

MINUTES OF THE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairwoman Lana Gordon at 3:30 pm on Feb 14, 2011, in Room 159-S of the Capitol.

All members were present.

Committee staff present:

Audrey Dunkel, Fiscal Analyst, KLRD
Shirley Morrow, Fiscal Analyst, KLRD
Bernadine Lloyd, Committee Assistant

Conferees appearing before the committee:

Dr. Andy Tompkins, President & CEO, Ks. Board of Regents
Dr. Edward Hammond, President, Fort Hays State University
Dr. Michael Lane, President, Emporia State University
Dr. Jerry Farley, President, Washburn University
Dr. Donald Beggs, President, Wichita State University

Others Attending:

See attached list.

Conferees:

Dr. Andy Tompkins, President & CEO, Ks. Board of Regents submitted and presented testimony on Kansas Board of Regents Budget Request on Foresight 2020 – A 10-Year Agenda for Public Higher Education. (Attachment 1)

Dr. Edward Hammond, President, Ft. Hays State University submitted and presented testimony on hard-copy of a power point presentation called The Age of the Unthinkable. This presentation consisted of the State General Fund, Impact Cuts, the 2011 Budget Planning Principles, and the Governor's FY 2012 Recommendation. (Attachment 2)

Dr. Michael Lane, President, Emporia State University, submitted and presented testimony on ESU and Higher Education Empowers the Kansas Economic Engine, estimated average lifetime earnings by education level, and change in jobs by education level: 2008 and 2018. (Attachment 3)

Dr. Jerry Farley, President, Washburn University, submitted and presented testimony of how Washburn University has fared financially this past year. Included in this presentation were summaries of revenues and expenditures for the current and previous fiscal years. (Attachment 4)

Dr. Donald Beggs, President, Wichita State University, submitted and presented testimony on the Budget Overview, Budget Terms and Definitions. (Attachment 5)

A question and answer session followed each agency's presentation.

The committee went into discussion on recommendations for action on previously heard bills.

Shirley Morrow, fiscal analyst, presented a synopsis on the Arts Council Budget and said there was more information forth coming.

A motion was made by Rep. Feuerborn to add \$797,980 to restore funding to the Kansas Art Commission for FY 2011 and 2012. Also, add \$790,599, all in other funds. This amount the agency requested for FY 2012. This does not concur with the Governor's budget. Representative Winn seconded the motion.

Representative Landwehr made a substitute motion to adopt the Governor's recommendations. The motion was seconded by Rep. O'Brien and there was no approval.

Representative Landwehr closed her motion. The substitute motion failed by voice vote.

Rep. Feuerborn moved on his original motion which was seconded by Rep. Winn.
The motion passed by voice vote.

Rep. Feuerborn moved to delete \$200,000 from the State Historical Society budget that was for the non-profit arts foundation. The motion was seconded by Rep. Winn and passed by voice vote.

The next meeting is scheduled for February 15, 2011 in 159-S.

Meeting was adjourned 5:55pm.

EDUCATION BUDGET COMMITTEE

3:30pm

Room 159S, State Capitol

GUEST LIST

DATE: 2 - 14 - 11

NAME	REPRESENTING
Doug Smith	Washburn University
Jonathan Krueger	ICBOR
Diane Dally	Canvas Board of Regents
Tom Bruno	WATC
Tony Kinkel	WATC
Randy Robock	WATC
Debbie White	KSHS
Clewellyn Crain	ICAC
Ray Hawk	ESU
Diana Kullmann	ESU

KANSAS BOARD OF REGENTS



HOUSE EDUCATION BUDGET COMMITTEE

February 14, 2011

Kansas Board of Regents Budget Request

Dr. Andy Tompkins, President & CEO

★ LEADING HIGHER EDUCATION ★

KANSAS BOARD OF REGENTS



★ FORESIGHT 2020 ★

A 10-Year Strategic Agenda for Public Higher Education

- ★ Achieve alignment between the state's preK-12 and higher education systems and continue to enhance alignment between higher education institutions.
- ★ Achieve participation in the state's higher education system that better reflects the state's demography and more fully engages adult learners.
- ★ Achieve measurable improvement in persistence and completion rates for higher education institutions.
- ★ Ensure that students earning credentials and degrees possess the foundational skills essential for success in work and in life.
- ★ Enhance alignment between the work of the state's higher education system and the needs of the Kansas economy.
- ★ Enhance the regional and national reputation of Kansas universities through aspirational initiatives.

House Education Budget Committee

Date: Feb 14, 2011Attachment #: 1

KANSAS BOARD OF REGENTS



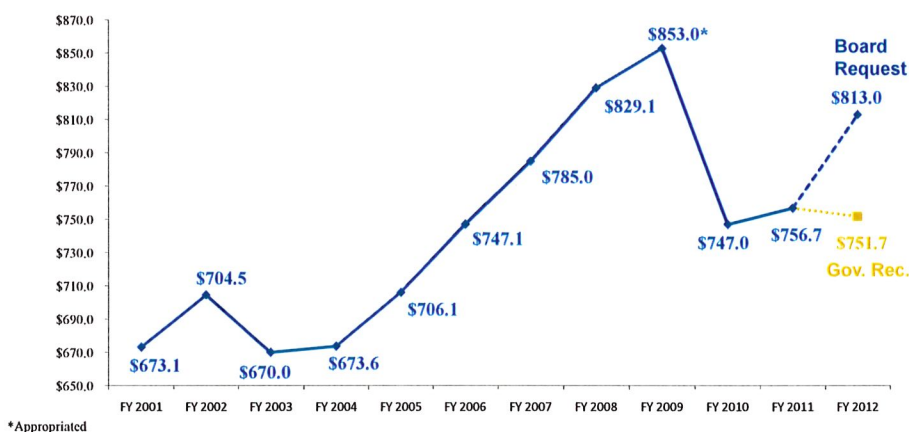
Board of Regents' Legislative Priorities

- ★ Support Governor's FY 2012 Budget
- ★ Seek Continued Support for the Higher Education System including Kan-ed.
- ★ Increase Aid to Students in Need.
- ★ Address Deferred Maintenance.
- ★ Implement a New Tiered Technical Education Funding Approach.

KANSAS BOARD OF REGENTS



State Higher Education SGF Funding (FY01 – FY12)



KANSAS BOARD OF REGENTS



Continued Support for the Higher Education System including Kan-ed

KANSAS BOARD OF REGENTS



THE ISSUE:

- ★ Since FY 2009, the state's higher education system has been cut over \$100 million (a 12% cut), and State funding per student is at an all-time low.

KANSAS BOARD OF REGENTS



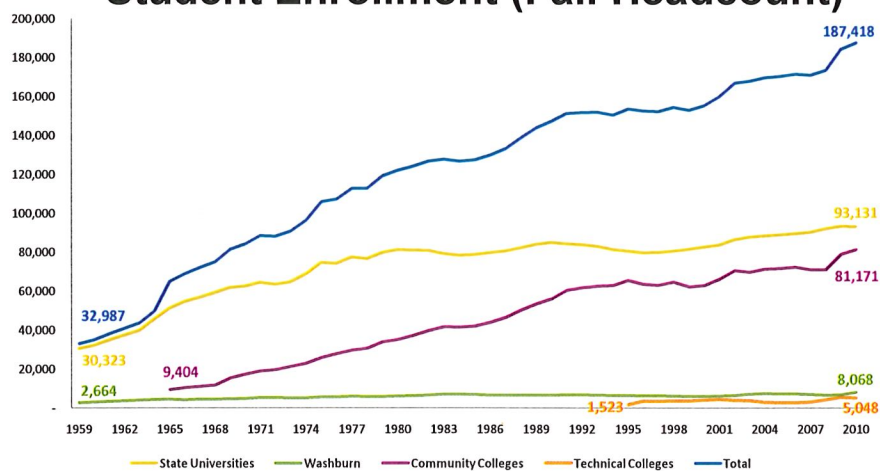
Inflationary Challenges

- ★ State Group Health Insurance Rate Increase of 10% in FY 11 and 15% in FY 12 (university cost = \$11 million)
- ★ Ongoing Utility Increases
- ★ Increased Enrollments especially in Two Year Colleges

KANSAS BOARD OF REGENTS



Student Enrollment (Fall Headcount)

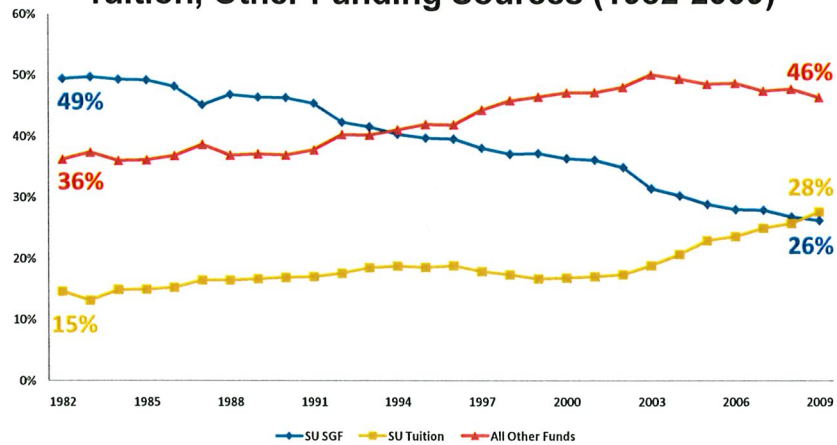


Source: KHEER

KANSAS BOARD OF REGENTS



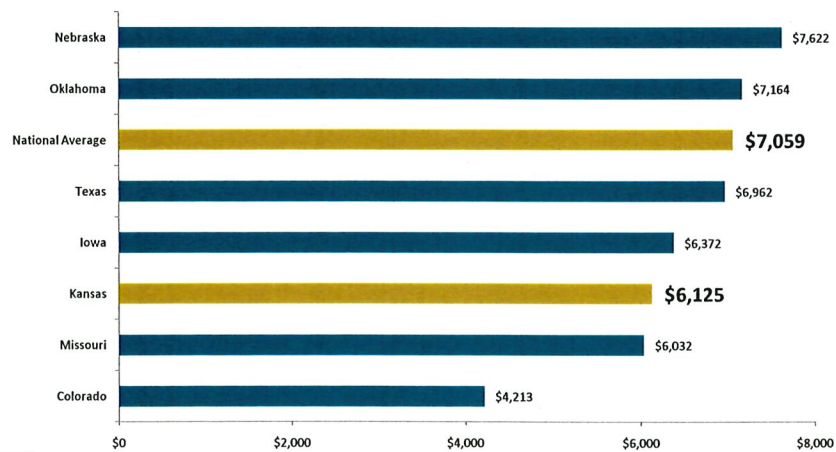
Funding for State Universities: State Funding, Tuition, Other Funding Sources (1982-2009)



KANSAS BOARD OF REGENTS



How Kansas Compares To The Region – State & Local Public Higher Education Support per FTE Student (FY08):



KANSAS BOARD OF REGENTS

***THE ISSUE:***

- ★ Access to high-speed broadband Internet is a requirement for doing business in today's world. High-speed broadband brings services into smaller, rural areas and allows rural communities and businesses to compete in the global marketplace.
- ★ Kan-ed, a program administered by the Board of Regents, connects almost 500 Kansas hospitals, libraries, higher education institutions, and K-12 schools with high-speed bandwidth.
- ★ Kan-ed brings members together through Interactive Distance Learning and the exchange of data. Members have access to shared databases, video-conferencing, telemedicine, and to content that is otherwise unavailable or available at prohibitive costs.

THE PLAN:

- ★ Maintain the same level of funding (\$10 million annually) for Kan-ed through the Kansas Universal Service Fund (funding has remained the same since 2003).

KANSAS BOARD OF REGENTS



Increase Student Financial Aid

KANSAS BOARD OF REGENTS

***THE ISSUE: LESS STATE FUNDING = HIGHER TUITION COSTS***

- ★ Over the past 25 years, State University tuition and fee rates have risen steadily to offset state funding reductions. At the same time, the State's need-based financial aid program (Kansas Comprehensive Grant) has seen only slight increases.
- ★ Students now contribute more to the State University operating budgets than the State does.
- ★ Kansas ranks last in the Big 12 and #36 in the nation in per capita need-based financial aid per student.

KANSAS BOARD OF REGENTS

**Student Debt**

- ★ In 2008, 62% (3 out of every 5) of graduates from public universities had student loans, and the average student debt was \$20,200 – 20% higher than in 2004, when the average was \$16,850 (www.projectonstudentdebt.org).
- ★ In Kansas, 55% of graduates from public universities have student debt (www.projectonstudentdebt.org).
- ★ In the United States, total student loan debt (\$850 billion) now exceeds total credit card debt (\$828 billion) (*USA Today* 9-10-10).

KANSAS BOARD OF REGENTS



Average Debt of Graduates

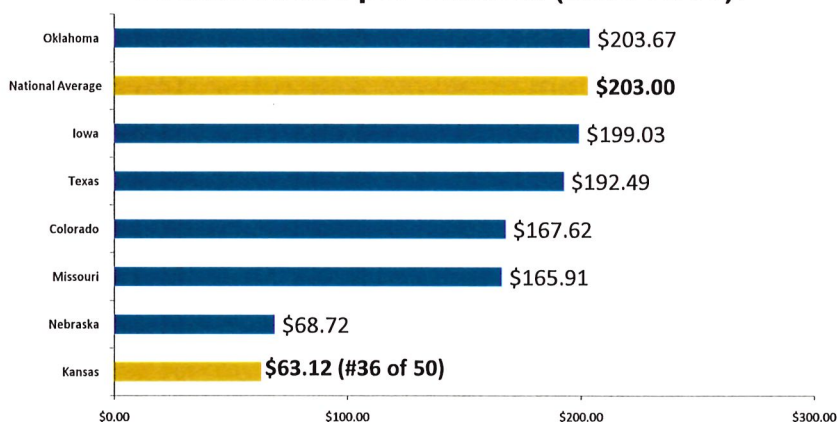
KU	\$23,227
K-State	\$20,704
Emporia State	\$20,226
Pittsburg State	\$19,558
Wichita State	\$18,950
Fort Hays State	\$18,310
Combined Average	\$20,163

Source: KBOR (AY 2009-2010)

KANSAS BOARD OF REGENTS



Per Capita State Need-Based Financial Aid Contributions per Student (2008-2009):



*Chart includes Big 12 States and national average.

**Per capita based on population aged 18-24, represents aid to all institutions within a state, both public and private.

KANSAS BOARD OF REGENTS



Support for Deferred Maintenance

KANSAS BOARD OF REGENTS



The Issue: Deferred Maintenance Needs To Be Addressed

- ★ State universities are stewards for:
 - 818 state-owned buildings which encompass 30 million square feet and represent two-thirds of the state's buildings
 - At least 75% of the buildings are 30 years or older
 - 26,214 acres of land
 - Replacement value of \$7.3 billion
- ★ Deferred maintenance is estimated to be nearly \$900 million.
- ★ Funds needed for annual maintenance is estimated to be approximately \$90 million.

KANSAS BOARD OF REGENTS



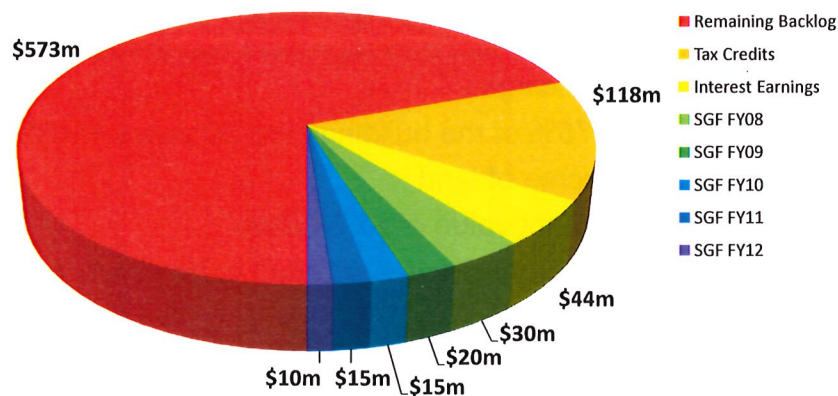
Deferred Maintenance

- ★ In 2007, the Legislature approved a 5-year comprehensive deferred building maintenance plan to help address the State University maintenance backlog estimated at that time to be \$825 million and the maintenance backlog at WU and the Community and Technical Colleges estimated at that time to be \$172 million.

KANSAS BOARD OF REGENTS



If Fully-Funded, the Legislature's 5-Year Plan Would Have Addressed 31% of the State University Maintenance Backlog



KANSAS BOARD OF REGENTS



Deferred Maintenance

- ★ To help balance the State's budget, the Legislature removed \$1.3 million SGF from Year 3 (FY10) and \$15 million SGF from Year 4 (FY11) of the State University deferred maintenance appropriation.
- ★ In addition, the Legislature removed all funding for Year 3 (FY10) and Year 4 (FY11) of the Postsecondary Educational Institution Long-Term Infrastructure Maintenance Program (PEI) no-interest loan program that is utilized by WU and the Community and Technical Colleges.
- ★ However, \$90 million was received for use on deferred maintenance and tuition mitigation from federal ARRA funds.

KANSAS BOARD OF REGENTS



Deferred Maintenance

★ State University Summary:

Anticipated in 2007 (in millions)	Actual (To Date)
Tax Credits	\$ 1.3
Interest Earnings	\$ 32.7
SGF Through FY11	\$ 63.7
Federal Stimulus	<u>\$ 45.8</u>
Total	\$143.5

★ Coordinated Institutions:

Tax Credits	\$ 40.5	\$ 3.2
PEI	\$100.0	\$40.0
Federal Stimulus	<u>\$ 0.0</u>	<u>\$17.7</u>
Total	\$140.5	\$60.9

KANSAS BOARD OF REGENTS



State University Progress

- ★ 96 maintenance projects have been approved by the Joint Committee on State Building Construction, 79 have been initiated, and 42 have been completed.
- ★ Projects include utility tunnel improvements, boiler replacement, waterline improvements, electrical switchgear replacements, ADA improvements, life-safety improvements, and the re-roofing of facilities, among others.

