

**WASHBURN UNIVERSITY BOARD OF REGENTS**  
**Budget and Finance Committee Meeting**  
**April 6, 2017**

Regents Present: Brent Boles (committee chair), Paul Hoferer (committee member), John McGivern (committee member), Jennifer Sourk (committee member), Mayor Larry Wolgast, Bill Sneed, Blanche Parks, Terry Beck

The meeting was called to order at 9:02 a.m. by Brent Boles, chair.

1) Approval of Minutes of the September 29, 2016 meeting

Minutes of the September 29, 2016 meeting were approved as distributed.

2) Capital Projects and Equipment from the Debt Retirement and Construction Fund

Interim Vice President, Jim Martin introduced Bob Crutsinger, newly appointed Associate Vice President/Director of Finance. He then reviewed the Capital Projects and Equipment. He explained that the revenue in the Debt Retirement and Construction Fund comes from taxes and auxiliary transfers. After bond payments and ESCO project payments are made and with an \$800,000 cushion left in the fund, about \$3 million is left for one-time capital projects, technology equipment, and other equipment. President Farley commented that the DRC Fund schedule is the University's most comprehensive, one-page financial summary. Prior to asking for Board approval the projects and equipment being proposed go through a process of assessment and prioritization by department heads, area heads, deans and executive staff. President Farley said we try to identify things that have the biggest impact on the University for capital projects so we don't have the problems some institutions find themselves in when they have no funds for deferred maintenance. The fund is committed to capital improvements and cannot be diverted for other uses.

Regent Sneed asked why the WU Foundation office building door was included as a capital project. President Farley said the University owns the building and is responsible for its upkeep. Regent Hoferer asked if the parking lot upgrades will be ongoing every year. He was told we try to make improvements on one or two every year so it is an ongoing process. He also asked about LED lighting and was told the University is switching to LED lighting wherever possible.

Technology equipment includes Banner upgrades, WiFi upgrades, and this year's allocation for the systematic replacement of desktops and laptops.

Washburn Tech, along with all technical colleges, has the continuing problem of no source of capital inflow from the State.

It was moved and seconded to recommend board approval of the Capital Projects and Equipment from the Debt Retirement and Construction Fund. Motion carried.

### 3) FY 2017-18 Operating Budget Assumptions

VP Martin discussed the 2018 operating budget assumptions. Washburn is right in the middle when comparing tuition and fees with the Kansas regents schools. President Farley said we always budget conservatively using the previous year actual figures. In answer to Regent Sourk's question he said that Law applications have increased for fall. Budget Director, Rhonda Thornburgh, said Law School credit hours were up approximately 224 hours this year. Regent Sneed said he would like to see a breakdown of enrollment increases. Regent Parks asked if \$200,000 budgeted for recruitment is adequate. President Farley indicated the primary expense for recruitment events is for food costs. He added that everything is prioritized with enrollment being the primary focus.

It is assumed that there will be no increase in State Aid for Washburn Institute of Technology. In answer to Regent Sourk's query, President Farley said Senate Bill 155 will continue and does not sunset.

### 4) Salary & Enrollment Reports and Tuition & Financial Ratio Analyses

Bob Handley, Director of Strategic Analysis and Reporting, said that the new faculty salary analysis from AAUP will be available on April 11<sup>th</sup> but not to expect any big changes over last year.

Regent Sourk asked for an analysis of the Voluntary Retirement Incentive Program for FY 16 and FY17.

Dr. Richard Liedtke discussed enrollment which is down .9% from last Spring. We are struggling with declines in returning students and in freshman not coming directly from high school. Steps to increase enrollment include tabling at the Kansas Work Force Center. President Farley added the Frank Agency is being used to try to locate non-returning students. Regent Sourk asked if there was any data on the payor source for these students. Dr Liedtke said the lack of financial aid is probably the reason they did not return. President Farley said comparatively we picked up some of the market share from the decline at other schools.

Mayor Wolgast departed at 9:47 a.m.

Regent Boles noted that the theme for the AGB Conference the Regents recently attended was innovation – not comparing yourself to others but setting your own goals and living up to them.

Regent Beck arrived at 9:54 a.m.

Regent Hoferer asked if we were putting equal energy into enrollment head count and credit hours. Dr Liedtke said the primary recruitment focus is on full-time students, or those taking at least 12 hours.

Regent Parks asked how many years it takes most current students to graduate. President Farley said most students seem to be working more and usually take five to six years to graduate.

Regent Parks left at 9:59 a.m.

Financial Ratios for the past five year period were discussed. Even with the VRIP payouts and the addition of the Lincoln Hall debt Washburn continues to be in a strong financial position.

The meeting was adjourned at 10:06 a.m.