I. Call to Order

Chairperson Blair called the meeting to order at 3:02 p.m. in Room 327 of the School of Law on the Washburn University campus.

II. Roll Call

Present were: Mr. Blair, Mr. Lagerberg, Mr. Lykins, Ms. Marquardt, *Mrs. Parks, Mr. Storey and Mrs. Warren.

*Mrs. Parks participated via teleconference.

III. Approval of Minutes of the April 9, 2010 meeting as mailed.

It was moved and seconded to approve the Minutes of the April 9, 2010 meeting as mailed. Motion passed.

IV. Officer Reports

A. Chair's Report

Chairperson Blair noted the recent passing of Regent Roth and offered a Resolution.

RESOLUTION

WHEREAS, James R. Roth was originally appointed to serve on the Washburn Board of Regents by Governor Joan Finney in June 1992 and subsequently reappointed to the Board by Governors Graves and Sebelius; and,

WHEREAS, Mr. Roth was Chair of the Board of Regents for four terms, 1995 – 1997 and 2003- 2004; and,

WHEREAS, Mr. Roth was honored with the Distinguished Service Award by the Washburn School of Law in 2005 in appreciation for his work with the School of Law and in his career as a lawyer and as a partner in the law firm of Woodard, Hernandez, Roth & Day; and,

WHEREAS, Mr. Roth received the Washburn Alumni Association Distinguished Service Award, an honor reserved for our alumni who have made personal and professional contributions to society, demonstrated exemplary support to the Washburn Alumni Association and the community, been of service to humanity, and distinguished themselves in their careers bringing honor to Washburn through their accomplishments;

NOW, THEREFORE BE IT RESOLVED by the Washburn University Board of Regents that it extend to the family of James R. Roth its heartfelt sympathy for their loss following his death May 19, 2010 and its deepest gratitude for his dedicated service as a member of the Board of Regents and his valuable service for and in support of the University from which Washburn, its community and its students and staff have greatly benefited.

It was moved and seconded to adopt the Resolution. Motion passed unanimously.
B. President’s Report

President Farley noted this past weekend was Commencement at Washburn. He said approximately 800 students participated in Commencement and it was a very nice event for those who attended. He said the Commencement for students graduating from Washburn Institute of Technology was just held on the University’s campus, with 250+ students participating, and it, too, was a very nice event.

Mayor Bunten arrived at 3:12 p.m.

C. Committee Report(s)

1. Budget/Finance Committee

   Mr. Blair noted that copies of the draft Minutes from the most recent Budget/Finance Committee meeting have been circulated to members of the Board and that additional correction to those Minutes will yet be made. He said there were a number of items recommended.

   a. Capital Projects and Equipment from the Debt Retirement and Construction Fund – Washburn University

      It was moved and seconded to approve the Projects and Equipment for FY 2011 detailed in the attachments to the agenda item. Motion passed.

   b. Capital Projects and Equipment – Washburn Institute of Technology

      It was moved and seconded to approve the Projects and Equipment for Washburn Institute of Technology for FY 2011 detailed in the attachments to the agenda item. Motion passed.

   c. FY 11 General Fund Budget

      Mr. Blair noted that the action of the Budget/Finance Committee was to have the President bring back the budget to this meeting.

      President Farley said the budget presented at the Budget/Finance Committee meeting reflected adjustments made in state appropriations by the Legislature as well as reductions necessary to bring the budget into balance. He said the reductions in the budget were made University-wide and included savings from the Early Retirement Incentive Program of approximately $900,000 for next year. It also included, he said, anticipated increases in health insurance premiums and in utility costs, promotion and tenure, and an increase in some positions such as faculty in the Masters of Science and Nursing programs, and area outreach at the high schools. It also reflects declines in interest income from Idle Fund Investments and replacement of a portion of the stimulus money from the Federal government, and a reduction in sales tax revenues based on the current forecast based upon most recent collections.
Dr. Farley said the proposed budget at the Committee meeting also included a proposed increase in tuition of approximately three percent, including at the School of Law.

At its meeting, the Budget/Finance Committee recommended the University use, in establishing the revenues for the next fiscal year, reserves in lieu of the proposed three percent tuition increase, sales tax revenues in the same amount as for the current fiscal year, FY 2010; and $800,000 from the Regents Contingency Fund.

It was moved and seconded to adopt the FY 2011 General Fund Budget as presented by the President at the Budget/Finance Committee meeting, including an increase in tuition of three percent.