KANSAS BOARD OF REGENTS



PEI Loan Progress

- ★ 17 of the 25 eligible coordinated institutions have utilized the no-interest loan program:
- | | |
|----------------------------------|--|
| ★ Barton Community College | ★ Johnson County Community College |
| ★ Butler Community College | ★ Kansas City Kansas Community College |
| ★ Cloud County Community College | ★ Labette County Community College |
| ★ Coffeyville Community College | ★ Manhattan Area Technical College |
| ★ Dodge City Community College | ★ Northwest Kansas Technical College |
| ★ Garden City Community College | ★ Pratt Community College |
| ★ Highland Community College | ★ Seward County Community College |
| ★ Hutchinson Community College | ★ Washburn University |
| ★ Independence Community College | |

KANSAS BOARD OF REGENTS



Implement New Tiered Technical Education Funding Approach

KANSAS BOARD OF REGENTS



The Issue: Technical Education Funding Legislative Charge (K.S.A.72-4482)

- ★ “(11) (A) develop and recommend to the state board of regents a credit hour funding distribution formula for postsecondary technical training programs that
 - (i) is tiered to recognize and support cost differentials in providing high-demand, high-tech training,
 - (ii) takes into consideration target industries critical to the Kansas economy,
 - (iii) is responsive to program growth and
 - (iv) includes other factors and considerations as deemed necessary or advisable; and
- ★ (B) establish and recommend to the state board of regents the rates to be used in such funding distribution formula.”

KANSAS BOARD OF REGENTS



New Approach

- ★ Fund technical education courses “the same” regardless of which institution delivers the course.
- ★ Base the model on data.
- ★ Provide long-term system incentives for increased production of a high-wage workforce.
- ★ Encourage program growth.
- ★ Programs are divided into 6 tier rates and tier rates are based on program costs.
- ★ Allows for strategic investments at the course level.

KANSAS BOARD OF REGENTS



FY 2012 Request

- ★ **Continued Support for the Higher Education System**
 - The Board requests an inflationary increase based on the 3-year rolling average of the Higher Education Price Index (HEPI) which is 2.73% and would cost \$20.5 million SGF.
- ★ **Student Financial Aid**
 - The Board requests the state sales tax currently being generated on the state university campuses (approx. \$6 million) be transferred to the Board for the creation of a need-based state university financial aid grant program for low to moderate income Kansans (full-time resident undergraduate state university students who possess the greatest unmet financial need, as determined by their FAFSA).
- ★ **Deferred Maintenance**
 - The Board requests \$15 million SGF to restore the state universities' Year 4 (FY11) funding, and requests \$750,000 SGF to restore Year 4 (FY11) of the PEI no-interest loan program that is utilized by WU and the community and technical colleges.
- ★ **Technical Education Funding**
 - The Board requests \$11.6 million SGF as the first phase of funding for the \$58 million needed to fully fund the new technical education approach. Cognizant of the state's budget challenges, this request, which would jumpstart the change to the new approach, represents only 20% of the total funding needed. The funding is in response to the Legislature's directive to develop a new tiered approach.

KANSAS BOARD OF REGENTS



Higher Education Critical to State's Economic Success

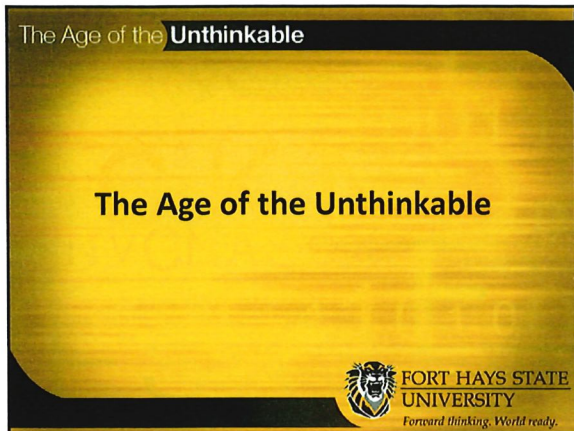
- ★ Higher education is more important than ever before:
 - In 1955, "skilled" and "professional" jobs comprised 40% of the Kansas workforce. Today, that number is 88% (ACT, Inc.).
 - By 2018, over 1 million (64%) jobs in the Kansas economy will require some level of postsecondary education (Georgetown Univ.).
 - Over the next 10 years, Kansas will experience an increase of 99,000 jobs requiring some level of postsecondary education (Georgetown Univ.).
- ★ The Kansas economy can't succeed without an educated workforce:
 - Increasing the nation's average level of education by one year could increase economic growth by 6-15%, adding between \$600 billion and \$1.5 trillion to U.S. economic output (U.S. Dept. of Labor). The effect would be similar in Kansas.
 - Kansans with higher levels of education have higher labor participation rates and are better prepared to weather economic downturns. In 2008, 65% of Kansans with a high school or less were employed, compared to 89% employment for those with at least an associate's degree (KS Dept. of Labor).

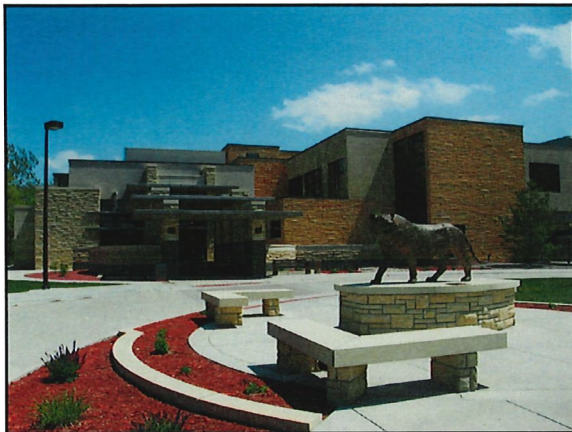
KANSAS BOARD OF REGENTS

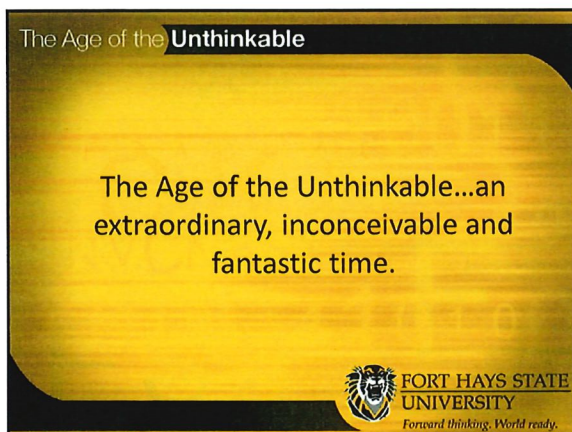


The mission of the Kansas Board of Regents is to pursue measurable continuous improvement in the quality and effectiveness of the public postsecondary educational system in Kansas, while expanding participation for all qualified Kansans. To achieve this mission, the Board will demand accountability, focus resources, and advocate powerfully.

★ LEADING HIGHER EDUCATION ★










The Age of the **Unthinkable**

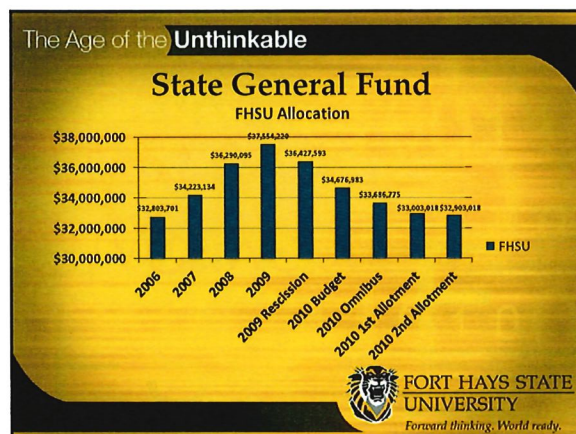
Change is going to be a contagious force in our lives. It is truly unthinkable to use the old educational models to dream about our future.

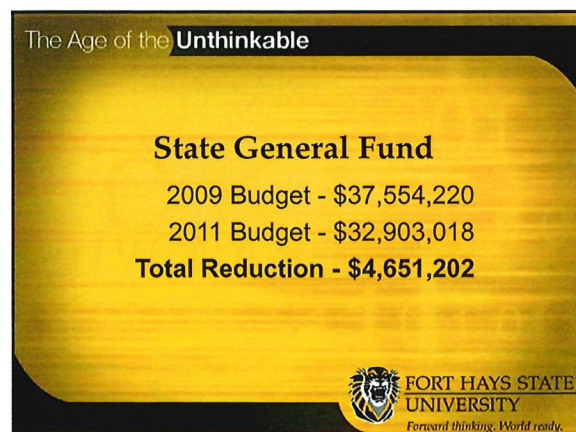


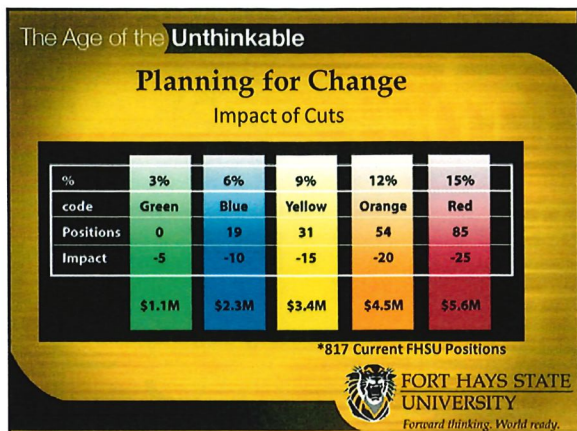
FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

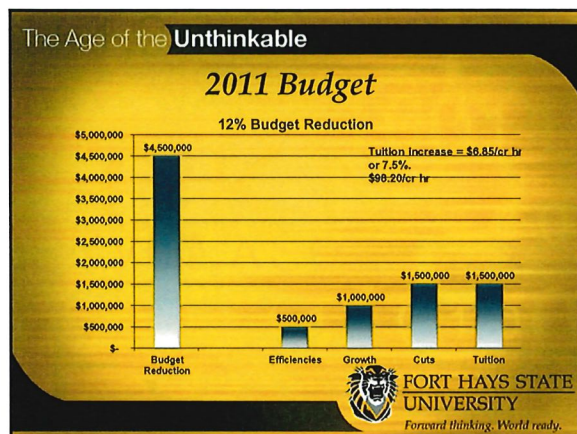


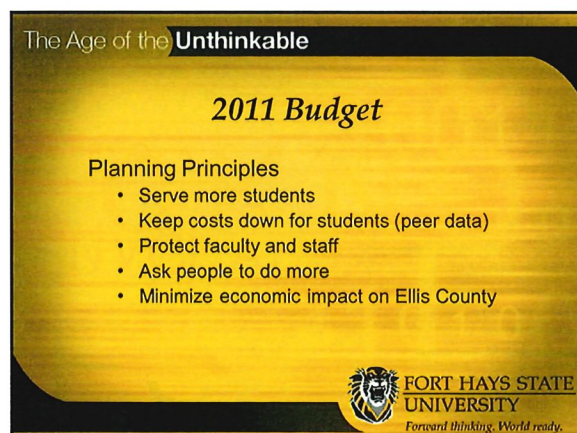













The Age of the **Unthinkable**

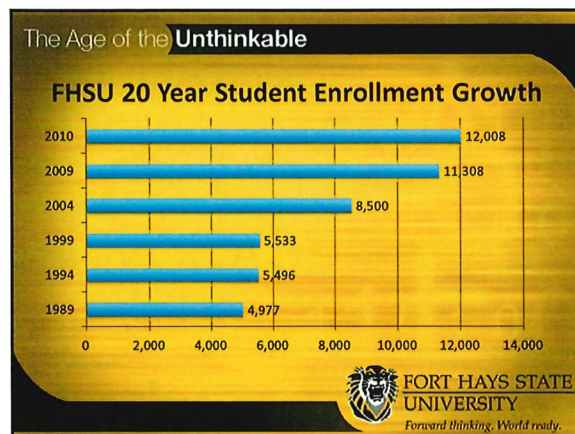
2011 Budget

Planning Principles

- Serve more students
 - 3% O.C. Growth
 - 850+ Freshman
 - 10% V.C. Growth

FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.



The Age of the **Unthinkable**

2011 Budget

Planning Principles

- Keep costs down for students (peer data)
 - \$2.95 increase per SCH
 - 3% increase
 - \$101.15 per SCH




FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

2011 Budget

Planning Principles

- Protect faculty and staff
 - 28 positions impacted
 - 3.5% of positions






FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

2011 Budget

Planning Principles

- Ask people to do more
 - Summer School redesign
 - Expand VC class loads
 - Expand OC class loads


FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**


2011 Budget

Planning Principles

- Minimize economic impact on Ellis County
 - Picken Project *
 - Sport Complex
 - Stimulus projects



* 1m of tax credits




FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

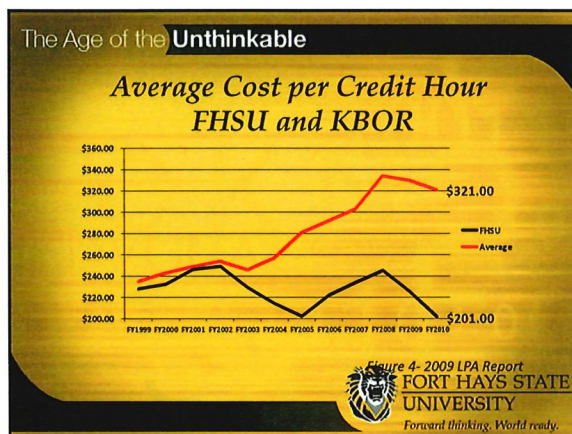
Positive Comments in LPA Report

"When looking at expenditures-per-student, Fort Hays State was the lowest."

Page 8 - 2009 LPA Report



FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.




The Age of the **Unthinkable**

Positive Comments in LPA Report

"FHSU has maintained the lowest tuition for resident students among the Regents institutions for 10 years."

Page 9 - 2009 LPA Report




FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

Positive Comments in LPA Report

"FHSU has steadily increased the percent of personnel dedicated to instruction."

Page 14 - 2009 LPA Report




FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

Positive Comments in LPA Report

"LPA identified two possible departmental consolidations: the Department of Special Education with Teacher Education, and the Department of Economics and Finance with Management and Marketing."

Page 41 - 2009 LPA Report




FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

Positive Comments in LPA Report

"At the regional universities, Fort Hays State taught more than 43% of its student credit hours virtually."

Page 45 - 2009 LPA Report




FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

Positive Comments in LPA Report

"At the regional universities, the average number of credit hours taught per FTE instructional staff ranged from 12.5 to 16.0 at Fort Hays State."

Page 51 - 2009 LPA Report



FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

Appreciate Governor's FY 2012 Recommendation

The Age of the **Unthinkable**

FHSU FY 2012 Issues

- \$500,000 SGF increase for Health Insurance
- \$120,000 SGF increase for Utilities
- \$125,000 SGF increase for Longevity
- \$75,000 SGF increase for Tenure, Prom. etc.

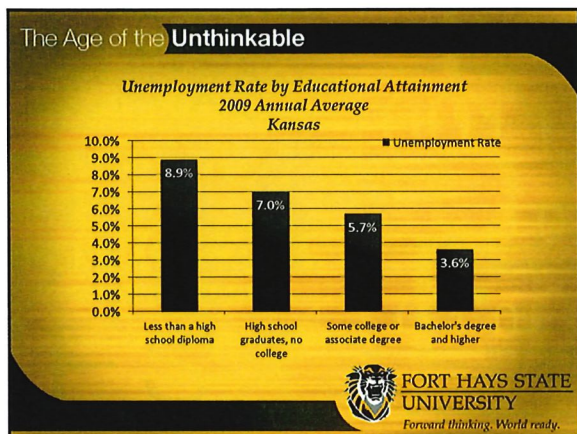
= \$ 825,000 total increase



FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

FHSU. FY 2012 Requests

- \$900,000 (2.73%) HEPI
- \$1,137,000 Def. Maintenance



The Age of the **Unthinkable**

Kansas Goal


- Need 60% of working age Kansans to have earned Bachelor's degrees or higher by 2025
- Currently only 40.5% have Bachelor Degrees
- Kansas needs 272,085 more Bachelor Degrees
- Kansas needs 2001 more Bachelor Degrees per year or 5% more per year

FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**

Forward thinking. World ready.

"A visionary response to a universal need...education for global citizens."
— Dr. Edward Hammond



FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

The Age of the **Unthinkable**



FORT HAYS STATE UNIVERSITY
Forward thinking. World ready.

