

WASHBURN UNIVERSITY BOARD OF REGENTS
Budget/Finance Committee Meeting
January 25, 2008

Regents Present: Jim Roth, Ben Blair, Mayor Bill Bunten, Jim Lagerberg, Bob Storey, Blanche Parks, Maggie Warren

Staff Present: Jerry Farley, Wanda Hill, Denise Ottinger, Robin Bowen, Al Dickes, Tom Ellis, David Monical, Chris Leach, Rhonda Thornburgh, Melodie Christal, Russ Jacobs, Richard Martin

Minutes of the December 14, 2007 meeting were approved as distributed.

Expenditures –

- Chairperson Roth asked President Farley to briefly outline the anticipated increased costs over and above those in last year's budget.
 - Insurance – Increased property rates are anticipated and we have had building additions and renovations. Workers Compensation insurance is rated by experience and increases are based on past history.
 - Health Insurance – The University health insurance is self-funded. Last year the reserve was sufficient so an increase wasn't needed, however, additional funds will be needed this year to offset the premium increase.
 - Utilities – Last year Washburn paid \$1 million in electricity and \$500,000 in natural gas costs. We assume it will go up. President Farley noted we shouldn't have additional utility costs for Stoffer, even with the addition, because of the efficiency of the overall units. We would like to have an energy utilization study done and eventually update the systems in each of the campus buildings.
 - Library – The cost of journals and periodicals for faculty and student use have gone up astronomically. With no additional materials being purchased, we are expecting at least a \$60,000 price increase over last year.
 - Scholarships – When we propose a tuition increase we also try to increase the scholarship pool to offset the increase. This is general fund money which is in addition to the WEA funds for scholarships.
 - Student Initiatives –
 - Minimum Wage Increase - The current federal mandated minimum wage will increase to \$6.55 in July 2008 and to \$7.25 in July 2009. The increase will exceed the University's current pay of \$6.15.
 - Mock Trial & Debate Team – The teams have done extremely well in recent years and their expenditures have exceeded their budgets due to the additional travel costs for the teams to participate. These added costs have been funded by one time cost savings (usually from salary savings). Annual funding will prevent them from having to look for other budget sources to be able to compete.
 - Discussion was held on temporary budget transfers and reallocation of funds. President Farley indicated a report will be prepared and distributed to the Regents.
 - Student Advising/Counselor – President Farley said, following the Virginia Tech tragedy, there is a lot of anxiety on campuses and it is appropriate to employ another counselor to deal with these issues.

Salary Program -

- President Farley said the salary component of the budget is brought to the Board for approval at this time so each department can be given their pool target amount and decisions for salaries can be made based on performance. The information will be brought back to the Board with the entire budget recommendation at the May Board of Regents meeting.
 - A tuition increase will be necessary to fund a salary increase. Spring numbers are not yet available but enrollment is down a bit. President Farley noted KU and K-State are the direct competition for Washburn. He said price is only one of the factors students take into account when deciding to come to Washburn.

- The following documents were distributed: Performance Salary Increase Pool - 1990-2008, Average Salaries by Academic Rank Compared with KBOR Institutions, and KBOR Fiscal Affairs and Audit Committee Discussion Agenda.
- President Farley said we don't want to lose prospective faculty due to low salaries. A long-term commitment and goal for us has been to get the salary differences to a minimal amount.
- Mayor Bunten said he wants the University to prosper and grow but doesn't think a 6-8% tuition increase is the answer.
- Chairperson Roth said he feels a 3-1/2% salary increase is appropriate with more than half of the increase being used for merit increases.
- Regent Blair said the minute we get off track in competing with other Universities we may as well forget it.
- Regents Warren and Storey agreed we need to do more to narrow the gap instead of being on the edge.
- Regent Parks said she is struggling with increasing tuition costs.
- Regent Lagerberg said at some point the increase in tuition has to negatively affect our enrollment.
- It was moved and seconded to recommend approval of a 4% salary pool. Motion passed.

Capital Improvement Deferred Maintenance –

- President Farley said the State will borrow money and make it available to institutions for deferred maintenance costs, to be paid back over eight years with no interest. We have been asked by the Kansas Board of Regents to submit a list outlining what we would spend the money on. It would primarily be used for HVAC equipment in Morgan Hall and Mabee Library. These are necessary projects that are included in the University Major Maintenance Five-Year Plan. The administration proposes hiring an engineer and bringing back a recommendation to commit to \$3.3 million from the program. A recommendation to take advantage of this opportunity will be given at the March Board of Regents meeting.

Kaw Area Technical School Transition -

- President Farley said the transition will offer students a seamless education from high school through associate and baccalaureate degrees.
- KATS employees are part of the KPERS retirement system. Plans are to hire Greenbush, an outside firm who is KPERS eligible, to manage the payroll so the employees can remain in the KPERS system. Mr. Hackler said a contract will be negotiated within the next two weeks.
- A benefits fair will be held to alleviate employee concerns about the transition. We want to make it as easy for them as possible.
- All finances for the two organizations will be kept separate.
- Vice President Hill and Vice President Bowen will meet with them soon to discuss the budget.
- Plans are to hold a Board of Regents meeting at KATS sometime in the near future.
- President Farley said the majority of employees and students view the transition to Washburn as a very positive move for KATS.

Meeting was adjourned.