

**Proposed Fiscal Year 2016  
Kansas State University Olathe  
JCERTA Budget**

**Narrative summary**

The K-State Olathe Innovation campus opened in April 2011 and is currently funded 85% from Johnson County Education Research Triangle Authority (JCERTA) funds and the remainder from University funds, tuition revenue, grants, contracts and gifts. The first cohort of graduate students pursuing JCERTA-supported programs in animal health and food safety were enrolled in Fall 2013. As of Spring 2015, five biosciences-related graduate degree programs are being offered in addition to three other programs in adult education (Master's and PhD level). There currently are almost 30 faculty and administrative staff directly supporting educational and research programs. Over 160 faculty from K-State's Manhattan and Salina campuses have also contributed to various academic programs.

In January, 2015 the Kansas Board of Regents formally approved the new School of Applied and Interdisciplinary Studies at K-State Olathe. The School provides the campus with academic authority under policies and procedures of the University to hire instructors and researchers and develop courses, certificates and degrees. Aligned with regional market analyses and industry feedback, a new Master's degree in Applied Science and Technology and a new Certificate in Interdisciplinary Professional Sciences are being planned.

Research activities at K-State Olathe are well underway representing the broad areas of veterinary medicine and animal health, food science and food/produce handling, biological and agricultural engineering, and water. The first faculty member hired in January 2013 received top ranking for her team's project in early 2014 resulting in a \$1 million, four year award from the U.S. Department of Agriculture for a project focused on food security and handling of postharvest vegetables.

Other highlights include the Merck Animal Health sponsored Microbial Surveillance Laboratory in partnership with K-State's Veterinary Diagnostic Laboratory; and the K-State Innovation Accelerator funded through a \$1.25 million, five year award from the U.S. Economic Development Administration involving a partnership between K-State's Advanced Manufacturing Institute, Institute for Commercialization and K-State Olathe.

Engagement activities include science-based partnerships with K-12 schools in Johnson County including assistance in curriculum development with Blue Valley CAPS and Olathe 21st Century programs. Over 12,000 students and teachers have engaged in food and health focused programs through K-State Olathe. Additionally, over 30,000 individuals have participated in various professional development and educational activities through University and external partners.

Economic development and regional growth is a strategic priority of this campus through workforce training and entrepreneurial partnerships with the private sector. As an example, the partnership initiated in 2011 with Smart Vet USA (initially a subsidiary of SmartVet Pty Ltd in Australia) has resulted in a patented technology for delivering pharmaceuticals to cattle. SmartVet retains offices at the Olathe campus but is developing plans for a manufacturing facility with anticipated employment capacity of over 50 people. The campus is intentionally developing a business-centric focus through integrated educational and research initiatives to more closely address regional demand.

**EXPENDITURE CATEGORIES**

**Debt Service on Bonds - \$2,023,084**

Bonds were issued in September, 2009 and debt service payments began in March, 2010. Payments escalated until reaching \$2,019,275 in FY 2012 and continue at approximately that level for the remaining 28 years.

**Special District Assessment and Taxes - \$252,619**

Kansas State Olathe owns 38 acres within the 91 acre Kansas Biosciences Park in Olathe, Kansas. A special benefit district was created to develop the infrastructure in the park and expenses are split proportionately between Kansas State University and the Kansas Biosciences Authority. In addition, the property is subject to approximately \$24,000 in additional special assessments in the area. K-State Olathe is responsible for payment of 41% of the \$6.5 million in special assessments on the benefit district for the next 20 years.

**Scholarships - \$50,000**

Kansas State University agreed, with the University of Kansas, to provide \$50,000 per year in JCERTA funds towards scholarships for residents of Johnson County. With growth of academic programs in FY16, unspent funds carrying forward to the next year will begin to be spent more rapidly.

**Facilities Operations, Maintenance and Deferred Maintenance - \$1,329,600**

This amount represents the utilities and maintenance costs for the facility, including custodial, engineering, security, AV/IT, and landscape services. In addition, \$500,000 is being set aside to fund a deferred maintenance reserve.

**Programmatic Personnel Costs - \$949,458**

This includes the salaries and fringe benefits for the administrative staff.

**Academic Programs- \$1,755,360**

These funds are used for personnel, fringe benefit costs, and program costs for the academic and research programs in academic and outreach programs.

**General Administrative - \$471,000**

This category covers office supplies, travel, marketing, audit, computing and information technology support, legal, and other administrative expenses.