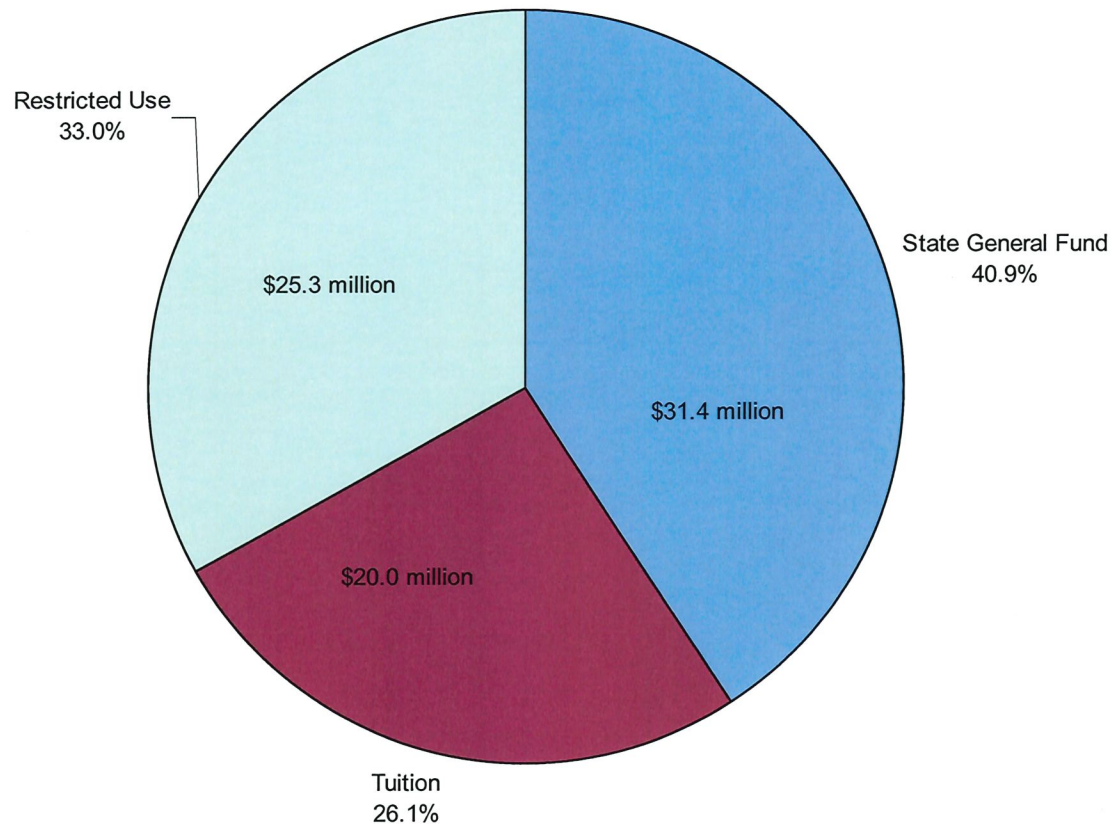
ESU and Kansas

ESU and Higher Education Empowers the Kansas Economic Engine

ESU Total Operating Expenditures by Fund
FY 2010

Major Sources Within Restricted Use

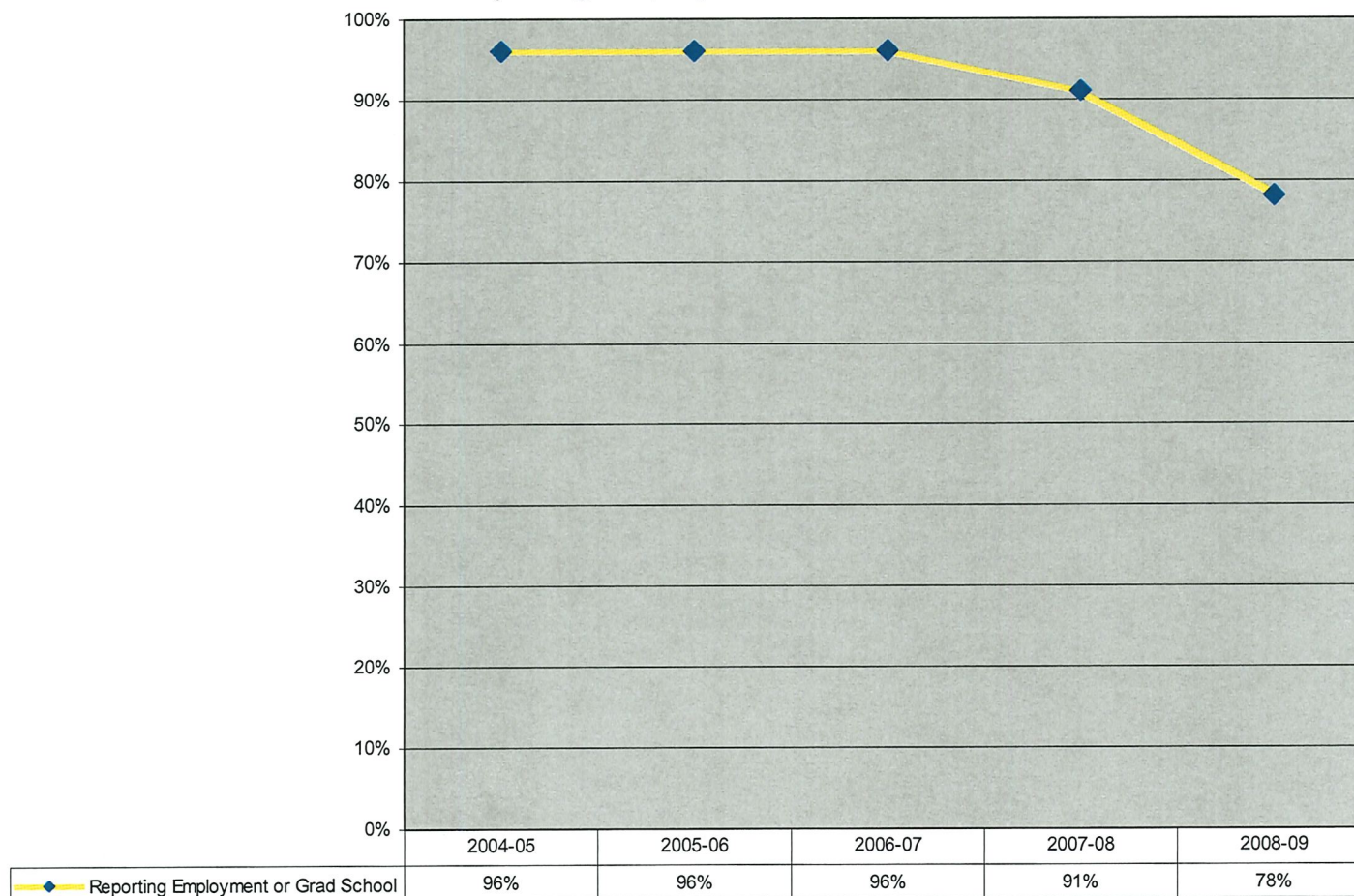
Campus Privilege Fees	\$ 4.1 m
Memorial Union	\$1.4m
Athletics	1.0m
Student Health	.6m
Recreation Svcs	.5m
Others from ASG	.6m
Student Housing	\$ 3.4 m
Athletic Department	\$ 2.3 m
Memorial Union Operations	\$ 3.5 m
Area Fee for Distance Ed	\$2.3 m
Technology Fee for Distance Ed	\$.5 m
Parking Fees	\$.3 m
Federal Financial Aid	\$4.6 m
Federal Grants	\$3.5



ESU and Kansas

ESU and Higher Education Empowers the Kansas Economic Engine

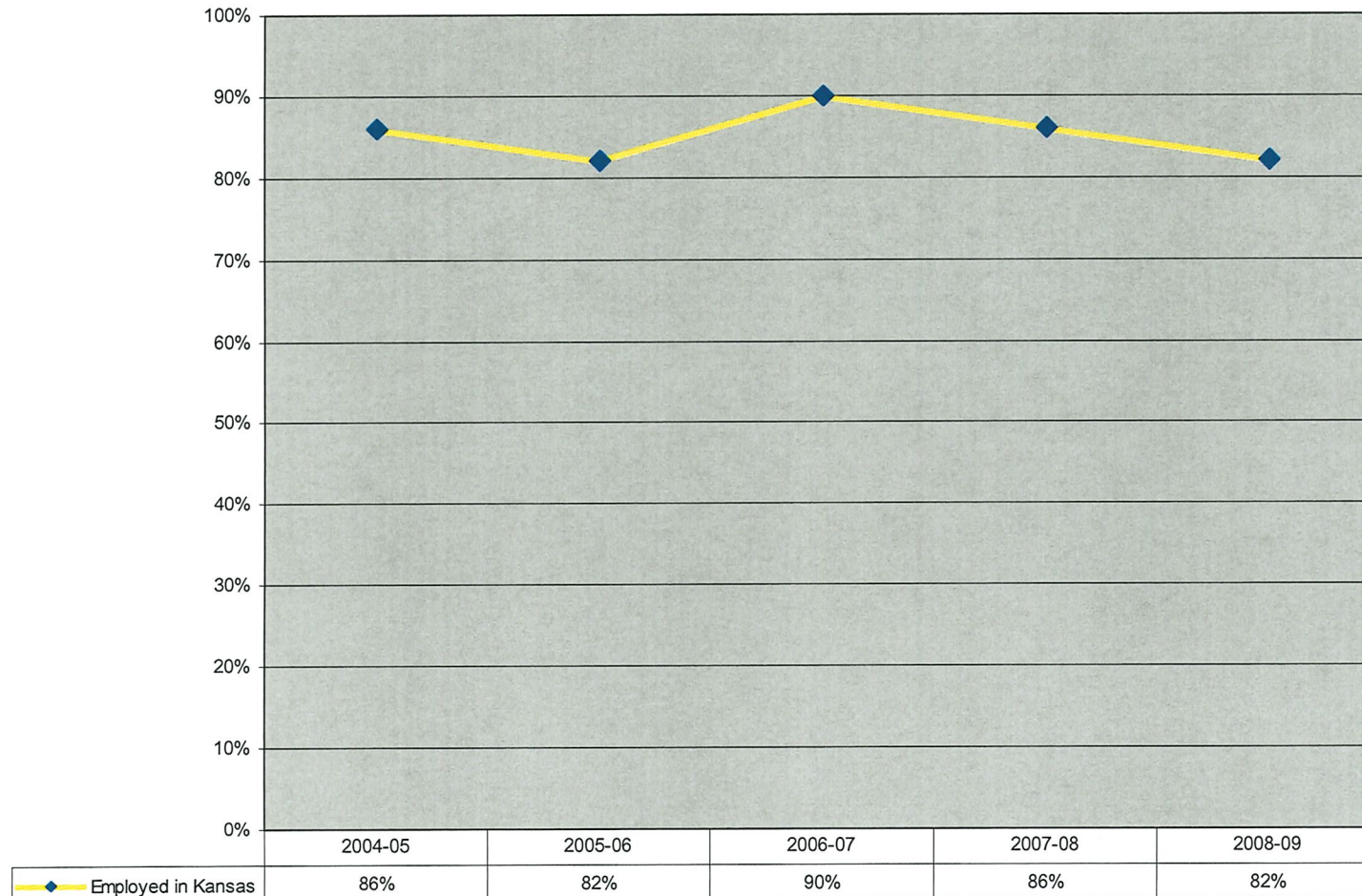
ESU Graduates Reporting Employment or Graduate School Enrollment



ESU and Kansas

ESU and Higher Education Empowers the Kansas Economic Engine

ESU Baccalaureate Recipients Reporting Employment in Kansas

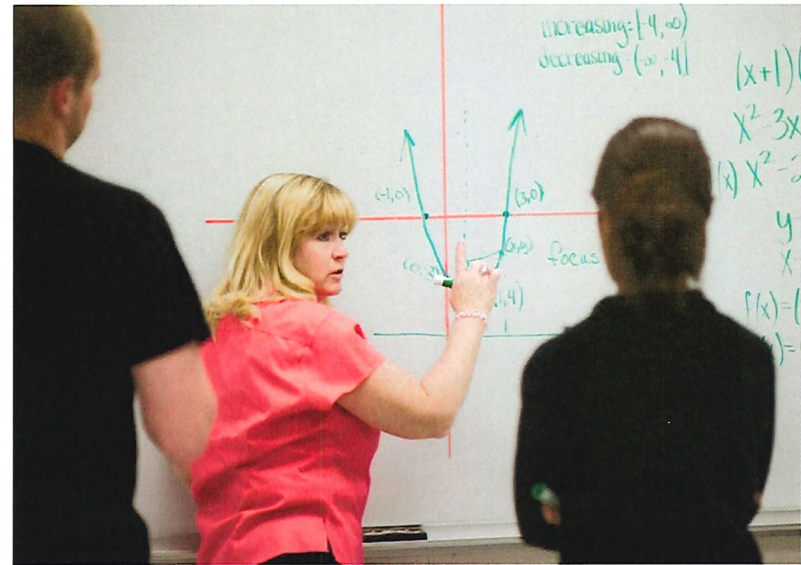


ESU and Kansas

3-4

ESU and Higher Education Empowers the Kansas Economic Engine

- One In Six Teachers Has At Least One Degree from ESU
- ESU Graduates Major Contributors to Excellence in Kansas
 - 2011 Kansas Teacher of the Year is an ESU Graduate
 - Mr. Curtis Chandler, Wamego Middle School
 - Three recent ESU Graduates received 2011 KSDE Horizon Award
- Kansas Small Business Development Center facilitated 19 new-start businesses in 2010
 - Assisted clients in finding capital of \$3.3 million, directly infused to economy of North Central Kansas.

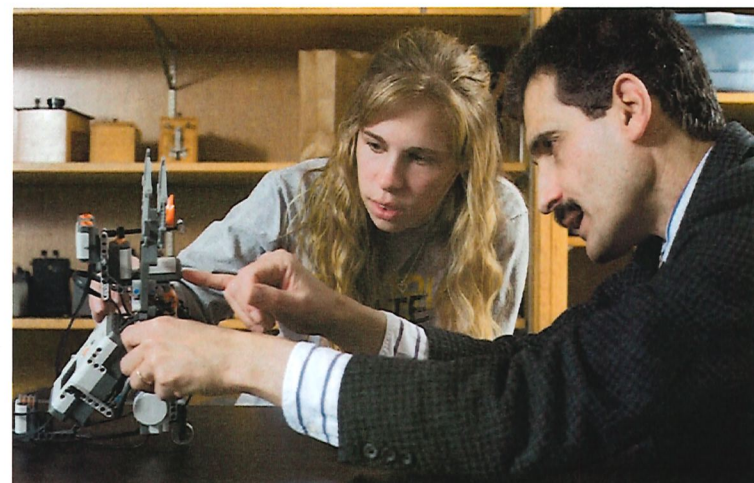


ESU and Kansas

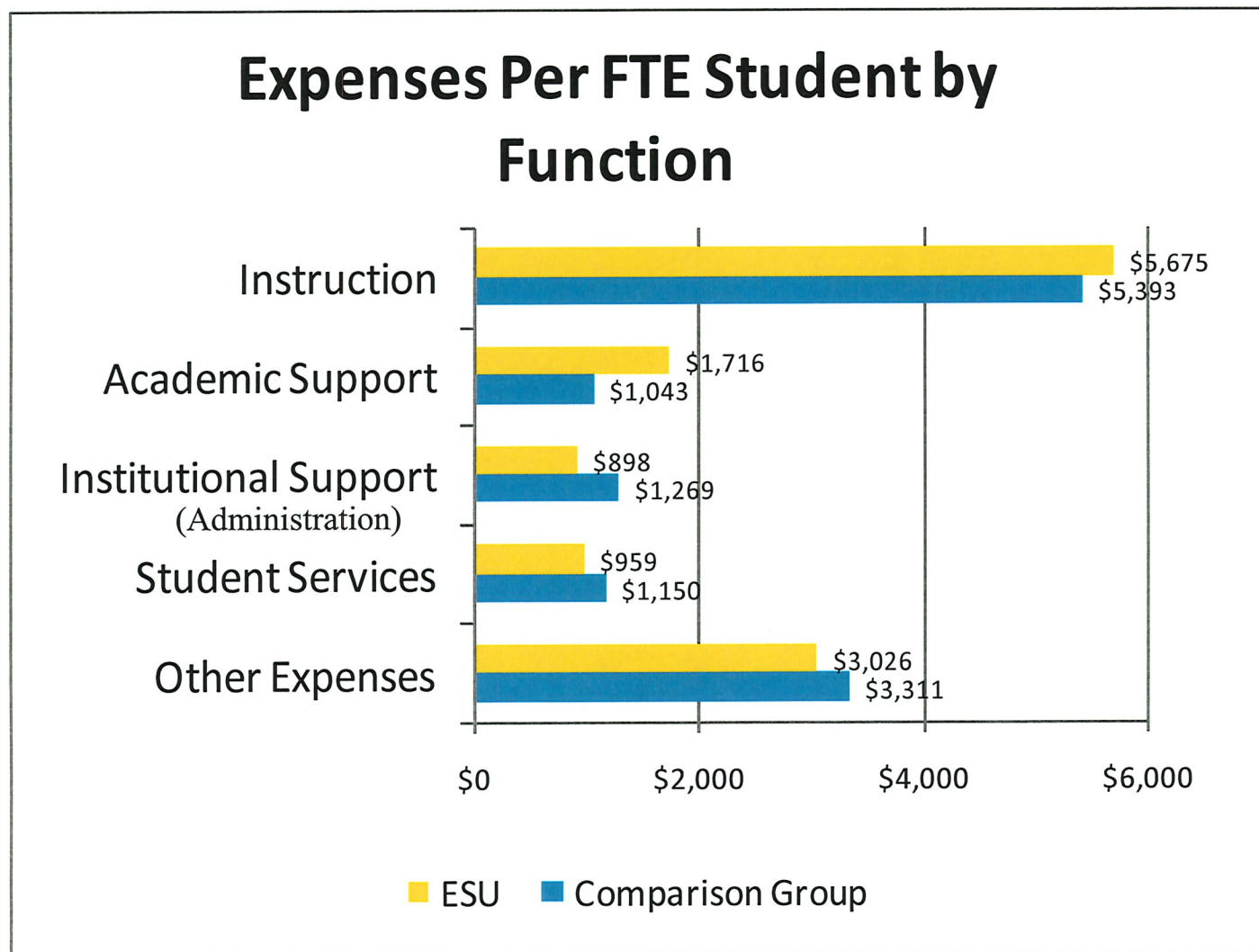
3-5

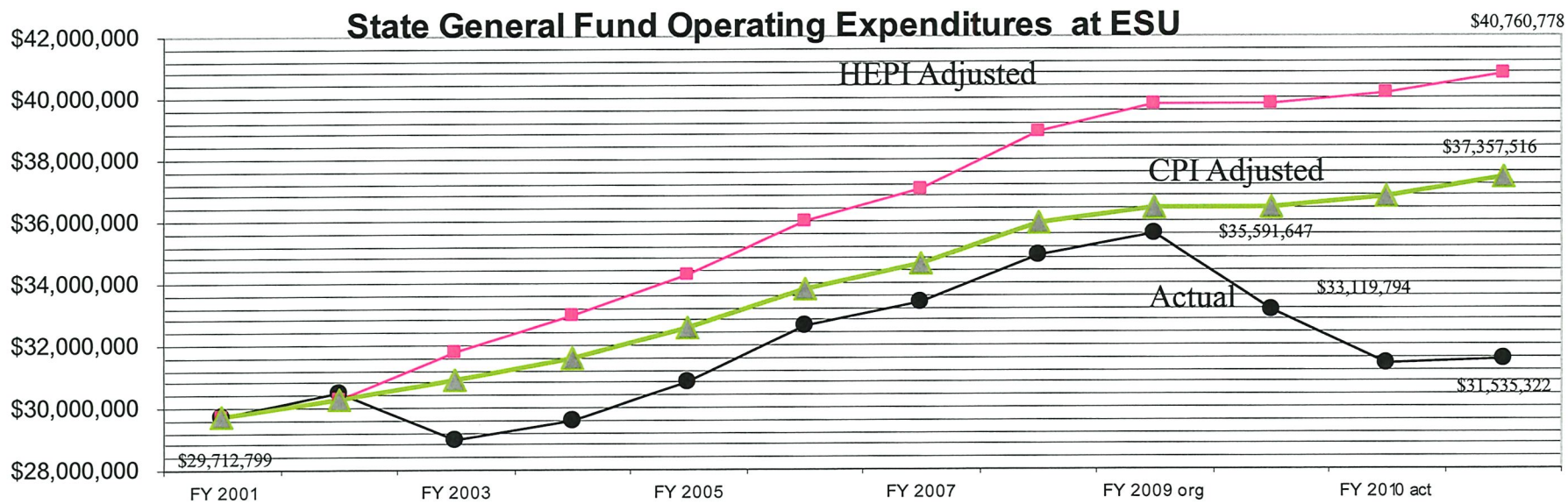
ESU Accountable to Kansans in Multiple Venues