Mayor Bunten said the issue is not about the budget for the upcoming fiscal year, but how to fund the budget. He said there are other ways to do it other than through including a tuition increase. He said if we have approximately $13 million in reserve funds, including funds in the smoothing fund, there is no reason to raise tuition. He said he believes that we shouldn’t have another tuition increase in this environment and that students would be well pleased with no increase.

Regent Lykins, speaking in support of the motion, said he has talked with a number of students, including his niece, who all support the small tuition increase because they believe they are getting a quality education at Washburn University. Regent Lykins noted the proposed increase is only $72 additional per semester, and the proposed increase is less than the tuition increases at the six state educational institutions under the Kansas Board of Regents.

Regent Warren noted she voted against the three percent proposed tuition increase at the Budget/Finance Committee as she wanted to ask a number of questions of the Interim Vice President for Administration and Treasurer. One of the questions was whether the alternatives available to the institution was use of capital funds. She said she learned that we can’t transfer capital funds into operational funds. She said she was very hesitant to spend reserves for operational expenses as she believes they’re more properly reserved for one-time expenditures. She said she also has grave concerns about the inability of the institution to increase salaries. She noted that if we do not have a small incremental increase in tuition this year, we may very well be faced with large increase in subsequent years to be able to increase salaries. She said she does support the proposed three percent increase in tuition.

Regent Storey said there’s a myth of not using reserves. He said the institution has in the past used reserves. He said he’s also looked nationally to see what institutions are carrying as reserves. He said the national average is seven percent of the General Fund budget. He said seven percent of our General Fund budget is $6 million.
Regent Storey said that notwithstanding his view that we could use reserves, he visited with Richard Liedtke, the Dean of Enrollment Management, and Tom Romig, Dean of the School of Law, about the effect a tuition increase might have. He said he was assured that the three percent tuition increase would not hurt recruitment. He said he also visited with former WSGA President, Garrett Love, who said students will be squawking but still would pay. Regent Storey said he was therefore going to change his vote and approve the proposed tuition increase.

Regent Lagerberg noted that he is not necessarily against a tuition increase, noting that he made the motion for increasing tuition last year. He said not increasing tuition at this time would give the institution an opportunity to gain additional students and that he would be voting no.

Regent Marquardt said she strongly believes in what Washburn represents. She noted the Strategic Plan recently adopted by the Board of Regents emphasizes competitive salaries for faculty and staff and that we will not be able to keep pace with faculty salaries long term using reserves to fund the operational budget. She also noted that the increase is approximately $72 per semester. She said it costs more than that for a tux rental for a student to go to a prom.

Regent Parks said she’s concerned about the impact of a tuition increase on students, and she’s also concerned about maintaining the quality of education. She said she would prefer using reserves versus a tuition increase.

On roll call vote, the motion was adopted with Regents Blair, Lykins, Marquardt, Storey and Warren voting aye; and Regents Bunten, Lagerberg and Parks voting no.

d. Refunding of the University’s 2001 Building Revenue Bonds, Series A and B

Interim Vice President for Administration and Treasurer, John Moore, reported that the review of the refunding issue indicated the University would conservatively realize savings of approximately $700,000. He said that, based upon a recent bond sale in Iowa which provided a true interest cost of 2.97, he believes a sale of refunding bond by Washburn would be extremely favorable, providing perhaps even a lower true interest cost, providing institutional savings of some $78,000-$87,000 per year.

Regent Lykins reported that the Kansas Board of Regents is now looking at doing a refunding bond project. He said if there’s ever a time to do it, this is it.
In response to a query from Regent Marquardt whether this issue would be a one-time opportunity, Vice President Moore noted that it is a current refunding issue, so that it could be done again in the future.

It was moved and seconded to adopt the bond resolution authorizing and directing the chairperson of the Board and Secretary and other proper officials at the University to execute and deliver any and all agreements, documents and instruments, including additions, deletions, amendments and supplements to the resolution, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the resolution. Motion passed unanimously.

2. Nominating Committee

Blanche Parks reported that the Committee, comprised of herself and Regent Lagerberg, proposed the following nominations for officers: Chairperson – Regent Marquardt; Vice Chair – Regent Parks; Secretary – Mr. Hackler; Treasurer – Mr. Moore. It was moved and seconded to move, and elect, the slate of candidates nominated by the committee. Motion passed.

