

WASHBURN UNIVERSITY OF TOPEKA
BOARD OF REGENTS
MINUTES
May 16, 2008

I. Call to Order

Chairperson Storey called the meeting to order at 3:03 p.m. in the Kansas Room of the Memorial Union.

II. Roll Call

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

*Participated via teleconference phone.

III. Approval of Minutes of the March 21, 2008 and May 2, 2008 meetings.

It was moved and seconded to approve the Minutes of the March 21, 2008 and May 2, 2008 meetings. Motion passed unanimously.

IV. Officer Reports

A. Chair's Report

Chairperson Storey said he had no report.

B. President's Report

Dr. Farley mentioned this is commencement weekend with graduation ceremonies and other activities on the University's campus. He said there are many events which members of the Board could attend; so many, he said, we could "run you ragged." He said he appreciated their attending the various activities.

Mr. Lykins arrived at 3:10 p.m.

C. Committee Report(s)

1. Budget/Finance Committee

a. Fiscal Year 2009 Budget

Chairperson of the Budget/Finance Committee, Regent Roth, reported the committee had its last meeting about a month ago at which Dr. Farley recommended a budget. He noted that many of the Board of Regents were present for the presentation. He said the committee recommended the budget be accepted. Regent Roth said that with a salary recommendation of 4% for a salary increase pool and other needs including funding library, health insurance increases and the like, it would require a 6.5% tuition increase with the School of Law slightly higher of 9.3%.

Mr. Roth said the materials the Regents have shows all the assumptions made leading to the budget and all the expenditure guidelines included. It was moved and seconded to approve the Fiscal Year '09 General Fund Operating Budget.

Mayor Buntin said he expressed his concern about the tuition increase at the Budget/Finance Committee meeting. He said he hasn't changed his mind since and still has real reservations and he will be voting against the motion.

Regent Lagerberg inquired whether the announcement recently by CoreFirst Bank about its ceasing to participate in the student loan business creates a difficulty for Washburn. Dr. Farley said it is less convenient for students now that CoreFirst is out of the student loan picture, but he said that Washburn does have the ability to be a direct lender under the U. S. Department of Education. He said anyone who can't find a bank for a student loan can be placed with the Department of Education. He said also the institution has increased scholarship funds available in the FY '09 Budget. He also said he has had conversations with representatives of Sunflower and Intrust Banks about picking up additional student loan business.

Vice President for Administration and Treasurer, Wanda Hill, made a PowerPoint presentation of the FY '09 General Operating Budget. She noted that with the decrease in the expected amount of state aid for Washburn, totaling approximately \$157,000, there are several positions presently vacant which will not be filled pointing to, by way of example, a vacant position in the Washburn Alumni Association. She noted the Governor recommended a 4.4% increase in state aid funding for higher education, but the end result is 3.2% by sector.

Regent Lykins reported the Kansas Board of Regents, of which he is a member, discussed, at the Kansas Regents last meeting, tuition levels for the ensuing academic year for the six state educational institutions. He said it's a problem for every school in Kansas. He said the problem is that every year there is less state funding available for higher education, noting that when President Wiefald began his tenure at Kansas State University, state funding was probably 52%-53% of the institution's budget. Today the amount is closer to 22%. The difference in budgeting for higher education must be made up in tuition. He said if Washburn wants to remain a school of excellence, we must be able to keep pace with other higher education institutions, and be able to attract and retain qualified faculty. He noted the amount of state aid funding for Washburn as a percentage of the institution's budget is even less than that of the other state educational institutions in the 12% range. He said we need to do what we have to do and bite the bullet on the increase in tuition.

Regent Parks said she agrees the greatest challenge for Washburn is adequate funding and we must continue to seek ways to increase funding. She said although the proposed tuition increase represents a competitive rate with other universities, she cannot vote for a higher tuition increase. On vote of the motion, motion passed with Regents Buntin and Parks voting no.

b. Capital Projects and Equipment from the Debt Retirement & Construction Fund

It was moved and seconded to approve the projects and equipment for 2009 as set forth in the agenda item. The Chairperson recognized Mary Lou Herring for public comment.

Ms. Herring's comments focused on three areas: the budget for Transformational Experience, academic computing and the capital budget with respect to WTE. She said the Board should insist on a full, complete and clear assessment of WTE; while in academic computing she said a disproportionate amount of the budget for ISS is misclassified as academic support rather than general institutional expense; and, criticized the expenditure of funds for replacement of PCs. On the capital budget, she criticized the expenditure of funds from the University's three mill Debt Retirement and Construction Fund, aimed at only 60% of the tax revenue included in the FY '09 Budget is being allocated for deferred maintenance.

On vote of the motion, motion passed.

D. Treasurer's Report

It was moved and seconded to accept the Treasurer's Report, **1. Depository Security Transactions, 2. Liquidated Claims Approval – March 2008, 3. Liquidated Claims Approval – April 2008, 4. Public Fund Investments – March 2008, and 5. Quarterly Report for Quarter Ended March 31, 2008** as presented. Motion passed.