- AASCU Voluntary System of Accountability
 - <http://www.aascu.org/accountability/>
 - A cooperative project of American Association of State Colleges and Universities
 - Allows comparison of participating universities on multiple metrics
- Accreditation by Higher Learning Commission
 - Plus 13 College and Program Level Accreditations
- Initiatives of the Kansas Board of Regents
 - Annual Performance Agreements
 - Foresight 2020
- Legislative Post Audits – 2 in most recent year

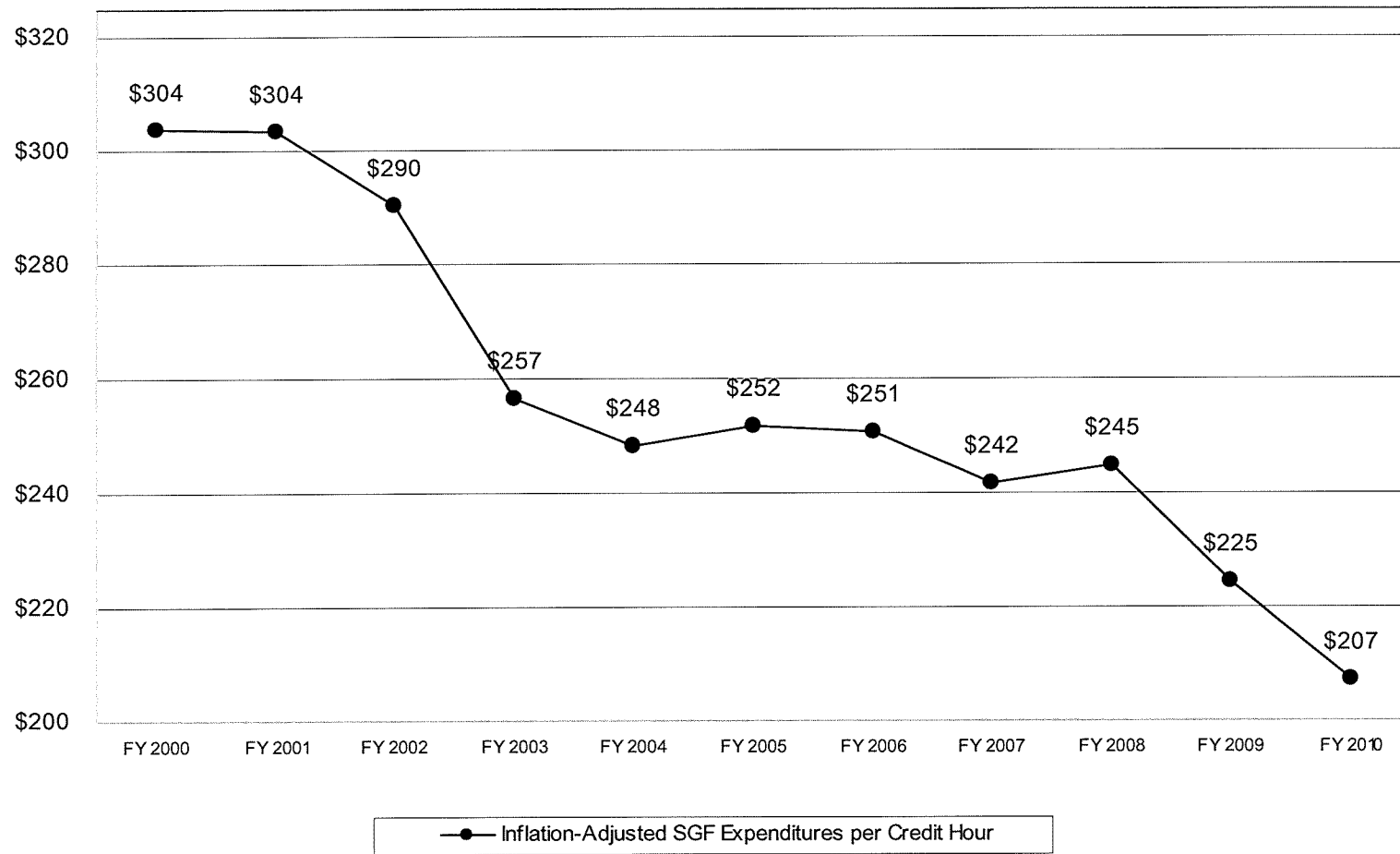


ESU and Kansas

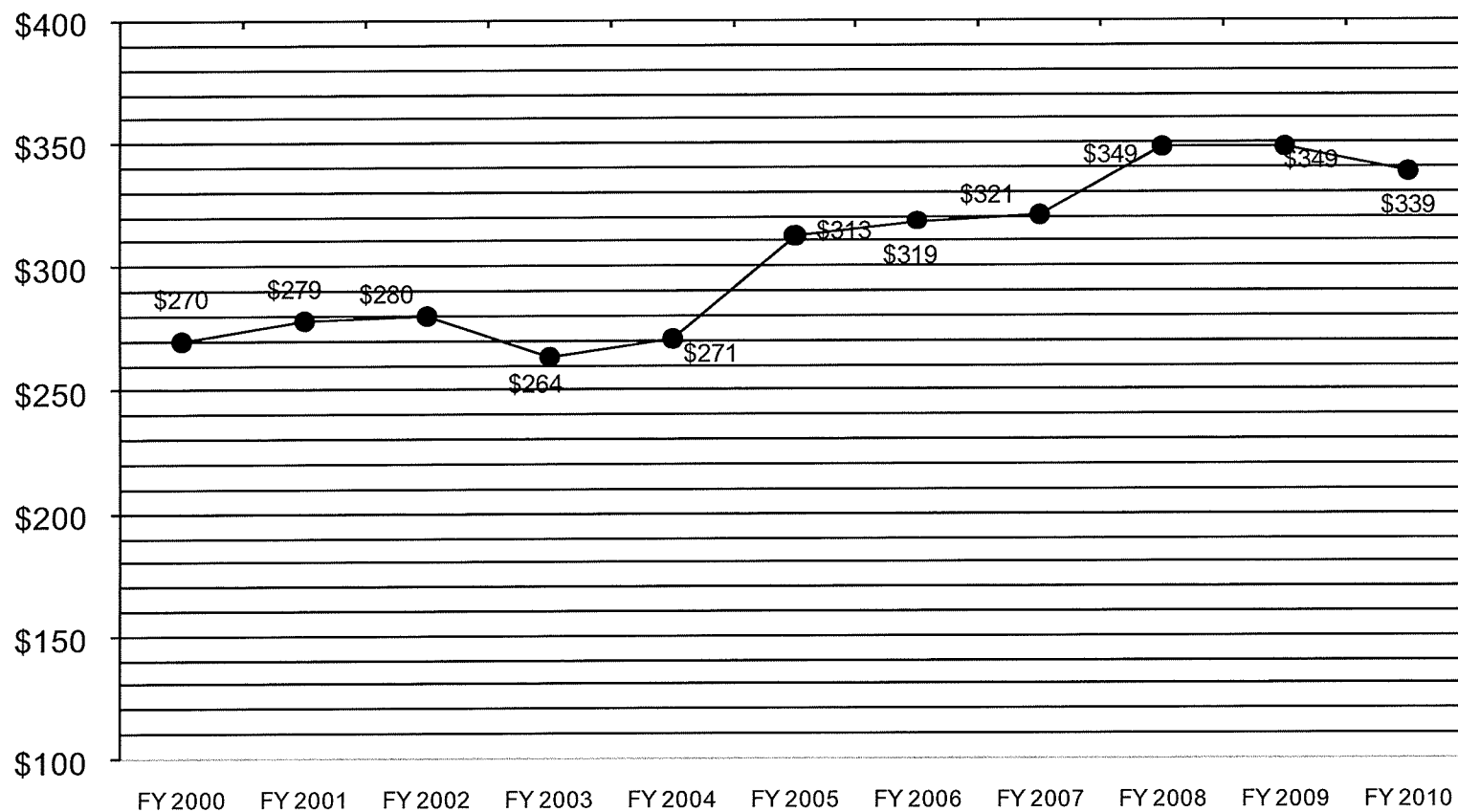




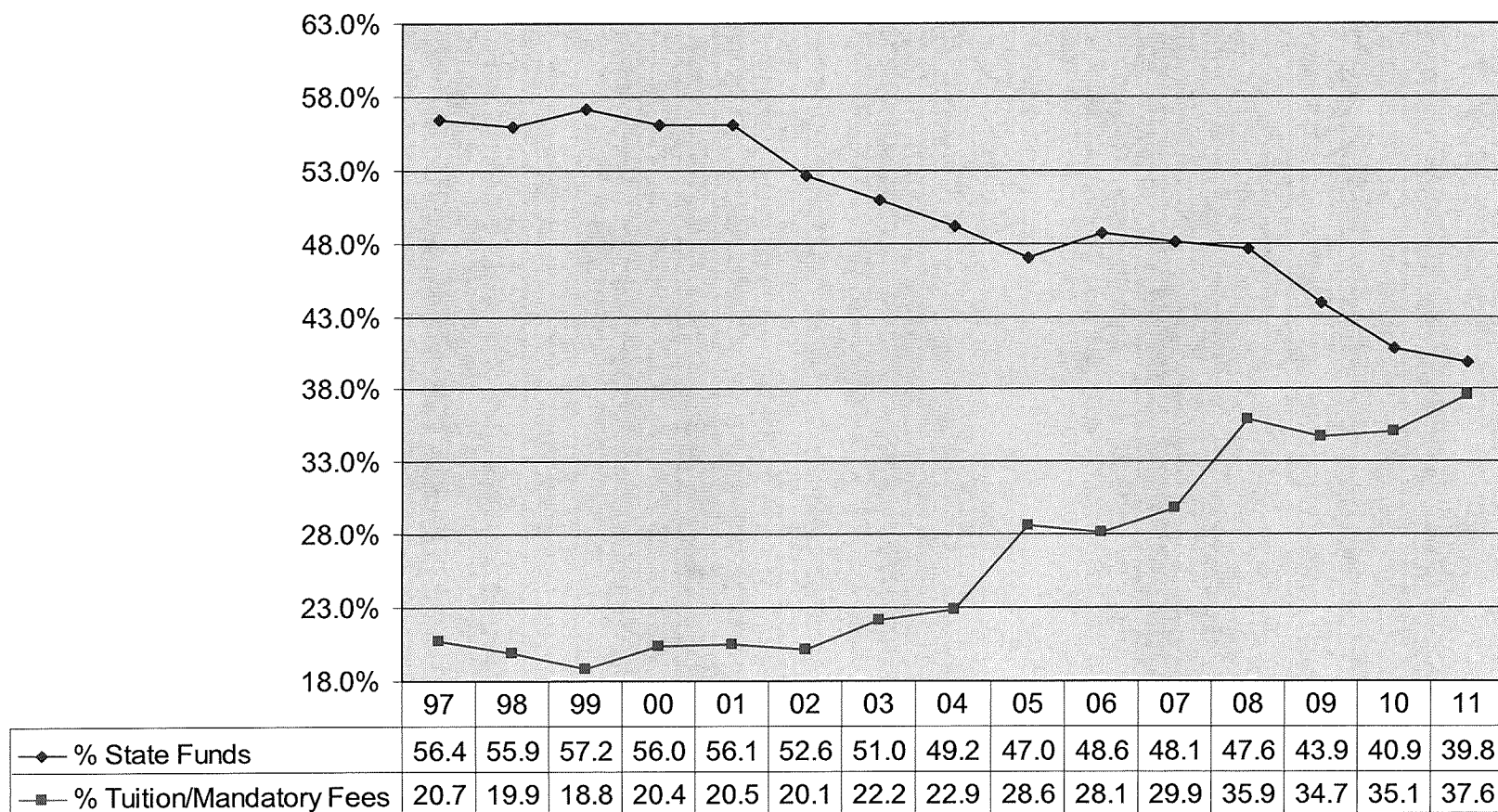
State General Fund Expenditures per ESU StudentCredit Hours **(Amounts shown are in FY 2010 inflation-adjusted dollars)**



Actual State General Fund + Tuition Operating Expenditures per Student Credit Hour