D. Treasurer's Report


Mr. Moore noted he’d had a query from a Regent about the status of the request for proposals for outsourcing the grounds, maintenance and custodial services. He said he is very close to having it done. He said on his arrival he couldn’t ascertain whether the draft RFP then in existence had broad input and consequently created a group including representatives from Residential Living, Washburn Institute of Technology, the Memorial Union and Athletics. He said they are looking at issuing an RFP with a base core proposal for services and adding alternates as we do in construction contracts for Washburn Institute of Technology and services focusing on the Memorial Union and Athletics. He said the anticipated schedule is to issue the request for proposals June 2, for there to be a thirty day period for vendors to visit the campus, and proposals submitted by July 20. He said he’d anticipate using the time thereafter for the review of the proposal and to have a recommendation to the Board at its September meeting.

V. New Business

A. Consent Agenda:

It was moved and seconded to approve the Consent Agenda. Motion passed unanimously.

As approved by action of the Board:
1. Personnel
   a. Eminentes Universitatis
      award the designation Eminentes Universitatis to retirees: George Bradley, Virginia Falk, Betty Fischer, Anne Fund, Kenneth Hackler, Lola Kresin, Gary McDonald, David Monical, Carol Rhodes, Bill Schultz, June Smith, Terry Stilson and Don Vest;
   b. Faculty Emeriti
      bestow the titles: Associate Professor Emeritus to Dr. Martha Crumpacker and Mr. Jack Decker; Professor Emeritus to Dr. Howard Faulkner, Dr. J. Karen Ray, Dr. Gary Schmidt, Dr. Margaret Stewart and Dr. Bruce Zelkovitz; and Instructor Emeritus to Mrs. Carol Vogel;

2. Expenditures
   a. Report of Purchases between $25,001 and $50,000
      award of contracts to: Professional Fire Alarm Systems in the amount of $27,585.00 for campus-wide fire alarm inspection and testing; Automated Business Systems in the amount of $27,757.91 for mobile storage system in Whiting Fieldhouse; and Kaludis Consulting in the amount of $49,680.00 for information technology assessment consulting engagement; and,

3. Vocational Education Agreement
   renewal for three years of Washburn Institute of Technology’s Vocational Education Agreement as outlined in the agenda item.

B. Action Items:

1. Proposal to Improve Internet Access and Connectivity
   In presenting the proposal to change the University’s access to the internet to KanREN Data Communications, Vice President Moore drew the analogy of a drinking straw to a ten inch pipe. He said the University’s current access to the internet is like the drinking straw, while changing access through KanREN would be the ten inch pipe, representing a 1,700% increase in connectivity. He said the proposal was been approved by the Technology Steering Committee and the change can be made without any increase in the budget for ISS. It was moved and seconded to approve the change to KanREN Data Communications at the University’s internet access provider. Motion passed unanimously.

2. Training Systems Equipment for Washburn Institute of Technology
   It was moved and seconded to approve the award of a contract to Aidex Corporation in the amount of $129,310 for the purchase of an Amatrol Training System. Motion passed unanimously.
3. Expenditures over $50,000

a. Window Replacement Memorial Union – Project #C10038

It was moved and seconded to approve the award of a contract to Kelly Construction Company for window replacement at the Memorial Union. Motion passed.

b. Lounge Furniture – Kuehne Hall/West Hall – Project #C10042

It was moved and seconded to approve the award of a contract to Schwerdt Contract Interiors in the amount of $79,377.79 for lounge furniture at Kuehne Hall and West Hall. Motion passed.

c. University Marketing Services

The Dean of Enrollment management, Richard Liedtke, reported a request for proposals for providing University marketing services was issued to twelve organizations and six proposals were received. Following an initial evaluation of the six, four firms, all local, were invited to make presentations on the University’s campus. The four were: FryeAllen, Inc.; Friesen Design; Jones Huyett Partners; and MB Piland. Mr. Liedtke reported that following the evaluation of the presentations the committee unanimously recommended Jones Huyett Partners be selected to provide University marketing services. It was moved and seconded to approve the award of a contract to Jones Huyett Partners for University marketing services. Motion passed unanimously.

C. Information Item(s)

1. Washburn Institute of Technology Presentation

The Dean of Washburn Institute of Technology, Roxanne Kelly, provided an overview of the operation of the school to the Board of Regents utilizing a PowerPoint presentation.

It was moved and seconded to adjourn. The meeting adjourned at 5:00 p.m.

Kenneth P. Hackler
Secretary, Board of Regents