only unclassified employees at the state universities who are eligible for retirement and who have completed at least 10 years of full-time service shall be eligible for participation in the program upon reaching 55 years of age.

(c) Employees participating in Phased Retirement pursuant to K.S.A. 2007 Supp. 76-746, as amended, and K.A.R. 88-12-1 through 8, as amended, are not eligible to participate in the Limited Retirement Health Care Bridge Program. Employees participating in any other State of Kansas or Kansas Board of Regents retirement incentive programs are not eligible to participate in the Limited Retirement Health Care Bridge Program.

(2) ~~Procedure.~~

~~(a) Each unclassified employee meeting the eligibility conditions of this policy provision who desires to participate in the Limited Health Care Benefits Program must submit, within six months of the employee's proposed retirement date, a written request to retire and to participate in this program to the employee's department/unit head or academic dean.~~

~~(b) (d) If the an eligible employee's request to participate in the Limited Retirement Health Care Bridge Program is approved by the university CEO or the CEO's designee, the university attorney shall draft an agreement between the university and the employee providing for payment of a specified lump sum amount upon retirement, calculated in accordance with subsection c.(3).~~

~~(e) The agreement shall be signed by the employee and the university CEO or the CEO's designee.~~

~~(d) Limited Retirement Health Care Bridge payments shall be paid as a payroll expense and will be subject to employee fringe benefit requirements, including taxes.~~

~~(3) Amount of Benefit. The lump sum payment shall be an amount negotiated between the university and eligible employee that is not more than the sum of 1) three times the maximum annual retiree direct bill medical plan premium for an employee, spouse and children under the State Health Care Benefits Program during the year the request for retirement is submitted, and 2) the amount necessary to cover the employee fringe benefits costs associated with the benefit amount. In no event shall the benefit amount be based solely on the age of the participant such that it would be a violation of the Age Discrimination in Employment Act.~~