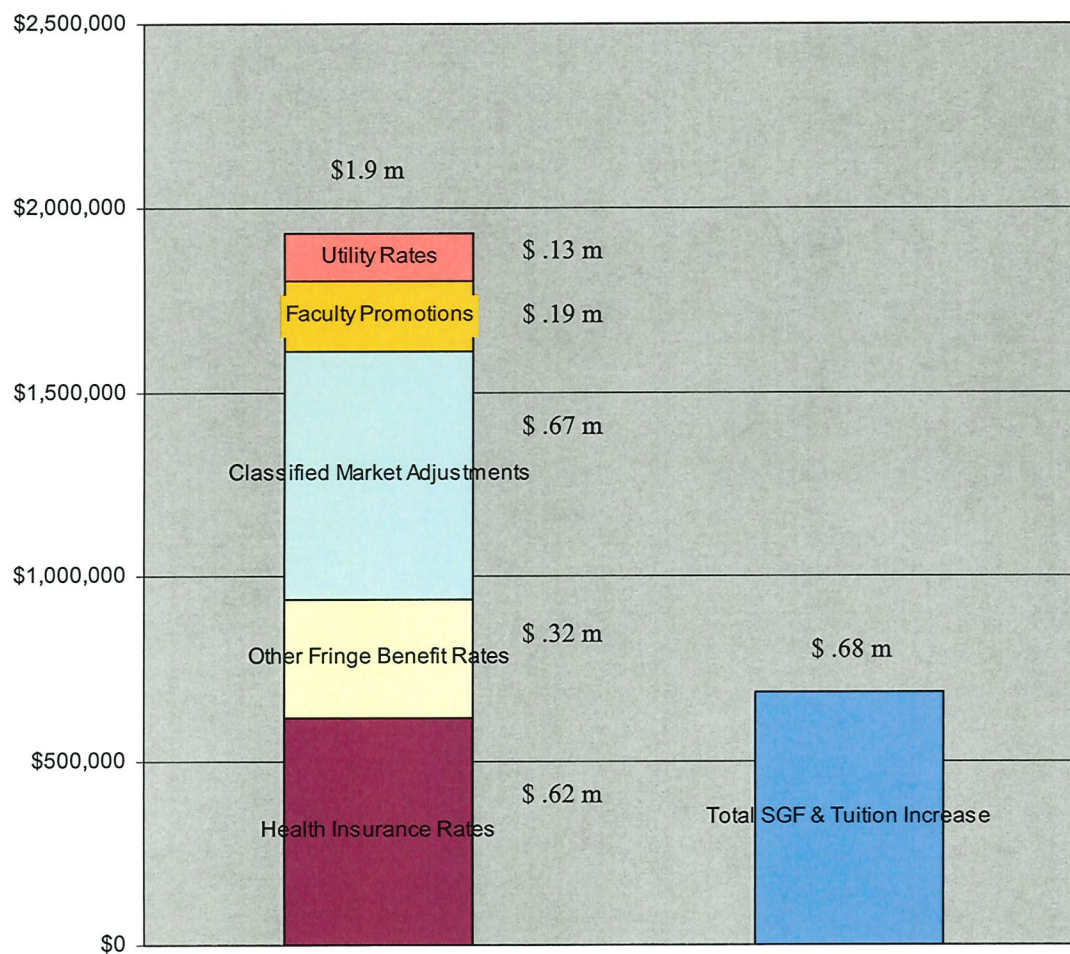


State Funds and Tuition/Mandatory Fees As A Percent of Total ESU Expenditures



ESU and Kansas

Mandatory Budgeting Factors FY 2009-2011

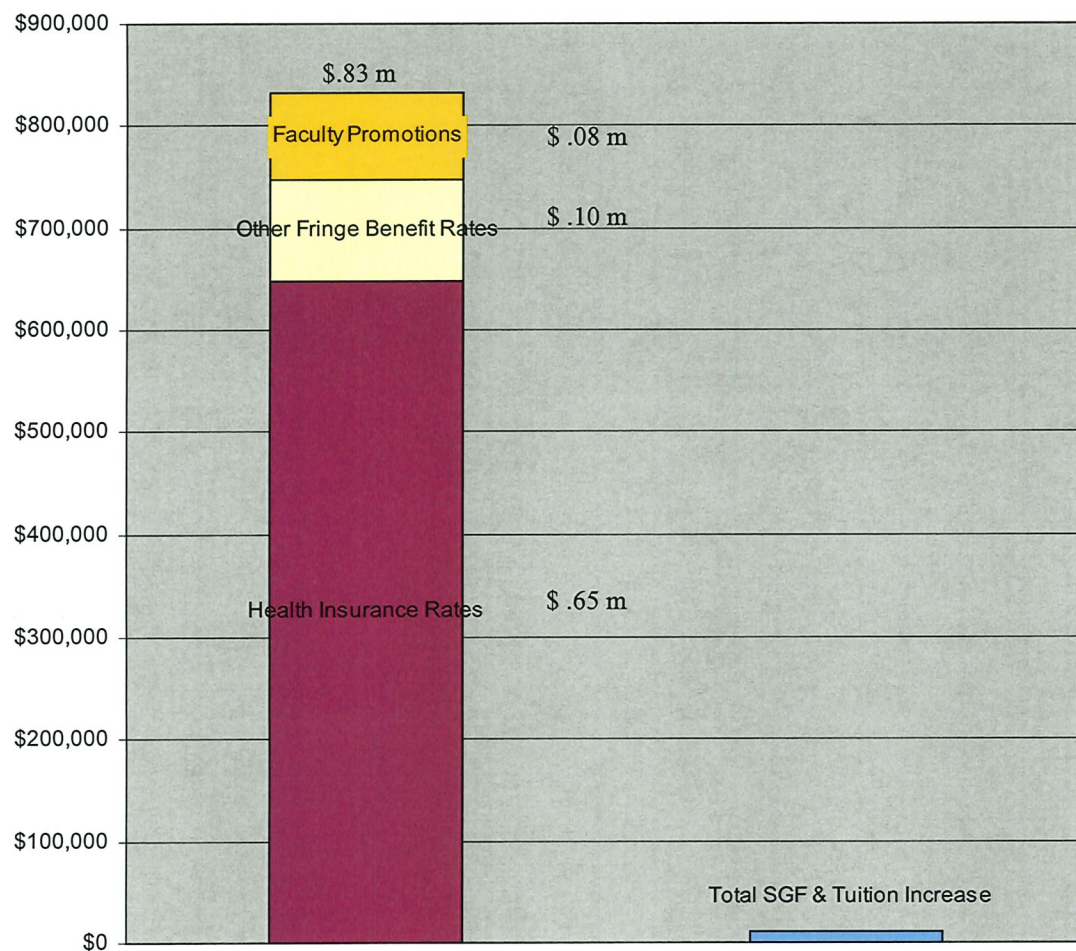


IMPACT OF BUDGET ACTIONS AT ESU FY 2009- FY 2011

- A. Faculty Positions not filled due to lack of funding (18 FTE)
- B. Faculty Positions being held vacant and covered with temporary instructors (24 FTE)
- C. Staff Positions not filled due to lack of funding (15 FTE)
- D. Reduced budgets for temporary and part-time instructors
- E. 14 GTA/GRA Positions Eliminated
 - Impact on Instruction**
 - Increased class size due to fewer sections offered (i.e. 20-25% increase in class size of Freshman Composition, Physical Sciences, Biological Sciences, Mathematics, Social Sciences and Art)
 - Many general education sections above original capacity. Students unable to get their classes or must enroll in required classes later in the semester
 - Certain elective courses offered less frequently (annually vs once per semester or biennially vs annually)
 - 41 courses or sections canceled
 - Increased reliance on part time faculty and faculty overloads
- F. Elimination of major administrative position through reorganization
- G. Reduced library resources such as databases, publications and operating hours
- H. Reduced departmental operating support for technology, equipment, supplies and travel
- I. Reduction of 27 student jobs on campus
- J. Restriction on ability to increase number of access support programs (per Performance Agreement)
- K. Potential reduction of 1st to 2nd year retention, due to increased class size and reduced course offerings (Performance Agreement issue)
- L. Selected transfer of state funded expenditures to restricted funds
- M. Reduction of campus-wide equipment allocation

ESU and Kansas

Mandatory Budgeting Factors FY 2012 (est)



ESU and Kansas

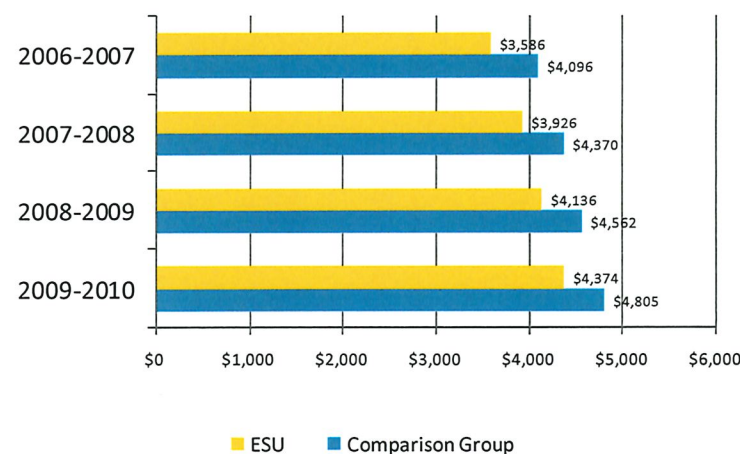
Kansas Commitment of the Kansas Board of Regents

- KAN PROTECT
 - 2.73% Increase to Base Budgets
- KAN HELP
 - Financial Aid for Kansas Students
- KAN BUILD
 - Continued Support for Deferred Maintenance



★ KANSAS BOARD OF REGENTS ★

Tuition/Fees ESU and Surrounding States



Source: IPEDS Data Feedback Report, 2010

ESU and Kansas

Issues of Deferred Maintenance

- ESU Wishes to Highlight the Regents Focus on Deferred Maintenance
- Legislative Support in 2007 Critical to Progress in Deferred Maintenance
 - Allowed ESU to address \$5.2 million in projects
 - Nonetheless, the program started as a \$8.9 million program for ESU
 - Total reduced by
 - Rescissions to state funds
 - Decreased Interest earnings on University funds
 - Assisted by \$2.8 million in ARRA funds
- The Need Continues to Grow
 - Recent report from Regents indicates Deferred Maintenance Deficit of \$903.9 million.
 - Of which \$57.1 million at ESU.
 - Request consideration of KAN-build request for \$15.75 million, the amount rescinded from years 3-4 of original plan.



New Roof HPER Building

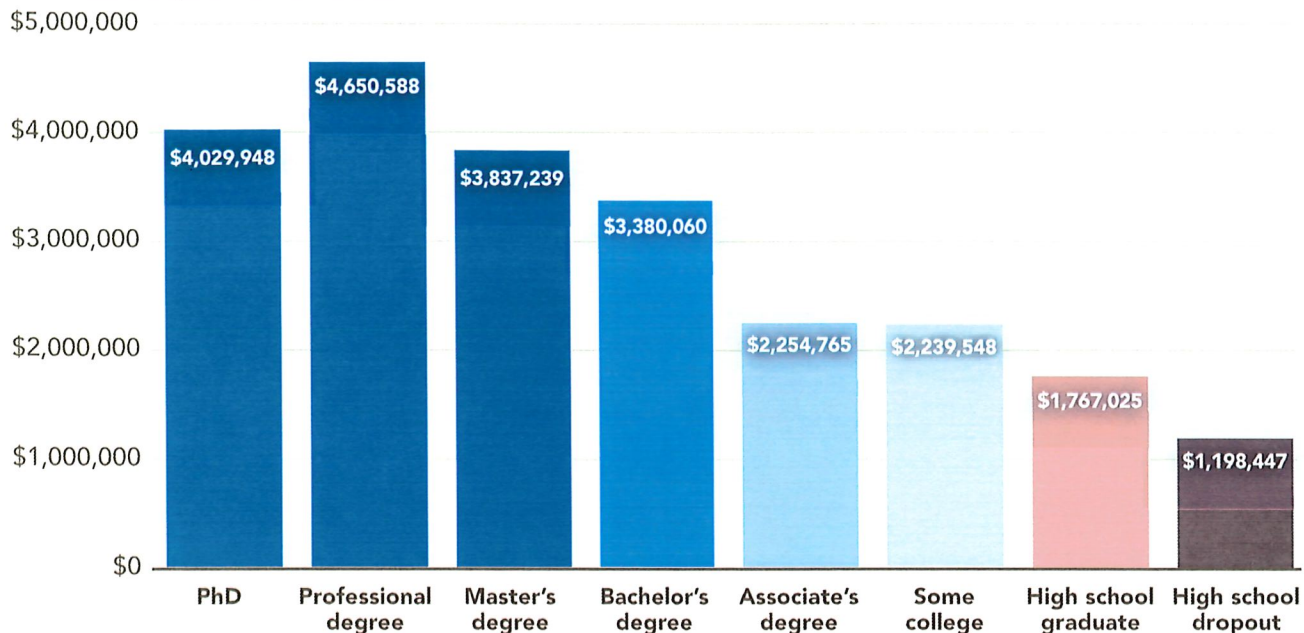


New HVAC and Electrical Equipment WAW Library

FIGURE V

Estimated average lifetime earnings by education level. (in current dollars)

Source: Authors' analysis of March CPS data, 2008



POSTSECONDARY EDUCATION GIVES LARGE ACCUMULATED EARNINGS OVER A LIFETIME.

The increased earning power conferred by postsecondary education and training is both tangible and lucrative over a worker's lifetime. Figure V shows just how lucrative, by calculating the *average* career value of educational attainment in 2008 dollars, given the current and projected labor market value of various levels of education.ⁱⁱⁱ

Among other things, the chart shows that:

- The range in lifetime earnings by educational attainment is greatest between high school dropouts and professional degrees—a range of \$1,198,000 to \$4,650,000, or a difference of \$3,452,000.
- A high school degree is worth about \$569,000 more than being a dropout.
- Having some college but no degree or a postsecondary certificate is worth about \$473,000 more than a high school degree.
- An Associate's degree is worth about \$15,000 more than some college but no degree.
- A Bachelor's degree is worth about \$1.1 million than an Associate's degree.
- A Master's degree is worth \$457,000 more than a Bachelor's degree.

- A Doctoral degree is worth about \$193,000 more than a Master's degree.
- A Professional degree is worth about \$621,000 more than a Doctoral degree.

POSTSECONDARY EDUCATION IS YOUR BEST UMBRELLA IN A RECESSION.

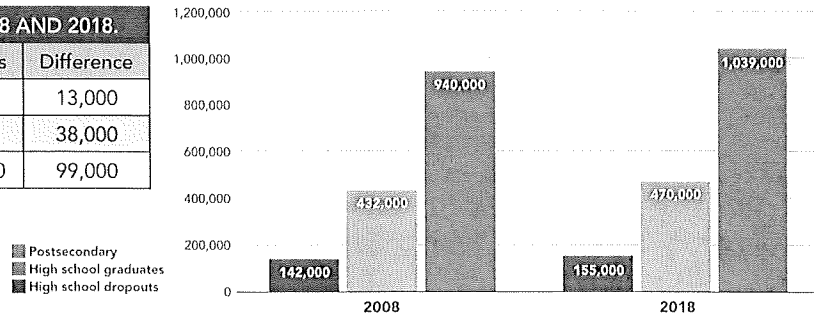
Postsecondary education carries with it one more important advantage in today's economy: protection. Workers with college degrees had the lowest unemployment rates over the past three years, thus receiving the best possible shelter from the Great Recession of 2007. They also have the best prospects for getting hired in the recovery. This means that high school dropouts and graduates without some level of postsecondary education or training are at increased risk of being left behind as the economy plods forward in the long march back to normalcy.

A college education does not make one immune, of course. In today's economy, where 59 percent of the people have at least some college, even some of the most highly educated among us have lost their jobs and many college graduates are scrambling for the reduced pool of jobs available to them. Unemployment rates at all education levels have been climbing and have reached 5 percent for workers with Bachelor's or graduate degrees.

KANSAS

CHANGE IN JOBS BY EDUCATION LEVEL: 2008 AND 2018.

Education level	2008 Jobs	2018 Jobs	Difference
High school dropouts	142,000	155,000	13,000
High school graduates	432,000	470,000	38,000
Postsecondary	940,000	1,039,000	99,000



WHERE THE JOBS WILL BE IN 2018, BY OCCUPATION AND EDUCATION LEVEL (in thousands of jobs)*

OCCUPATIONS		High school dropouts	High school graduates	Some college	Associate's degree	Bachelor's degree	Graduate degree	Total
Managerial and Professional Office	Management	3	17	22	8	34	15	99
	Business operations specialty	1	6	9	3	17	5	40
	Financial specialists	-	2	4	2	17	4	30
	Legal	0	1	1	0	1	6	9
STEM	Computer and mathematical science	0	3	7	3	18	6	37
	Architects and technicians	-	0	1	1	2	1	5
	Engineers and technicians	0	3	3	3	12	4	25
	Life and physical scientists	0	0	1	0	4	3	8
	Social scientists	-	-	0	0	2	3	5
Community Services and Arts	Community and social services	0	2	3	2	9	9	25
	Arts, design, entertainment, sports, and media	0	2	5	2	11	3	24
Education	Education	1	8	13	7	45	39	111
Healthcare	Healthcare practitioners	0	5	10	21	27	25	88
	Healthcare support	5	14	20	5	4	1	50
Food and Personal Services	Food preparation and serving	34	49	29	7	9	2	130
	Building and grounds cleaning and maintenance	18	24	12	3	3	1	60
	Personal care	4	17	16	5	6	1	48
	Protective services	0	6	12	5	7	2	33
Sales and Office Support	Sales	10	45	50	13	52	9	179
	Office and administrative support	10	82	88	29	41	6	256
Blue Collar	Farming, fishing and forestry	4	5	2	1	1	0	13
	Construction and extraction	16	39	18	5	5	1	83
	Installation, maintenance, and equipment repair	6	30	21	8	5	1	71
	Production	25	60	29	8	8	1	132
	Transportation and material moving	17	49	25	6	6	1	104
TOTAL**		155	470	402	145	345	147	1,664

*Zero does not necessarily mean no jobs. Since jobs are rounded to the nearest thousand, zero means less than 500 jobs.

**Total jobs are a snapshot of the economy that shows where jobs are located by education type. They differ from job vacancies because total jobs are filled by people currently working in these positions who may not be leaving in the short-term to create a job opening.



Office of the President

**Testimony to the
House Education Budget Committee**

By

Jerry B. Farley, President

February 14, 2011

Madam Chairperson, Members of the Committee,

Thank you for the opportunity to discuss how Washburn University has fared this past year. I believe we have been successful in managing our resources in difficult economic times. In fact, Washburn has experienced many successes this year, as I will now share with you.

Washburn continues to be ranked as a top public 4-year university in the U.S. News and World Report College Ranking Survey. While some may consider the rankings a bit arbitrary, almost all of the components upon which the rankings are based reflect very positively on Washburn University. We rank very highly in academic reputation, small class sizes, and the limited number of classes with over 50 students. We are quite proud this independent organization has such strong positive regard for Washburn.

This fall we experienced significant enrollment growth, the highest of all Kansas universities. Our overall enrollment increase was 8.7% compared to the Fall 2009 semester. Most significant was the 11.6% increase in first-time freshmen students. This is impressive in light of the overall declining rate of total high school graduates in Kansas. Our overall headcount of 7,230 students is the third highest number of students in our history.

Another successful initiative was the large increase in high school students enrolling in the concurrent enrollment program. This program is designed to provide college-bound students with the opportunity to take college general education courses while still in high school. This program is just one way Washburn University is providing high value education to our local community. And our graduates are successful upon graduation. In our most recent survey of graduates, 78% were successful in "reaching their next destination," to be employed or pursue graduate studies by the time of graduation.

The integration of the Washburn Institute of Technology is now complete. Together we have established new strategic plans and will be developing exciting new collaborations that meet the needs of businesses in Shawnee County and the greater Northeast Kansas region. Washburn is uniquely positioned to provide a seamless educational experience from high school vocational training through Master degrees. We are working with community partners to envision how we can better meet the workforce needs of the future.

House Education Budget Committee

Date: Feb. 14, 2011

Attachment #: 4

As I mentioned, Washburn University and the Washburn Institute of Technology completed their strategic plans this year. Washburn University's plan has five key themes, including:

- Provide superior academic programs,
- Recruit, retain and graduate a diverse student body,
- Enhance student life,
- Leverage intellectual and physical resources to strengthen services to the region, and
- Expand and diversify financial resources.

These strategic themes provide the template for the work to be accomplished as we approach our 150th anniversary in 2015. We look forward to these next years with enthusiasm. As we reflect on our successes, we acknowledge the interdependency of the university within the larger communities of Shawnee County and Kansas. Recently we were asked to consider the economic value of Washburn University within this greater community.

