

WASHBURN UNIVERSITY BOARD OF REGENTS
Budget and Finance Committee Meeting
June 15, 2018

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

The meeting was called to order at 2:34 p.m. by Terry Beck, chair.

Minutes from the April 3, 2018 meeting were approved as distributed.

Vice President Jim Martin introduced Toni Kreke, who has taken over the duties of Interim Director of Finance, noting we are very fortunate to have her leadership at this crucial time.

The RFP for \$10 million in revenue bonds for the Athletic Practice Facility has been sent out and we expect to have a formal presentation at the July Board meeting.

VP Martin reviewed the FY2019 proposed budget, noting that it was not radically different than in the past. Credit hours are even with the current year except for revenue increases due to the expansion of the Doctor of Nurse Practice (DNP) program and the Masters in Communications and Leadership. The budget includes increases for utilities, health insurance, faculty promotion, computer fraud deterrence, and expansion of healthcare, counseling, and student activities. VP Martin distributed the Faculty Salary Report for 2016-17. The report shows Washburn salaries are 11% behind those of public master's level institutions.

The budget includes a 1.5% salary program increase and a 3.9% tuition rate increase. Students have been supportive of the tuition increase and it compares favorably with peer institutions. Washburn is still at the lower end of the 10-year percentage of tuition and fee increases when compared to the Regent schools and the national average. VP Martin noted the Regent's Contingency allows for unanticipated expenses. In answer to a query about energy performance contract savings Facilities Director Rich Connell said any savings in utilities goes back into the bond payment. He noted that about \$700,000 per year goes back into the bond payment. VP Martin said a funding source that we didn't have last year is the restoration of \$343,171 in State Aid. It was noted that student loans have actually gone down. Dr Liedtke said several initiatives have begun for students on making wise financial decisions.

Concern about public funding for KTWU was discussed.

VP Martin reviewed the Washburn Tech FY2019 Budget. An 11.6% increase was proposed bringing the tuition to \$159 per credit hour. This still leaves Washburn Tech tuition lower than all but two of the technical schools in Kansas.

Spending for Washburn Tech East was discussed. Reimbursement from JEDO will start in January 2019. Budget Director Rhonda Thornburgh said cost estimates have been made on

expected expenses. VP JuliAnn Mazachek indicated instructors are currently being hired. Additional expenses are anticipated with the opening, but those payments will come from a fund created by JEDO through new market tax credits.

VP Eric Grospitch introduced Washburn Student Government Association president Zac Surrutt to speak about the requested increase in student activity fees. Mr. Surrutt said it had been several years since the student activity fee was raised, so last year when he was WSGA Budget Director he started reviewing the fees and assessed the need for a change in. Currently online students are not charged a fee. WSGA supports the tuition increase and also has proposed a \$55 flat activity fee for all students. They anticipate the increase will generate revenue of \$55,000 per semester. Even with this increase, Washburn will still have the lowest activity fee among the public four-year institutions in Kansas. Emporia State was at \$82 per credit hour last year.

Summer athletic scholarships were discussed. Athletic Director Loren Ferre said in the summer we normally have 60-70 athletes, with each taking three to six credit hours. He said at present we do not have the dollars to fund summer scholarships for next fiscal year.

It was moved and seconded to recommend approval of the proposed FY19 budget with the addition of \$125,000 from reserves to fund summer athletic scholarships. Future funding should come from general revenues. Motion carried.

The meeting was adjourned at 4:10 p.m.