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.
<table>
<thead>
<tr>
<th></th>
<th>Current year FY 2015</th>
<th>Proposed FY 2016</th>
<th>Estimated FY 2017</th>
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<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>JCERT</td>
<td>KSU</td>
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<tr>
<td></td>
<td>TOTAL</td>
<td>JCERT</td>
<td>KSU</td>
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<tr>
<td><strong>REVENUE</strong></td>
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<td>JCERT tax revenue</td>
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<td>KSU Allocation</td>
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<td>Tuition estimate</td>
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<td>Campus Fee estimate</td>
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<td>Building use fees</td>
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<td>Other income</td>
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<td><strong>Total Revenue</strong></td>
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<td><strong>EXPENDITURES</strong></td>
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<td>Special Tax Assessment - Benefit district</td>
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<td>Bond Payment</td>
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<td><strong>Program Budget - Academic</strong></td>
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<td>Academic administration &amp; support</td>
<td>540,760</td>
<td>606,380</td>
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<td>Urban Water Institute</td>
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<td>Sensory and Consumer Research Center</td>
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<td>General Academic Programs</td>
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<td>Research Programs &amp; Support</td>
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<td>Adult Education Faculty+support</td>
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<td>Bio-Ag Engineering Faculty+support</td>
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<td>Food Science Faculty+support</td>
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<td>Horticulture Faculty+support</td>
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<td>Tuition return to depts</td>
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<td>Innovation Accelerator</td>
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<td>Scholarships</td>
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<td>Food program Manager+support</td>
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<td>Educ Innovation Director+support</td>
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<td>Salaries - Administration</td>
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<td>Other Operating Expenses</td>
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<td>Information Technology</td>
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<td>1,283,729</td>
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<td><strong>Operations &amp; Maintenance</strong></td>
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<td>Operations &amp; Maintenance</td>
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<td>Utilities</td>
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<td>Deferred maintenance</td>
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<td><strong>Subtotal - Operations &amp; Maintenance</strong></td>
<td>1,347,600</td>
<td>1,350,458</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td>6,863,448</td>
<td>7,222,626</td>
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<td><strong>Net (Rev-Exp)</strong></td>
<td>(156,858)</td>
<td>(386,996)</td>
<td>(317,852)</td>
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<td><strong>Carry forward - JCERT funds</strong></td>
<td>3,851,881</td>
<td>4,973,855</td>
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<td><strong>Carry forward - KSU funds</strong></td>
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<td><strong>Balance Forward - All funds</strong></td>
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<td>6,219,611</td>
<td>4,656,003</td>
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