Washburn University has historically provided significant numbers of college-educated workforce in Shawnee County. 9,600 Washburn University alumni live in Shawnee County, as compared to 8,700 KU alumni and 6,800 KSU alumni (Workforce Assessment 2010, Greater Topeka Chamber). 47% of 7,230 headcount students originate from outside Shawnee County, while 54% are residents of Shawnee County. Washburn and Washburn Tech employ almost 900 persons. Using our total FY 2011 budget of over \$84 million, and an economic multiplier of 2 results in \$168 million of economic impact.

We contribute to the high quality of life we all enjoy. Over 120 home athletic events were held last year for football, basketball, volleyball, soccer, baseball, softball and tennis. We hosted four high school championship events and provided multiple venues and staffing for Sunflower State Games. Major cultural events include Sunflower Music Festival, Mountain-Plains Art Fair, Topeka Symphony Orchestra, and numerous art exhibits, musical, literature, and theatrical performances. Our community outreach programs serve pre-college students through activities such as QUEST, Math Day, History Day, Women of Science Day, and Mulvane Childrens' Art Programs.

Looking to our educational peers for comparison, Washburn University continues to demonstrate high educational value. Our tuition remains below the national levels and our cumulative percentage increase falls well below the other four-year state schools (with the exception of Fort Hays State University). The fall tuition was increased approximately three percent, which remained lower than increases approved in most of the other state universities and institutions in other states (see attached). Washburn's annual tuition totals approximately \$6,300 plus \$6,000 for room and board.

Looking at other metrics, however, Washburn has had mixed performance again this year. Faculty salary comparisons this year have fallen further behind salaries paid at comparable institutions. Over the past ten years we had made progress in reducing the deficit and improving our comparative position. Unfortunately for the past two years we have lost ground in that comparison. Attracting and retaining the best possible qualified faculty is the basis upon which our reputation and student success will be built in the future. We must be competitive.

The following chart reflects a summary of revenues and expenditures for the current and previous fiscal years.

	FY 10 Million \$	FY 11 Million \$
<u>Lost Revenue</u>		
State Appropriation	1.2	.25
Credit Hours	2.0	---
Interest Income	.6	.26
Sales Tax	---	.40
Other	<u>.4</u>	<u>---</u>
	4.2	.91
 <u>Increased Costs</u>		
Utilities/Heat/Health Insurance/Minimum Wage	1.0	.62
 <u>New Expenditures</u>		
Scholarships/All Other	<u>---</u>	<u>.69</u>
Total	5.2	2.22
 <u>Expenditure Reductions</u>		
Eliminate Positions (faculty/staff)	1.5	.35
Early Retirements	.5	.34
Employee Benefits	.7	.09
Operating Expenses	1.2	---
 <u>New Resources</u>		
Tuition Increase	.7	1.69
Other Revenue Net	---	.06
Stimulus	<u>.6</u>	<u>(.31)</u>
Total	5.2	2.22

As you can see, over the past two years we lost almost \$1.5 million in state funds, almost \$900,000 in interest income, and \$400,000 in sales tax revenue. We incurred \$1.6 million of mandatory cost increases. Total lost revenues and cost increases are \$7.4 million.

We responded by eliminating positions, and offering an early retirement incentive program thus saving \$3.4 million. Tuition increases of 2 percent and 3 percent added \$2.4 million to essentially balance the budget. Also note that we used \$600,000 ARRA (stimulus) funds in FY 09 and \$300,000 in FY 10.

Fewer faculty members resulted in less class sections, some class size increases, and a number of qualified students could not be admitted to programs in Nursing, Allied Health and Health Sciences. Our decisions reflect our desire to minimize impact on students.

We have begun our budget planning for FY 2012 using a rigorous set of assumptions. We have assumed cost to continue increases of almost \$560,000 for utilities and health insurance. We will lose another \$50,000 interest income and we must replace the \$300,000 balance of the federal stimulus funding. Thus we must reduce expenditures or increase revenues by over \$1.0 million. This is addition to the \$7.4 million reduced over the past two years and assumes sales taxes remain flat and that no further state fund reductions to higher education occur.

We have had to do more, with less; and we have. Now we are asking you to support the Governor's budget recommendations for higher education.

During these difficult times, people on campus continue to commit themselves to providing the best quality education we can provide for our students. We must realize that each time budgets are further reduced, our ability to deliver a quality education is impaired. We certainly need your help in maintaining and restoring adequate funding for our educational efforts.

Thank you.

4-5

Table 1
Washburn University
Comparison of Resident Undergraduate Tuition and Fees
With Public Four-Year Institutions
2000-01 through 2010-11

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	Change		
												1-Year	4-Year	10-Year
Washburn University	\$3,266	\$3,356	\$3,656	\$4,112	\$4,562	\$4,982	\$5,312	\$5,636	\$5,996	\$6,116	\$6,296	\$180	\$984	\$3,030
Index	100.0	102.8	111.9	125.9	139.7	152.5	162.6	172.6	183.6	187.3	192.8	2.9%	18.5%	92.8%
CPI - Consumer Price Index	100.0	101.8	104.0	106.3	109.5	113.6	116.6	120.9	122.6	123.8	125.0	1.0%	7.2%	25.0%
HEPI - Higher Education Price Index	100.0	101.9	107.1	111.0	115.4	121.3	124.7	130.9	133.8	135.0	136.4	1.0%	9.3%	36.4%
<u>National and Regional</u>														
National ^[3]	\$3,508	\$3,766	\$4,098	\$4,645	\$5,126	\$5,492	\$5,804	\$6,191	\$6,591	\$7,050	\$7,605	\$555	\$1,801	\$4,097
Index	100.0	107.4	116.8	132.4	146.1	156.6	165.5	176.5	187.9	201.0	216.8	7.9%	31.0%	116.8%
Midwest ^[4]	\$3,992	\$4,217	\$4,887	\$5,445	\$6,085	\$6,555	\$7,075	\$7,374	\$7,785	\$8,096	\$8,461	\$365	\$1,386	\$4,469
Index	100.0	105.6	122.4	136.4	152.4	164.2	177.2	184.7	195.0	202.8	211.9	4.5%	19.6%	111.9%
Southwest ^[5]	\$2,925	\$3,210	\$3,402	\$3,925	\$4,569	\$5,005	\$5,462	\$5,969	\$6,421	\$6,768	\$7,105	\$337	\$1,643	\$4,180
Index	100.0	109.7	116.3	134.2	156.2	171.1	186.7	204.1	219.5	231.4	242.9	5.0%	30.1%	142.9%
<u>Kansas Board of Regents</u>														
University of Kansas	\$2,725	\$2,884	\$3,484	\$4,101	\$4,737	\$5,413	\$6,153	\$6,600	\$7,042	\$7,414	\$8,025	\$611	\$1,872	\$5,300
Index	100.0	105.8	127.8	150.5	173.8	198.6	225.8	242.2	258.4	272.1	294.5	8.2%	30.4%	194.5%
Kansas State University	\$2,781	\$2,835	\$3,444	\$4,060	\$4,665	\$5,124	\$5,779	\$6,235	\$6,627	\$6,870	\$7,376	\$507	\$1,597	\$4,596
Index	100.0	102.0	123.8	146.0	167.8	184.3	207.8	224.2	238.3	247.1	265.3	7.4%	27.6%	165.3%
Wichita State University	\$2,758	\$2,857	\$3,055	\$3,507	\$3,909	\$4,231	\$4,516	\$4,804	\$5,085	\$5,467	\$5,890	\$423	\$1,374	\$3,132
Index	100.0	103.6	110.8	127.1	141.7	153.4	163.7	174.2	184.4	198.2	213.6	7.7%	30.4%	113.6%
Emporia State University	\$2,218	\$2,284	\$2,454	\$2,776	\$3,036	\$3,306	\$3,586	\$3,926	\$4,136	\$4,374	\$4,636	\$262	\$1,050	\$2,418
Index	100.0	103.0	110.6	125.2	136.9	149.1	161.7	177.0	186.5	197.2	209.0	6.0%	29.3%	109.0%
Pittsburg State University	\$2,260	\$2,338	\$2,534	\$2,962	\$3,294	\$3,562	\$3,790	\$4,060	\$4,322	\$4,592	\$4,848	\$256	\$1,058	\$2,588
Index	100.0	103.5	112.1	131.1	145.8	157.6	167.7	179.6	191.2	203.2	214.5	5.6%	27.9%	114.5%
Fort Hays State University	\$2,178	\$2,217	\$2,328	\$2,540	\$2,901	\$3,053	\$3,192	\$3,356	\$3,540	\$3,762	\$3,942	\$180	\$750	\$1,764
Index	100.0	101.8	106.9	116.6	133.2	140.2	146.6	154.1	162.5	172.7	181.0	4.8%	23.5%	81.0%

Notes:

[1] Tuition is based on 30 credit hours.

[2] Index values are calculated using 2000-01 as the base year.

[3] College Board updates the average price from the previous year to account for corrected data and to assure the same set of schools are used for comparative purposes.

[4] Midwest states include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, West Virginia, and Wisconsin.

[5] Southwest states include Arkansas, New Mexico, Oklahoma, and Texas.

Sources: CPI: Bureau of Labor Statistics, U.S. Department of Labor; HEPI: Commonfund Institute, *HEPI 2010 Update*; Kansas tuition and fees: Kansas Board of Regents; national and regional tuition and fees: The College Board, *Trends in College Pricing 2010*.

4-6

Table 2 Comparison of Resident Undergraduate Tuition per Credit Hour With Specific Programs at KU and KSU 2010-11					
Institution	Credit Hour Base Tuition	Credit Hour Surcharge	Total Credit Hour Tuition	Difference from Washburn Program	
				\$	%
Washburn					
Arts & Sciences	\$207.00	\$0.00	\$207.00		
Business	\$207.00	\$45.00	\$252.00		
Nursing	\$207.00	\$25.00	\$232.00		
KU (Standard Tuition)					
Arts & Sciences	\$238.90	\$0.00	\$238.90	\$31.90	15.4%
Education	\$238.90	\$20.45	\$259.35	\$52.35	25.3%
Fine Arts	\$238.90	\$20.45	\$259.35	\$52.35	25.3%
Music	\$238.90	\$20.45	\$259.35	\$52.35	25.3%
Business	\$238.90	\$102.40	\$341.30	\$89.30	35.4%
Nursing	\$238.90	\$0.00	\$238.90	\$6.90	3.0%
KSU					
Arts & Sciences	\$222.40	\$0	\$222.40	\$15.40	7.4%
Business	\$222.40	\$20.00	\$242.40	-\$9.60	-3.8%

4-7

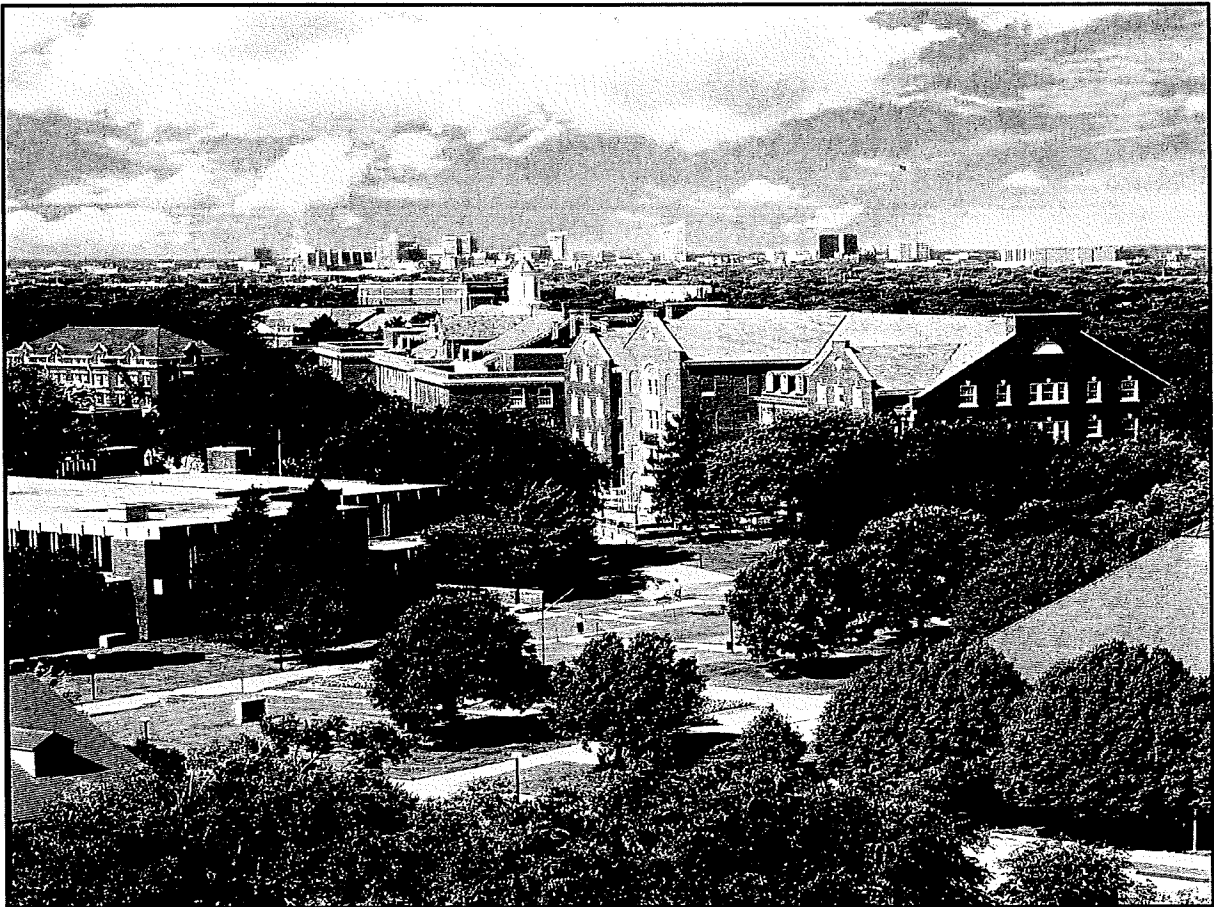
Table 3
Washburn University
Resident Undergraduate Tuition as a Percentage of Tuition and Fees
Compared with Kansas Board of Regents Institutions
2000-01 through 2010-11

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	10-Year Change	
												\$	%
Washburn University													
Tuition	\$3,210	\$3,300	\$3,600	\$4,050	\$4,500	\$4,920	\$5,250	\$5,550	\$5,910	\$6,030	\$6,210	\$3,000	93.5%
Fees	\$56	\$56	\$56	\$62	\$62	\$62	\$62	\$86	\$86	\$86	\$86	\$30	53.6%
Total Tuition & Fees	\$3,266	\$3,356	\$3,656	\$4,112	\$4,562	\$4,982	\$5,312	\$5,636	\$5,996	\$6,116	\$6,296	\$3,030	92.8%
Tuition as a % of Tuition & Fees	98.3%	98.3%	98.5%	98.5%	98.6%	98.8%	98.8%	98.5%	98.6%	98.6%	98.6%		
<u>Kansas Board of Regents</u>													
University of Kansas													
Tuition	\$2,266	\$2,332	\$2,921	\$3,527	\$4,163	\$4,824	\$5,513	\$5,844	\$6,195	\$6,567	\$7,167	\$4,901	216.3%
Fees	\$459	\$552	\$563	\$574	\$574	\$589	\$640	\$756	\$847	\$847	\$858	\$399	87.1%
Total Tuition & Fees	\$2,725	\$2,884	\$3,484	\$4,101	\$4,737	\$5,413	\$6,153	\$6,600	\$7,042	\$7,414	\$8,025	\$5,300	194.5%
Tuition as a % of Tuition & Fees	83.2%	80.9%	83.8%	86.0%	87.9%	89.1%	89.6%	88.6%	88.0%	88.6%	89.3%		
Kansas State University													
Tuition	\$2,266	\$2,332	\$2,918	\$3,510	\$4,110	\$4,560	\$5,175	\$5,625	\$5,954	\$6,186	\$6,672	\$4,406	194.4%
Fees	\$515	\$503	\$526	\$550	\$555	\$564	\$604	\$610	\$673	\$684	\$704	\$190	36.8%
Total Tuition & Fees	\$2,781	\$2,835	\$3,444	\$4,060	\$4,665	\$5,124	\$5,779	\$6,235	\$6,627	\$6,870	\$7,376	\$4,596	165.3%
Tuition as a % of Tuition & Fees	81.5%	82.3%	84.7%	86.5%	88.1%	89.0%	89.5%	90.2%	89.8%	90.1%	90.5%		
Wichita State University													
Tuition	\$2,150	\$2,212	\$2,412	\$2,867	\$3,150	\$3,434	\$3,674	\$3,912	\$4,145	\$4,497	\$4,722	\$2,572	119.6%
Fees	\$608	\$645	\$643	\$640	\$759	\$798	\$843	\$892	\$940	\$970	\$1,168	\$560	92.1%
Total Tuition & Fees	\$2,758	\$2,857	\$3,055	\$3,507	\$3,909	\$4,231	\$4,516	\$4,804	\$5,085	\$5,467	\$5,890	\$3,132	113.6%
Tuition as a % of Tuition & Fees	78.0%	77.4%	79.0%	81.7%	80.6%	81.2%	81.3%	81.4%	81.5%	82.3%	80.2%		
Emporia State University													
Tuition	\$1,692	\$1,740	\$1,896	\$2,200	\$2,410	\$2,638	\$2,862	\$3,140	\$3,294	\$3,426	\$3,614	\$1,922	113.6%
Fees	\$526	\$544	\$558	\$576	\$626	\$668	\$724	\$786	\$842	\$948	\$1,022	\$496	94.3%
Total Tuition & Fees	\$2,218	\$2,284	\$2,454	\$2,776	\$3,036	\$3,306	\$3,586	\$3,926	\$4,136	\$4,374	\$4,636	\$2,418	109.0%
Tuition as a % of Tuition & Fees	76.3%	76.2%	77.3%	79.3%	79.4%	79.8%	79.8%	80.0%	79.6%	78.3%	78.0%		
Pittsburg State University													
Tuition	\$1,692	\$1,740	\$1,940	\$2,350	\$2,632	\$2,850	\$3,036	\$3,234	\$3,420	\$3,652	\$3,868	\$2,176	128.6%
Fees	\$568	\$598	\$594	\$612	\$662	\$712	\$754	\$826	\$902	\$940	\$980	\$412	72.5%
Total Tuition & Fees	\$2,260	\$2,338	\$2,534	\$2,962	\$3,294	\$3,562	\$3,790	\$4,060	\$4,322	\$4,592	\$4,848	\$2,588	114.5%
Tuition as a % of Tuition & Fees	74.9%	74.4%	76.6%	79.3%	79.9%	80.0%	80.1%	79.7%	79.1%	79.5%	79.8%		
Fort Hays State University													
Tuition	\$1,692	\$1,740	\$1,850	\$2,033	\$2,214	\$2,358	\$2,475	\$2,598	\$2,741	\$2,946	\$3,035	\$1,343	79.3%
Fees	\$486	\$477	\$478	\$507	\$687	\$695	\$717	\$758	\$800	\$816	\$908	\$422	86.7%
Total Tuition & Fees	\$2,178	\$2,217	\$2,328	\$2,540	\$2,901	\$3,053	\$3,192	\$3,356	\$3,540	\$3,762	\$3,942	\$1,764	81.0%
Tuition as a % of Tuition & Fees	77.7%	78.5%	79.5%	80.0%	76.3%	77.2%	77.5%	77.4%	77.4%	78.3%	77.0%		