**Kansas State Olathe Campus Budget  
FY 2015-2017**

	Current year Budget FY 2015	Proposed FY 2016			Estimated FY 2017		
		TOTAL	JCERT	KSU	TOTAL	JCERT	KSU
<b>REVENUE</b>							
JCERT tax revenue	5,400,000	5,600,000	5,600,000	-	5,712,000	5,712,000	-
KSU Allocation	946,630	946,630	-	946,630	946,630	-	946,630
Tuition estimate	200,000	200,000	-	200,000	300,000	-	300,000
Campus Fee estimate	72,500	72,500	-	72,500	108,750	-	108,750
Building use fees	84,460	13,500	13,500	-	13,500	13,500	-
Interest income	3,000	3,000	3,000	-	3,000	3,000	-
Other income							
<b>Total Revenue</b>	<b>6,706,590</b>	<b>6,835,630</b>	<b>5,616,500</b>	<b>1,219,130</b>	<b>7,083,880</b>	<b>5,728,500</b>	<b>1,355,380</b>
<b>EXPENDITURES</b>							
Special Tax Assessment - Benefit district	252,619	252,619	252,619		252,619	252,619	
Bond Payment	2,023,084	2,023,084	2,023,084	-	2,023,084	2,023,084	-
<b>Program Budget - Academic</b>							
Academic administration & support	540,760	606,380	192,000	414,380	606,380	192,000	414,380
Urban Water Institute	90,000	90,000	-	90,000	90,000	-	90,000
Sensory and Consumer Research Center	88,000	45,500	45,500	-	22,750	22,750	-
General Academic Programs	40,000	120,000	120,000	-	120,000	120,000	-
Research Programs & Support		251,000	100,000	151,000	251,000	100,000	151,000
Adult Education Faculty+support	100,165	105,165	-	105,165	105,165	-	105,165
Bio-Ag Engineering Faculty+support	196,330	107,000	6,000	101,000	107,000	6,000	101,000
Food Science Faculty+support	97,165	101,000	101,000	-	101,000	101,000	-
Horticulture Faculty+support	92,165	101,000	101,000	-	101,000	101,000	-
Veterinary Medicine Faculty+support	95,000	95,000	95,000	-	95,000	95,000	-
Tuition return to depts	100,000	60,000		60,000	60,000		60,000
Innovation Accelerator	100,000	100,000	-	100,000	100,000	-	100,000
Scholarships	50,000	50,000	50,000		50,000	50,000	
Food program Manager+support	97,820	97,820	97,820		97,820	97,820	
Educ Innovation Director+support	147,000	137,000	137,000		137,000	137,000	
Subtotal - academic programs	1,834,405	2,066,865	1,045,320	1,021,545	2,044,115	1,022,570	1,021,545
<b>General Administration</b>							
Salaries - Administration	936,740	1,069,458	927,729	141,729	1,069,458	927,729	141,729
Other Operating Expenses	349,000	349,000	239,000	110,000	349,000	239,000	110,000
Information Technology	120,000	132,000	117,000	15,000	132,000	117,000	15,000
Subtotal General Administration	1,405,740	1,550,458	1,283,729	266,729	1,550,458	1,283,729	266,729
<b>Operations &amp; Maintenance</b>							
Operations & Maintenance	517,600	519,600	519,600		519,600	519,600	
Utilities	330,000	310,000	310,000		310,000	310,000	
Deferred maintenance	500,000	500,000	500,000		500,000	500,000	
Subtotal - Operations & Maintenance	1,347,600	1,329,600	1,329,600	-	1,329,600	1,329,600	-
<b>TOTAL EXPENDITURES</b>	<b>6,863,448</b>	<b>7,222,626</b>	<b>5,934,352</b>	<b>1,288,274</b>	<b>7,199,876</b>	<b>5,911,602</b>	<b>1,288,274</b>
<b>Net (Rev-Exp)</b>	<b>(156,858)</b>	<b>(386,996)</b>	<b>(317,852)</b>	<b>(69,144)</b>	<b>(115,996)</b>	<b>(183,102)</b>	<b>67,106</b>
<b>Carry forward - JCERT funds**</b>	<b>3,851,881</b>	<b>4,973,855</b>	<b>4,973,855</b>		<b>4,656,003</b>	<b>4,656,003</b>	
<b>Carry forward - KSU funds</b>	<b>1,497,855</b>	<b>1,632,751</b>		<b>1,632,751</b>	<b>1,563,607</b>		<b>1,569,386</b>
<b>Balance Forward - All funds</b>	<b>5,192,878</b>	<b>6,219,611</b>	<b>4,656,003</b>	<b>1,563,607</b>	<b>6,103,614</b>	<b>4,472,901</b>	<b>1,636,492</b>