Regents Present: Ben Blair, Board Chair, Christel Marquardt, Blanche Parks, Jim Lagerberg, Bill Bunten, Bob Storey, Maggie Warren

Staff Present: Jerry Farley, John Moore, Nancy Tate, Julie Mazachek, Denise Ottinger, Loren Ferre, Richard Liedtke, Cynthia Hornberger, Rhonda Thornburgh, Chris Leach, Tom Romig, Monica Scheibmeir, David Sollars, Tim Peterson

1. Minutes of the December 4, 2009 meeting were approved as distributed.

2. Board Chair Ben Blair made a motion to make all Board of Regents members present at the meeting members of the Finance Committee. Motion seconded and approved.

3. Debt Retirement and Construction Fund FY 10 Allocations for FY 11 Capital Projects, Other Equipment and Technology Equipment

   President Farley presented the current projections for the Debt Retirement and Construction (3 MIL) Fund. Regent Bunten suggested legislative changes be pursued to permit a portion of this fund to be used, under unusual circumstance, to offset losses of general fund revenue. Regent Warren inquired about the impact of the proposed 1999 bond debt refunding on current debt service obligations. As a part of this agenda President Farley will provide further details on the refunding of the 1999 bonds in regards to the timing of savings and debt service payments.

   President Farley presented the recommendations for the capital projects, other equipment, and technology equipment for FY 11. Regents asked questions about several items with responses provided by President Farley, administrative staff, and deans.

   Motion made to recommend approval to the Board the Debt Retirement and Construction Fund FY 10 Allocations for FY 11 capital projects, other equipment and technology equipment, seconded and approved with one abstention by Regent Storey and Regent Warren voting no.

4. FY 11 Allocations for Capital Projects, Other Equipment and Technology Equipment for Washburn Institute of Technology

   President Farley presented the recommendations for the capital projects, other equipment, and technology equipment for FY 11 for the Washburn Institute of Technology. Regents asked questions about several items with responses provided by President Farley and Dean Kelly.

   Motion made to recommend approval to the Board the FY 11 allocations for capital projects, other equipment and technology equipment for Washburn Institute of Technology, seconded and approved.
5. **FY 11 General Fund Budget**

President Farley provided an overview of Washburn University Budget (attached), commenting on the fact this budget proposal is a balanced budget and included a proposed tuition increase. Motion made by Regent Storey to accept President Farley’s proposal for the Washburn University FY 11 Budget with second by Regent Lagerberg. Discussion included the following Regents’ questions and comments:

- Regent Lagerberg asked whether the revenue labeled enrollment increases included the tuition increase. President Farley clarified that it did not include the tuition increase.
- Regent Storey clarified a 3% increase in tuition would result in a $16 per credit hour increase for law students.
- Regent Storey asked why the FY 11 budget showed a loss in sales tax revenue. President Farley explained this loss was included due to the expected difference between previously budgeted revenue and the actual revenue received in FY 2010. President Farley noted the smoothing fund would be reduced in FY 10 for any under-collection (currently projected to be $400,000). Further, in past years the following year’s sales tax budget has traditionally been projected to be the same as the previous year. If sales taxes fall short both years, as expected, the smoothing fund would be reduced by $800,000. Regent Storey suggested a continued use of the smoothing fund in the FY 11 budget if necessary. Regent Storey also suggested using the $9M in the Regents Contingency Fund (University Reserve) to provide needed revenue in lieu of raising tuition. Other questions answered by President Farley and staff included questions about changes in endowment revenue, football and suite receipts, and MSN program credit hour projections.
- Regent Bunten clarified his understanding of credit hour projections and sales tax projections. He also stated that WU had approved tuition increases the past 5 years.
- Regent Marquardt commented on the challenge of projecting sales tax revenue.
- Regent Blair reminded Regents of the previous budget cuts made in FY 10 and proposed in FY 11. He supported a tuition increase to prevent future additional budget reductions in the future. He stated he supported a tuition increase because it is the most responsible approach and cited a number of arguments in favor of an increase.

Motion failed.

President Farley then provided overview of Washburn Institute of Technology proposed budget. Regent Warren asked a question regarding increases in some programs, which Dean Kelly clarified was a redistribution of previously budgeted funds along with some revenue increases that had previously been absorbed by the institution. Regent Blair asked Dean Kelly about the source for funds for a possible facility maintenance failure. Dean Kelly stated no such fund exists. There was discussion about the need in a future Regents meeting to identify sources for such needs, as there is only $1.5 M in reserves.

6. **2001 Series A & B Bond Refunding**

President Farley reviewed current discussion with the WU bond and legal advisors regarding the refinancing of the 2001 Series A and B bonds. A Request for Proposal to “underwrite” the refinancing was solicited last week and proposals will be received by Friday, May 14. The firms
selected to provide bid proposals were four local firms (Oppenheim, UMB, Piper Jaffray, US Bank) and Baum from Wichita. The threshold for the refinancing was set at 4% Present Value savings after all costs of issuance.

Additional Actions:

7. Regent Bunten made a motion that the Budget and Finance committee recommend a budget to the May 21 Board of Regents meeting that replaces the proposed 3% tuition increase as a source of revenue with (1) assuming sales tax revenues the same as projected in the FY 10 budget, and (2) use of $800,000 from the Regent’s Contingency Fund. Motion seconded and approved with Regent Warren voting no.

Meeting adjourned at 5:10 pm.

Recorder, Cynthia Hornberger