Note: Tuition is based on 30 credit hours.
Source: Kansas Board of Regents

**Wichita State University
FY 2011 and FY 2012**

**Budget Overview, Budget Terms and Definitions
February 1, 2011**



Prepared by: Wichita State University Office of Administration and Finance

House Education Budget Committee

Date: Feb. 14, 2011

Attachment #: 5

**Wichita State University
FY 2011 and FY 2012 Budget Overview,
Budget Terms, and Definitions**

February 1, 2011

Index

<u>Fiscal Year 2011 Overview</u>	Page
---	-------------

- **Current Issues at WSU**
 - **Nursing Program-Nursing Grants from Board of Regents 1**
 - **Accelerated Nursing Program 6**
 - **Dental Residency Program 7**
 - **Cooperative Education and Work-Based Learning Program 11**
 - **College of Engineering Initiatives 12**
 - **Deferred Maintenance 15**
- **Fiscal Year 2011 Budget Overview..... 16**
- **Graph of WSU Fiscal Year 2011 Operating Budget by Funding Source 18**
- **Graph Comparing Historical SGF Appropriations vs. General Fees Revenue..... 19**
- **Status of Research Activities**
 - **General Research Activity 20**
 - **National Institute for Aviation Research..... 21**
 - **National Center for Aviation Training 23**
 - **Center of Innovation for Biomaterials in Orthopedic Research (CIBOR)..... 24**

Fiscal Year 2012 Budget Overview

- **Comparison of Annual Changes in State General Fund Expenditures with Changes
in the Higher Education and Consumer Price Indexes 25**

Budget Terms and Definitions

- **General Use Funds 27**
- **Restricted Use Funds 28**
- **Operating Grant Budget Model..... 29**
- **Expenditures 29**
- **Shrinkage..... 30**

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview-Current Issues Nursing Grants from the Kansas Board of Regents

Kansas Board of Regents (KBOR) Initiative to Address the State of Kansas Nursing Shortage

In May of 2006, the Kansas Legislature approved and the Governor signed into law the first year of a ten-year Board of Regents' initiative to address the critical nursing shortage in the State of Kansas. The Board's ten year initiative is a three-part \$30 million total cost: \$22 million from State appropriations and \$8 million through matching funds from the participating institutions.

The grants were separated into two major areas of emphasis in Fiscal Year 2011 for which eligible institutions could apply. The areas of emphasis were:

1. Nursing Faculty and Supplies Grant for FY 2011
2. Nurse Educator Service Scholarships.

Each of the grants requires matching funds from the applying institution or other sources. As a result of this investment by the Governor and Legislature, public nursing programs and their students will benefit from additional faculty and supplies, and the capacities of nursing programs will increase.

Wichita State University's Nursing Grant

The following table outlines the FY 2011 nursing grants from the Kansas Board of Regents along with the amount of required matching funds.

<u>Grant</u>	<u>KBOR Fund</u>	<u>WSU Required Match</u>
Nursing Faculty and Supplies	\$240,422	\$240,422
Nursing Educator Service Scholarships	\$49,257	\$24,629

Matching funds for the Nursing Faculty and Supplies grant have come from internal reallocation within the institution. Matching funds for the Nursing Educator Scholarships come from Sedgwick County Mill Levy Funds.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview-Current Issues Nursing Grants from the Kansas Board of Regents

Nursing Faculty and Supplies—Increasing the Class Size for the Undergraduate Program in Nursing

In the fall of 2005, Wichita State University made plans to reallocate \$312,000 in ongoing base funding to assist the School of Nursing to increase each class of baccalaureate students from 40 to 60 students (a 50% increase) and initiate an "Early Admission Option" for students taking at least 48 of their prerequisite credit hours at WSU while maintaining a grade point average of at least 3.0 and meeting all other admission requirements. Plans were made to phase in the funding during Fiscal Years 2006, 2007 and 2008. Phase-in of these funds was completed in FY 2008. A class of 60 students has been admitted each fall and spring semester from spring, 2006 through fall, 2010. Without this commitment of funds to the School of Nursing, each of these classes and each subsequent class would have been capped at 40 students.

The matching funds from the Kansas Board of Regents are used to assist the School of Nursing in achieving the 50% increase in capacity of the basic baccalaureate nursing program. Specifically, the funding is used to hire additional faculty and provide the related support costs.

Program Enrollment

Sixty students were admitted for the 2010 fall semester with 70 qualified applicants on a waiting list. The enrollment numbers are:

• Spring Semester 2006	204 Students Enrolled
• Fall Semester 2006	219 Students Enrolled
• Spring Semester 2007	228 Students Enrolled
• Fall Semester 2007	239 Students Enrolled
• Spring Semester 2008	237 Students Enrolled
• Fall Semester 2008	235 Students Enrolled
• Spring Semester 2009	239 Students Enrolled
• Fall Semester 2009	234 Students Enrolled
• Spring Semester 2010	262 Students Enrolled
• Fall Semester 2010	268 Students Enrolled

The WSU School of Nursing now admits 120 students per year, a 50% increase over the base.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview-Current Issues Nursing Grants from the Kansas Board of Regents

Nurse Educator Scholarships--Background on Master's and Doctor of Nursing Practice (DNP) Nursing Programs at Wichita State University

Master's Program

The WSU Master's Program in Nursing began in 1977. The program was first accredited by the National League of Nursing in 1981 with continuing accreditation by them until it was accredited in 2003 for ten years by the Commission on Collegiate Nursing Education. A Master of Science in Nursing (MSN) is awarded upon program completion. Students are admitted throughout the year and may begin course work during any semester.

The Master's program prepares advanced nurses who function as clinical nurse specialists, nurse practitioners, administrators and educators. The clinical options offered are:

- Acute Care Nurse Practitioner
- Family Nurse Practitioner
- Pediatric Nurse Practitioner
- Psychiatric/Mental Health Nurse Practitioner
- Adult Health and Illness Clinical Nurse Specialist
- Nursing and Health Care Systems Administration

A Nurse Midwifery Option is offered in collaboration with the University of Kansas Nursing School, and the Family Nurse Practitioner option is offered in collaboration with the Kansas Primary Care Nursing Practitioner Program Partners (University of Kansas, Pittsburg State University and Fort Hays State University).

Forty-nine credit hours are required for graduation. Most students enroll as part time students for at least part of their program of study. WSU's Graduate School considers nine semester hours of course work to be a full time load.

Doctor of Nursing Practice Program

The DNP Program first admitted students in spring 2008 and these students are eligible for the KBOR scholarships. Currently there are 8 students enrolled in the DNP Program. The program is a practice rather than a research doctorate. There are two points of entry to the program: a post Master's option that requires 29 credit hours beyond the Master's nursing degree for graduation and a post-baccalaureate option that requires 74 credit hours for graduation. Post -Baccalaureate students select one of the clinical options offered in the Master's Program and have 25 additional hours of advanced course work. The DNP program prepares nurses at the highest level of nursing practice and graduates are prepared for roles in advanced practice, management and education.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview-Current Issues Nursing Grants from the Kansas Board of Regents

The MSN and DNP Programs include an elective sequence of courses in nursing education. Students intending to pursue nursing education employment are encouraged to take these courses. The three-course sequence is meant to prepare graduates for roles as nurse educators in three settings:

1. Higher education institutions or community colleges,
2. Continuing education and in-service programming, and
3. Patient education.

At the present time, few students take the education courses as they are electives and add to tuition costs and program length. **Students who receive the Nurse Educator Scholarship from the Kansas Board of Regents are required to take at least nine credit hours in the education sequence.** The tuition for these courses is included in the program cost, and 70% of this tuition will be covered by the scholarship.

Program Enrollment

Wichita State University's enrollment in the Master of Science in Nursing and DNP Programs is as follows:

Fall 2004	139 Students
Fall 2005	127 Students
Fall 2006	139 Students
Fall 2007	130 Students
Fall 2008*	118 Students
Fall 2009	127 Students
Fall 2010	129 Students

*First year for both Master's and DNP students.

The Masters Program had 36 graduates in Academic Year 2004-2005, 40 graduates in 2005-2006, 36 graduates in year 2006-2007, 30 graduates in 2007-2008, 41 graduates in 2008-2009, and 45 graduates in 2009-2010. As with the School of Nursing's undergraduate students, the overwhelming majority of students are Kansas residents with the majority of them being employed as registered nurses while going through the Program. Most students remain in Kansas for employment after graduation and a number are employed full or part time in nursing education. The WSU School of Nursing hires from four to six students in the graduate program as graduate teaching assistants or lecturers each semester. Other local schools of nursing hire them to assist with clinical teaching in their programs.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview-Current Issues Nursing Grants from the Kansas Board of Regents

Updates on FY 2010 KBOR Nursing Initiative Grants

These summaries are based on the Annual Reports submitted to KBOR in July 2010. There were two grants in FY 2010.

Nursing Faculty and Supplies Grant (continuation and supplemental): There was a total of \$248,387 funding from KBOR. WSU matching funds were \$289,169.

The primary outcome of the funding has been a 50% increase in the number of baccalaureate nursing students admitted each semester, 60 students each semester rather than the 40 per semester admitted prior to the grants. One full-time and ten part-time faculty were supported with KBOR funds. Funds for supplies were used for Clinical Learning Laboratory supplies, e.g. gloves, IV fluids, syringes, etc., copying of student materials, local mileage for community clinical supervision and NCLEX review materials for students. All funds were expended.

Kansas Nurse Educator Scholarships: \$57,580 KBOR Grant and \$28,790 WSU Matching Funds.

Four Master's nursing students were awarded total or partial scholarships. All funds were awarded as Scholarships during the year or committed to students for awards in future years. WSU encumbered both KBOR and matching funds for the entire period of each student's educational program. (Four students were given renewal awards from FY 2009 KBOR Grant funds.) All KBOR FY 2007 and 2008 dollars have been awarded.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Accelerated Nursing Program

In its continuing efforts to meet both student and work-force demands, Wichita State University approved in 2008 a self-funded, accelerated baccalaureate nursing program in the College of Health Professions. The accelerated program, a 15-month, full-time program, is capped at 30 students per year. The first class of 18 students began classes in May of 2008, and a second cohort of 15 students was admitted in May, 2009. In May, 2010 a third cohort of 30 students was admitted. Only one group of students per year will be admitted to the program. The cost of the program is \$20,000 per student for in-state students and \$35,000 for out of state students, about double the regular tuition and fees. Revenues from tuition fund program expenditures, including two full-time faculty, part-time and half-time clinical instructors, support staff, and educational supplies. Most classes are offered at the WSU South Campus in Derby due to crowded classrooms in Ahlberg Hall.

The accelerated curriculum is the same as the traditional baccalaureate program but classes are offered during the summer and in intersession periods on an atypical course schedule. This not only speeds up the time in the program but also permits easier placement for clinical experiences where there are already many nursing students using a health care facility. In the traditional program, the 60 students admitted for fall graduate after 22 months. The 60 admitted for spring graduate after 24 months. Students in the accelerated program will graduate in 15 months. The first two groups of students completed the program at the end of the 2009 and 2010 summer sessions, and the third group will complete at the end of the 2011 summer session.

The impetus for the program continues to be the shortage of nurses locally and nationally, and the fact that, in spite of recent expansions in WSU's baccalaureate nursing program, the nursing program continues to have substantial waiting lists of well qualified applicants. At the time the program began, Larry Schumacher, president and CEO of Via Christi Wichita Health Network, stated that "Despite all the technological advances that have been made in the health-care industry, at the end of the day we still need skilled, compassionate nurses to provide that care. WSU has been a tremendous partner in helping ensure that we continue to have the well-qualified work force we need today and in the future."

Although several other universities and colleges in Kansas have traditional nursing programs, there is only one other accelerated option for potential nursing students. The other program is at a small private institution in the Kansas City area. WSU is marketing the program throughout the State of Kansas.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Dental Residency Program

In August 2009, Wichita State University (WSU) opened its Advanced Education in General Dentistry (AEGD) program with seven residents at the GraceMed Health Clinic in Wichita, Kansas. All seven of these residents completed their residency at the end of July, 2010. The second cohort of four residents was accepted in the fall of 2010.

Project Summary

Access to oral health care for many Kansans remains an unmet need. According to the Kansas Department of Health and Environment, Office of Local and Rural Health, the majority of Kansas Counties (80 of 105), as well as the cities of Topeka and Wichita, are designated dental “Health Professions Shortage Areas” by the federal government. The burden of oral disease is known to restrict activities in school, work and home, and often significantly diminishes the quality of life by causing poor diet and nutrition, sleep disturbances, depression and impaired social interactions.

The Advanced Education in General Dentistry Residency Program was created in order to increase access to oral health care and increase the oral health care workforce for the State of Kansas. The Kansas Legislature earmarked \$415,000 for each of three years (ending in 2009) to help finance the startup of the program. Four nonprofit organizations have also committed a total of \$800,000 to the program over the period of 2007 - 2011: Delta Dental of Kansas Foundation, United Methodist Health Ministry Foundation, The Sunflower Foundation and Children’s Miracle Network. The Children’s Miracle Network commitment of \$50,000 is to be used specifically for children’s services.

An AEGD residency program provides advanced clinical instruction to graduate dentists seeking to broaden and refine their skills. Many recent dental graduates are attracted to these programs as a way of rapidly accelerating their professional development. AEGD residencies operate successfully throughout the United States in dental schools, community health centers, hospitals and in dental hygiene programs. Models exist to configure the AEGD residency program to focus on community oriented dentistry and to expose graduates to underserved communities.

Organization Description

The AEGD program is a postgraduate residency program that is part of the WSU College of Health Professions. It was created to address access needs and workforce needs in oral health. A full-time director, an academic dentist, who is responsible for academic, clinical and professional issues, heads the program. A part-time director of operations and budgets supports the director. Both report to the CHP dean. The program employs fourteen clinical supervisors, and uses didactic instructors from both WSU and the dental community. There is also a program advisory board comprised of community members and an educational advisory board comprised of program faculty. The AEGD is a self-supporting program and draws no operating budget from WSU General Use funds.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Dental Residency Program

Project Need

The majority of Kansas counties (80), along with the cities of Topeka and Wichita, are designated as “Health Professions Shortage Areas” for dentistry by the federal government’s Health Resources and Services Administration (HRSA). According to HRSA’s Health Work Force Profile (1991-1998), the number of dentists in Kansas declined while the State’s population increased. At the end of the decade, the State’s dentist-to-population ratio, an important measure of access, had declined by 13%. Kansas trails both the regional and national workforce averages with just over 1,000 professionally active dentists for the entire State of Kansas.

This trend is accelerating as the dental workforce is aging and fewer dentists are entering the profession in Kansas. In 2003, 37% of Kansas dentists were over 55 years old with 17% of all dentists aged 65 years or more. However, only 11% of Kansas dentists were under 35 years old. The State of Kansas faces the situation where hundreds of dentists are approaching retirement and there is no mechanism to replace them.

The Kansas Health Institute has developed a series of work force projections that examine dentist-to-population ratios for the next 40 years. Work force planners typically target a ratio of one dentist per every 2,000 persons. The results of the Kansas work force study (Table 1) shows already unfavorable dentist-to-population ratios in Kansas that grows progressively worse in the years ahead. The last column on the right, which shows the ratio of Full-Time Equivalent (FTE) dentists to population, indicates a serious problem, the magnitude of which is disturbing. In 2002, Kansas was at one FTE dentist for every 2,660 persons (about 33% short of national targets).

