

WASHBURN UNIVERSITY BOARD OF REGENTS
Budget/Finance Committee Meeting
May 2, 2008

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

Staff Present: Jerry Farley, Wanda Hill, Denise Ottinger, Robin Bowen, Al Dickes, Tom Ellis, David Monical, Chris Leach, Rhonda Thornburgh, Russ Jacobs, JuliAnn Mazachek, Thomas Romig

Minutes of the January 25, 2008 meeting were approved as distributed.

Debt Retirement and Construction Fund FY 08 Allocations for FY 09 Capital Projects, Technology Equipment and Other Equipment –

- President Farley said the Debt Retirement and Construction Fund is supported by local property tax for maintenance of facilities on campus. Each year a proposal is brought to the Board for approval of proposed capital maintenance, technology equipment and other equipment.
 - Regent Parks asked if it was really necessary to replace the roof over the swimming pool. Vice President Hill said the roof is in serious need of replacement.
- Deferred Maintenance Bonds -
 - President Farley discussed the plan to repay the State deferred maintenance bonds. Projects approved for the bonds are to replace the Honeywell controls and to upgrade the HVAC systems. Without the availability of the bonds these projects would have had to be done piecemeal over the next several years.
 - Regent Lykins said some of the State institutions did not feel eight years is enough for repayment of the bonds. Vice President Hill said the University was offered funds for another project but the administration didn't feel it could be paid back in the eight year period.
 - Regent Blair asked if we were doing enough projects, noting the maintenance project expenditures are much lower for FY 07 and FY 08 than previous years. President Farley said they were reduced specifically because of the deferred maintenance funding and other capital project needs.
- It was moved and seconded to recommend Board of Regents approval of the projects and equipment for FY 09 funded by FY 08 DR&C fund revenues.

FY 09 General Fund Budget -

- President Farley said the administration is projecting a flat budget for sales tax. If sales tax collections do not meet budget this year we may need to take money from the Smoothing Fund again. It is a fluctuating source of revenue and we won't know until August just how much tax revenue we will collect.
- He indicated a very small 18% of the University budget comes from State funds.
- President Farley said we have used the same merit based salary increase criteria for several years. He noted the analysis done by Institutional Research shows a broad range of salary increase distribution.
- President Farley said the budget is balanced this year. The drop in enrollment will be made up by savings from vacant positions not being filled. He indicated this is a very conservative way of budgeting. Mayor Bunten asked if it wasn't better to compare actual expenditures to the budget. President Farley said it is more desirable to compare budget to budget rather than actual expenditures since actual figures aren't available until the end of the year. Vice President Hill indicated actual figures would be shown in the public budget done in July. The quarterly financial statements the Board receives also compare budgeted to actual figures. Chairperson Roth asked the Mayor to speak with Vice President Hill or President Farley about any other questions he had. Regent Blair asked for a statement showing actual FY 07, budgeted FY 08, and proposed FY 09 figures. This statement will be mailed to all Board members.
- Regent Roth said it has been determined a 6.5% increase in tuition is needed to fund a 4% salary increase.

- President Farley said the increases for the State institutions are not yet known but we feel we will be competitive with them. A \$12 increase is recommended along with an increase in differential tuition for the School of Business and the School of Nursing.
- Mayor Bunten asked what impact the increase will have on the Kaw Area Technical School (KATS). President Farley said this budget does not include KATS since it is still under the Topeka Public Schools control at this point. KATS will come under Washburn jurisdiction on July 1st.
- Mayor Bunten noted tuition was increased for the current year and the credit hours were down. President Farley said changing demographics rather than increases in tuition seem to be the driving factor in the enrollment decrease. He noted Washburn students leave with an average debt of \$13,000.
- It was moved and seconded to recommend Board of Regents acceptance of the FY 09 budget as presented. Motion carried.
- While discussing the recommendation for a 9% increase in Law School tuition, Thomas Romig, Dean of the School of Law, said Washburn tuition is a bargain. He noted KU is our biggest competitor, in both salary and tuition, and said even with a 9% increase Washburn tuition will still be lower than eight of our twelve biggest competitors. He said the increase will cover a 6% salary pool and keep us very competitive with the market.
- Dean Romig said the overall number of applicants is down as they are across the country. He noted we are in a very aggressive minority recruitment program.
- Regent Lykins asked after a 9% increase will the increase be much less next year. Dean Romig said a smaller increase is anticipated next year, however, there is no guarantee since the state school increases have been very high.
- Regent Blair said he appreciated the discussion about tuition being too high but everything in education funding has changed, noting his daughter will pay \$1,000 per credit hour to attend law school at the University of Denver.
- Regent Roth said KU does charge less for law tuition and it concerns him, however, we are closer now than we have ever been in Law School salaries.
- It was moved and seconded to recommend Board approval of a 9% increase in tuition for the School of Law. Motion carried.

Meeting was adjourned.