V. New Business

A. Consent Agenda:

Prior to the item, Chairperson Storey inquired whether any regent had a conflict with items on the agenda, either under the Consent Agenda or the Action Items and whether any regent wished to have any one of the Consent Agenda items considered separately. It was moved and seconded to approve the Consent Agenda. Motion passed unanimously.

As approved by action of the Board:

1. Faculty/Staff Personnel Actions

hire: Sharon Jenkins as Lecturer of Education for FY'09 9-month at an annual salary of \$40,000, Erin Chamberlain as Asst. Professor of English for FY'09 9-month at an annual salary of \$42,000, Raquel Rodriguez as Asst. Professor of Music for FY'09 9-month at an annual salary of \$41,000, Douglass Smith as Asst. Professor of OLT for FY'09 9-month at an annual salary of \$52,000, Vickie Kelly as Instructor of OLT for FY'09 9-month at an annual salary of \$50,000; Anne Marie Snook to assume 12-month Chair of Music duties; Ursula Jander to assume 9-month Chair of Biology duties on interim basis; James Landrum from 10-month Chair to 9-month faculty in Biology;

2. Report of Purchases between \$25,001 and \$50,000

award of contract to: Jayhawk Fire Sprinkler Co. in the amount of \$31,668.00 for fire suppression system sprinklers for West Hall; Educational Resources, Inc. in the amount of \$36,028.46 for Microsoft campus licensing agreement campus-wide for ISS;

3. Washburn University Policy Regulations and Procedures Manual – Travel the Travel section of the Washburn University Policy Regulations and Procedures Manual as outlined in the agenda item; and,

4. Academic Curriculum Changes

item withdrawn as there were no academic curriculum changes.

B. Action Items:

1. Whiting Field House Renovation - #900360

It was moved and seconded to authorize a budget of \$7,024,362 and the award of a contract to McPherson Contractors in the amount of \$5,308,000 for the renovation of Whiting Field House. President Farley said there are three sources of funding for the renovation of the Whiting Field House project – fundraising, Debt Retirement and Construction Fund, and from reserves. He said at the outset the fundraising goal for the project was \$2.5 million. He said there has been greater success than had been anticipated and that we now expect to raise \$3 million.

The President of the Washburn Endowment Association, Dr. JuliAnn Mazachek, said there has been great success in the fundraising and that at completion of the fundraising efforts of about 99.5% is extremely confident the WEA will raise the \$3 million.

Chairperson Storey noted the project now is a three-year-old project and there has been significant increase in construction costs over the three year period. He said there is approximately \$12 million in the reserve fund and with the objective of retaining 10% of the annual operating budget in reserves even with the expenditure of additional funds from reserves there will be adequate reserves on hand.

Regent Warren said she sat in on the bid opening for the project. She said that, as her spouse is in the construction field, she's very aware how construction costs are increasing but that she is appalled how expensive it's gotten. She said while the costs associated with the project distress her she is voting for the project as it is also supportive of academics. She said she understands the value of athletics for universities.

Regent Lykins said the project is a good project, good for the University. He said one way universities are viewed is through athletics, noting that the KU Chancellor reportedly recently said they will do very well in fundraising over the next year or two given the results of the KU athletics program at the Orange Bowl and in winning the NCAA basketball championship. He said donors feel better when the sports program of an institution are doing well. He said this will help the Washburn University image and bring in more dollars for the institution.

On vote of the motion, motion passed.

Regent Blair retired from the meeting at 3:52 p.m.

2. Washburn Greek Village – Renovation of Phi Delta Theta House

President Farley said the University has been working on this project for over three years. He said Washburn values the Greek system which produces wonderful alumni and adds to the educational program of students and that we need to try to help as much as we are able to. At the outset he said the concept was to provide housing for all eight of the residential fraternities and sororities on campus. He said the sororities expressed no interest in participating in the project, leaving the project to be one for the four fraternities.

Dr. Farley said the Alpha Delta fraternity indicated early on they would not participate. Kappa Sigma made a decision that it was no longer going to be a residential fraternity. Then last fall Sigma Phi Epsilon decided now was not the right time for it to participate in the project, leaving only the Phi Delta Theta fraternity. With the Phi Delta Theta fraternity being the only participant, it was determined that the renovation of the existing

Phi Delta Theta house is a better project and with this concept the University will own and operate the facility as University housing. He said there have been a lot of conversations between the University and Phi Delta Theta about the project. Dr. Farley said there will be no University resources to fund the project, it would be funded totally from fundraising. Feasibility studies indicate that we can raise the revenues and there has already been a \$1 million commitment. He said what he is proposing is that the University enter into an agreement with the fraternity, authorizing it to occupy the premises and that we proceed to explore additional fundraising and proceed to do additional planning so we will be able to go forward if the financing is available.

Regent Warren inquired whether there was University funds involved in the project to date. Dr. Farley said yes and that will be recouped from the fundraising for the project.

In response to a query from Regent Marquardt, Dr. Farley indicated the agreement is still undergoing some fine tuning.

It was moved and seconded to approve a license agreement for occupancy of the premises by the Phi Delta Theta fraternity; to authorize the University to proceed with fundraising efforts for the project through the Washburn Endowment Association; and, authorize HTK to proceed with the design, development and bidding phase of the project. Motion passed.

3. KTWU FY 2009 Membership Fees

It was moved and seconded to approve the FY 2009 KTWU Membership Fees not to exceed \$575,000. Motion passed.

4. Mulvane Museum Roof Replacement – Project #C08025

It was moved and seconded to approve the award of a contract to Danker Roofing in the amount of \$60,811 to install synthetic slate roofing on the Mulvane Museum. Motion passed.

5. Request for Proposal – Facilities Management Services

Vice President for Administration and Treasurer, Wanda Hill, reported that an RFP was issued to 15 vendors last February, seven of which came on site to conduct a site visit. Six firms submitted proposals for the project, of which four were invited to make a presentation on providing management services. Following evaluation of the proposals, three of the firms were asked to provide the University with their best and final offer. Vice President Hill said the recommended vendor, UGL-Unicco was consistently the lowest. She recommended the Board approve the award of a facilities management services contract to UGL-Unicco. It was moved and seconded to approve the award of a facilities management services contract to UGL-Unicco for a five year period from July 1, 2008 through June 30, 2013 with three additional optional one-year renewal periods.

Regent Warren inquired what the institution is paying for, would there be one or more persons on site? Vice President Hill said there would be one person on site all of the time and that the institution would have access to additional corporate infrastructure experts in areas such as construction management, processes to make the institution's

facilities operation more efficient, the resident manager of Unicco would report jointly to the Vice President and to Unicco.

In response to a query from Regent Lykins about why we're seeking a management service contract, Vice President Hill said we wanted to make sure Washburn is providing services in the most efficient and effective manner. She noted with the temporary director of management services provided by Crothall, one of the three vendors evaluated, the operation has improved and there is a lot of training which can be provided to the institution through a management services company. Vice President Hill reiterated that the institution has had the services of Crothall over the past year and a half, noting that the resident manager, Keith Palmbach, was present. She said she would like to express her thanks to Mr. Palmbach and Crothall for all they have done for Washburn University.

On vote of the motion, motion passed.

6. Purchase of SunGard SCT Enrollment Management Suite

It was moved and seconded to authorize the Administration to purchase the Banner enrollment Management Suite from SunGard Higher Education provided the purchase price does not exceed \$150,000.

Vice President Hill noted the enrollment management consultants recommended the admissions staff utilize the Banner Prospect program, approved for purchase by the Board in September, 2008 when acquisition of SCT Banner was authorized, and that a report process implement reporting process providing the Administration information concerning inquiries from prospective students, applicants, applications (accepted, denied and withdrawn) and enrollment. Vice President Hill reported the Enrollment Management Suite is an expanded solution, making it easier and a more robust way to interact with students from first contact through graduation.

Motion passed unanimously.

7. Revisions to Classified Compensation Schedule

It was moved and seconded to approve the revisions to the 2008-2009 Classified Compensation Schedule as presented. Motion passed.

8. Replace Honeywell XL Classic controls with XL500

It was moved and seconded to approve the award of a contract to Honeywell in the amount of \$125,980 to upgrade the Honeywell control system in Henderson, Memorial Union and Garvey Fine Arts Center. Motion passed.

9. Ethernet Switches for the Campus Data Network

It was moved and seconded to approve the award of a contract to Foundry Networks in the amount of \$62,963.40. Motion passed.

10. Sanitary Sewer Improvements – C08021

It was moved and seconded to approve the award of a contract to Schmidlein Excavating in the amount of \$253,449.20 for the sanitary sewer improvements project. Motion passed.

Mayor Bunten noted that a number of Topeka firms were getting these bids.

C. Information Item

1. Scholarship Review

President Farley reported that approximately \$500,000 in General Fund scholarship money was over expended for the current academic year. He said the award process is very complex and to be able to notify students early in the process the University took advantage of a provision in the software program for financial aid. In that process an error was made in coding the amount for the General Fund. Dr. Farley noted that no resources were misappropriated and that no defalcation occurred. He said the monies went to the students' account used by those students to pay for their tuition and fees. He said the institution has stopped the use of the control account and established procedures to ensure over awards cannot be credited to students in excess of the overall budget and the problem cannot reoccur.

It was moved and seconded to adjourn. The meeting adjourned at 4:28 p.m.

Kenneth P. Hackler
Secretary, Board of Regents