Table 1

Year	Practicing Dentists	FTE Dentists	FTE Dentists per 100,000	Population to FTE Ratio
2002	1,191	1,018	37.6	2,660
2005	1,188	1,017	36.8	2,717
2010	1,226	1,044	36.7	2,725
2015	1,253	1,061	36.1	2,770
2020	1,233	1,039	34.4	2,907
2025	1,198	1,013	32.6	3,067
2035	1,169	996	30.5	3,279
2045	1,178	1,005	29.4	3,401

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Dental Residency Program

Leadership and Partners

This project is a collaboration of several institutions as follows:

- Wichita State University's College of Health Professions serves as the academic home for the AEGD, and is responsible for the educational component of the project, including providing the program director and faculty as well as insuring ongoing academic integrity and compliance with accreditation for the AEGD program from the Commission on Dental Accreditation of the American Dental Association.
- Via Christi Regional Medical Center serves as the hospital base for the project. It is a requirement for graduate medical education fund eligibility that these monies pass through an administering hospital.
- GraceMed and the Wichita Veterans Affairs Medical Center (VAMC) provide the initial clinical sites for direct patient care. Currently, affiliations are being explored with the Sedgwick County Health Department and Healthy Options for Kansans; other sites will be developed as the program develops.
- A capital campaign has been conducted to establish a new educational and clinical training facility near the WSU Metropolitan Complex at 29th Street and Oliver. Once completed (anticipated fall of 2011), the AEGD will move its main operations to this new facility. GraceMed, the Wichita Veterans Affairs Medical Center, and other program sites will be maintained as satellite clinical and clinical education facilities to insure maximum breadth of exposure and education for the residency program.

Program Objectives and Outcomes

Objective 1: Increasing Access to Oral Health Care.

Outcome 1: Increasing access to oral health care for the State of Kansas, aims to provide 1,200-1,500 visits annually to uninsured or underinsured Kansans. Success on this outcome will be measured by record review of the AEGD program at GraceMed. The reviews will continue on a regular review cycle determined by the program director.

Objective 2: Building Oral Health Care Capacity.

Outcome 2: Building Oral Health Care workforce capacity for the State of Kansas, aims to increase the number of licensed dentists in the State. Success on this outcome will be measured by the State Board of Dentistry records. The first review will occur in 2011 and will continue on a regular review cycle determined by the program director.

Objective 3: Insuring Quality Care through the AEGD Program.

Outcome 3: The AEGD program secured initial accreditation from the Commission on Dental Accreditation of the American Dental Association; a one year initial period is standard for new programs. A site visit in June, 2010 resulted in a multi-year approval.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Dental Residency Program

Program Update

The program opened in late August, 2009 at GraceMed with seven residents who completed their residency in late July, 2010. The second cohort of four residents started in September, 2010. The number was kept to four to allow for the work necessary to transition to the new building and to plan for the larger cohort anticipated in fall of 2011. The original design had been for four, but the director believed increasing the number of residents would, in the initial year, better meet the goals of the program.

Soon after opening, a rotation with the VAMC was added to broaden the patient population seen by the residents. Negotiations continue with the Sedgwick County Health department to increase the number of children seen by the residents.

The program's new clinical site is under construction at the WSU Hughes Metropolitan Complex. A capital campaign established this new clinical and clinical education facility and met the \$6.6 million goal. Once the building is completed in the late summer of 2011, the AEGD will move its main operations to this new facility while maintaining its affiliated clinical and clinical education facilities.

Didactic partnerships are being discussed with the AT Still University-Arizona Dental School, United States Air Force Dental Corps, and University of Missouri in Kansas City among others. There have also been initial discussions about establishing other residencies, particularly pediatrics, as well as cooperation with both the dental assisting program of Wichita Area Technical College and the dental hygiene program of Wichita State University.

The program director, operations director (who is also the CHP associate dean), and dean, meet frequently with community groups and local dentists to discuss program development, recruit faculty, and seek opportunities for partnerships. The AEGD Consortium dissolved itself in favor of the advisory boards described above. The program provides quarterly status and financial reports to Oral Health Kansas. Dr. Woods, the program director, is a part of Oral Health Kansas Dental Champions leadership seminar program.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Cooperative Education and Work-Based Learning

For over 25 years, Wichita State University's Cooperative Education and Work-Based Learning Program has assisted students in their preparation for career success by providing them opportunities to experience the connection between work and learning. The focus of the program is to facilitate the placement of qualified students in work experiences that are directly related to their major and/or career goals. Through cooperative education (co-op) and internships, a WSU student has the potential of graduating with three years of professional experience in their major.

At Wichita State University, students get it all. Through the largest cooperative education program in Kansas (with more opportunities than all of the other state schools combined), WSU students earn work experience, college credit and a paycheck – all while bolstering their resume and getting a “leg up” on the competition.

WSU's Office of Cooperative Education and Work-Based Learning annually works with approximately 1,500 students and more than 400 top businesses and organizations in the country, many of which are world class leaders in their respective fields. Some of these include: Allen, Gibbs & Houlik, BKD, Spirit Aerosystems, Cessna, Hawker Beechcraft, Kansas Humane Society, Koch Industries, LSI Logic, NASA, USD 259 and 266, and YMCA.

During the 2009-2010 academic school year, student placement data included:

• Placements	970
• Credit Hours Earned	1,570
• Employers	454
• Dollars Earned	\$4,193,887
• Hours Worked	333,193
• Average Wage Per Hour	\$13.31

Both co-ops and internships are an effective way to attract energized workers and infuse businesses with new ideas and skills. They offer an effective way to locate and train qualified and motivated students to fill immediate needs, as well as create a pipeline of talent for a future workforce. It is a fact that new businesses tend to locate and are attracted to regions where there is a large pool of workers with experience and knowledge.

While the City of Wichita and the nation as a whole are experiencing tough economic times, it is imperative that WSU continues to remain focused on the future and develop a strong, educated workforce. By creating new cooperative education opportunities and internships, businesses will help recruit, retain and reward young talent which is vital to the future of Wichita, area businesses, and the regional economy.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues College of Engineering Initiatives

Introduction

The decline in enrollment in the United States colleges of engineering has been a matter of study and concern for professional organizations, federal agencies and private industry for the last two decades. In fact, the National Science Board, American Society of Engineering Education and the National Academy of Engineering have published extensive studies documenting what some have called the biggest shortage of engineers in the history of this nation.

The College of Engineering (CoE) at Wichita State University (WSU) has witnessed the situation documented by these reports when the local aircraft industry has shared with us the difficulties they are experiencing in hiring the number of engineers that they need to keep up with their design and production commitments for the next decade. The situation in Wichita and Kansas City has reached such a level that some companies are even thinking about relocating their facilities to locations where it will be easier for them to hire the engineering workforce needed. The economic implications for the State of Kansas if this were to happen has motivated the State Legislature to start a dialogue on the matter and has moved the President of the State Senate, Honorable Stephen Morris, to ask the three deans of engineering in the state to collaborate in assembling a proposal to address the situation. Specifically, the deans were asked to submit a proposal to increase by 100% the number of undergraduate degrees awarded to domestic students. Such goal is to be achieved in five years.

Proposal Description

The following proposal is taken from “A White Paper on Increasing the Engineering BS Graduates in the State of Kansas”, which was prepared by the engineering deans at the University of Kansas, Kansas State University and Wichita State University in response to the request made by the State Legislature. The target is an annual increase of 490 additional graduates from the schools (up from a five-year average of 875 graduates per year). Despite downturns in some sectors of the economy, the demand for engineering graduates at national and state levels has been increasing rapidly, and projections indicate this trend will continue through 2016. Currently, 80 percent of all science and technology-based occupations in Kansas are in the engineering and IT fields. The State’s engineering programs are the primary source of this workforce. As all three universities are essentially at capacity in engineering, increases in enrollment will necessitate expansion of resources (personnel as well as infrastructure). To fill this growing need for career-ready employees, resources are needed for:

- Additional facilities at each of the three universities, and
- Annual operating budget increases for new faculty, staff and program support to accommodate recruitment, teaching, advising and retention activities for added students.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues College of Engineering Initiatives

Budget Requirements

Across the three universities, the first-year cost to the state to start this effort is \$400,000. The eventual continuing annual cost to the state is estimated to be around \$15 million. Those costs include a portion of faculty, staff, operating expenses and costs for space expansion to support the goal of adding 490 new graduates per year. Additional sources from industry, donors and universities will leverage the state investment. The four-year phase in period is:

- Year 1: \$400,000
- Year 2: \$5 million
- Year 3: \$10 million and
- Year 4 and beyond: \$15 million.

Wichita State University's Efforts to Build Kansas Supply Chain of Engineers

The College of Engineering at WSU has worked on building the "Supply Chain of Engineers" for Kansas during the last decade. Listed below are just a few of the many efforts the CoE has implemented to increase recruitment, retention, and capacity building.

Recruitment

The total private investment for the last 10 years in recruitment activities has exceeded \$4 million. In the next five years, this private investment is expected to reach \$5 million.

- Kansas Affiliate of Project Lead the Way (PLTW). The college is the state affiliate of this nonprofit, nationwide organization that provides curriculum and teacher training to implement hands-on pre-engineering education for high schools and middle schools.
- Boosting Engineering, Science & Technology (BEST) Robotics. Annual sports-like competition hosted by the college that challenges high school students to build a robot that accomplishes a defined task. More than 400 high school students compete. CoE students interact with competitors, serving as spirit and sportsmanship judges, referees and volunteers.
- Engineering Summer Camps. Six to seven camps are offered per year to different age groups in fourth through twelfth grade. Camps are held to build interest in engineering, science and math.
- Wallace Invitational for Scholarships in Engineering (WISE). Over 160 high school seniors participate in this annual event, which includes a student panel where engineering students from each major discuss their experiences as engineering students, coop programs and extracurricular activities. Students also tour the college, view senior design project presentations, visit unique laboratory facilities and take part in a group hands-on activity.
- Recruiting Scholarships. Between 65 and 70 scholarships are given to high school seniors on an annual basis. The scholarships are offered based on academic achievement, participation in PLTW, or for recruitment of specific student populations of interest to industry.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues College of Engineering Initiatives

- Coordinating Opportunities for Engineering Careers System (COFEC). A system to address the need for centralized strategic management and distribution of funding and support for technical education in the Wichita area. This is a partnership of WSU and Wichita industry.

Retention

The total private investment for the last 10 years in retention efforts has exceeded \$4.5 million. In the next five years, this private investment is expected to reach \$5 million.

- Great Expectations; Engineering Kansas Scholars (GEEKS). The program has six elements, including a two-year scholarship; tutoring in STEM courses; mentoring with professional engineers; a learning community on a residence hall floor; cohort scheduling or enrollment in a set of similar courses for the students; and a three-year cooperative education opportunity.
- Engineer 2020. The goal of this strategic initiative is to increase retention as well as prepare WSU CoE graduates for effective engagement in the profession in the year 2020. This initiative has been in effect for all CoE undergraduate students since fall 2007. The CoE requires that every student complete the program requirements, including at least three of the following six activities: undergraduate research, cooperative education or internship, global learning or study abroad, service learning, leadership and multidisciplinary education.
- Faculty Development Program. Aimed at providing faculty with tools and knowledge to improve teaching quality, student learning and engagement and student success.
- Scholarship Programs. Multiple scholarship programs provide around 250 scholarships every year encouraging students in good academic standing to persevere.

Capacity Building

The total private investment for the last 10 years to build capacity in the college exceeded \$8.5 million. In the next five years, private investment is expected to reach \$8 million.

- Physical Infrastructure (Facilities)
- Laboratory Development, Equipment and Technology Purchase and Upgrade
- Faculty Support (Fellowships, Endowed Chairs and Professorships)

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Deferred Maintenance

For Fiscal Year 2011, Wichita State University has an allocation budget of \$358,845 for deferred maintenance, all from University Interest Earnings. There is no allocation from the Infrastructure Maintenance Program for FY 2011. The allocation budget for deferred maintenance has declined significantly over the past several years.

Additional funding will come from the Federal Higher Education Fiscal Stabilization Fund. These federal dollars were allocated to the states as part of the Federal American Reinvestment and Recovery Act (ARRA). Wichita State's share of this funding for FY 2011 to be used for deferred maintenance is \$2,071,128.

Wichita State University has now completed deferred maintenance projects involving campus infrastructure and many items that needed to be addressed in the Visual Communications Building, Wallace Hall, Ahlberg Hall, McKnight Art Center, Central Energy Plant, Lindquist Hall, Jardine Hall, Heskett Center and the National Institute for Aviation Research. Two (2) major projects remain to be completed that involve the replacement of the HVAC systems in Duerksen Fine Arts Center and Grace Wilkie Hall. The statuses of these projects are as follows:

Duerksen Fine Arts Center (DFAC)

- Engineering consultants have completed the preparation of construction documents for the replacement of the building's HVAC systems. The project will be implemented in three separate phases as sufficient funds accrue for each phase, and as the building occupants can be temporarily relocated to other facilities. Federal stimulus dollars from the ARRA for FY 2009, FY 2010, and FY 2011 are being used to implement Phase I and Phase II. It is estimated that Phase I will be completed in May 2011. Phase II is targeted to be completed in November 2011.
- Replacement of the building's store-front and entrances, upgrade of the building's electrical service, demolition of obsolete boilers and associated asbestos abatement have all been completed.

Engineering Building

- Replacement of the building's HVAC system was substantially completed in August 2010, allowing the College of Engineering to move back into the building for the beginning of the Fall 2010 semester. The University recently received project O&M manuals and is currently waiting on 'as built' drawings to be completed by the project engineer.

Grace Wilkie Hall

- Engineering consultants selected to do engineering, plans, specifications, and construction administration for replacement of the building's HVAC system are nearing completion of construction documents. Bidding on the project will be postponed until funds accrue to a sufficient amount to be able to award a construction contract, and alternative space can be freed up to which some of the building occupants can be relocated.

Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Budget Overview

General Statement Concerning Fiscal Year 2011 Funding

The charts on the following pages present the general use funding in the FY 2011 annual operating budget for WSU, and a comparison of State General Fund appropriations versus budgeted General Fees Revenue (tuition) over the past several fiscal years. The Governor's recommendation for FY 2011 made permanent the July 2009 reduction allotment of \$1,358,511. However, the November 2009 allotment in the amount of \$176,840 was a one-time reduction and was restored to the FY 2011 Governor's recommendation. The Legislature again removed the base funding for longevity payments to classified employees and there will be a moratorium in the payment of Death and Disability insurance premiums for the last three months of FY 2011. Also, there was no operating grant adjustment from the Board of Regents for FY 2011. A summary of the changes to the State General Fund appropriations is as follows:

1. Removed base funding for classified employee longevity payments in the amount of \$205,948.
2. Increased funding for the debt service payment for the aviation research equipment at the National Institute for Aviation Research in the amount of \$1,341,008. There was a temporary reduction in funding in FY 2010 due to a refinancing of bonds by the State of Kansas.
3. Temporary suspension of employer deductions for Death and Disability insurance premiums for the last three months of FY 2011.
4. Increase of \$484,584 for pay grade changes for classified employees in a group of classifications identified as being below market.

Tuition rates were increased by \$7.50 per credit hour for all students: resident, non-resident, undergraduate, and graduate. The percentage increases by category range from 1.26% for non-resident graduate students to 5.0% for resident undergraduate students. However, resident students will receive a \$5.50 per credit hour scholarship, funded by federal stimulus dollars. The increase in funds due to rate increases and enrollment growth have been targeted to:

1. Fund faculty salary increases related to promotions in academic rank and post professor incentive review.
2. Provide funding needed to offset increases in utilities rates.
3. Cover a 12.5% increase in Group Health Insurance premiums.
4. Cover increases in other fringe benefits.
5. Offset loss of funding from the State General Fund for classified employee longevity payments.

**Wichita State University
FY 2011 and FY 2012 Budget Overview
Budget Terms and Definitions**

Review of Fiscal Year 2011 Appropriations

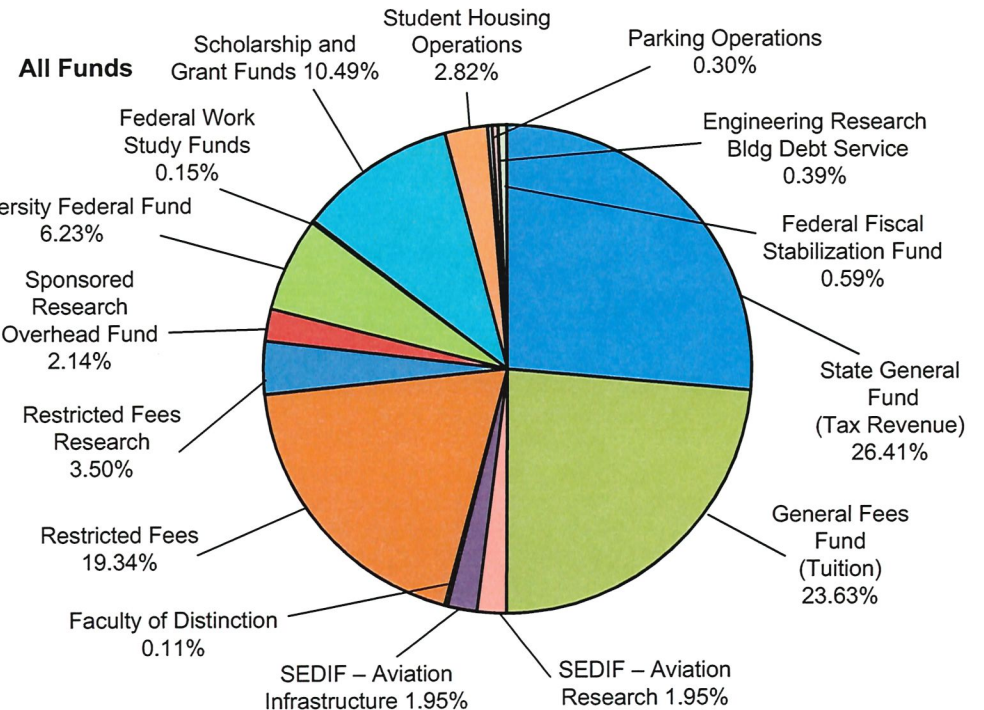
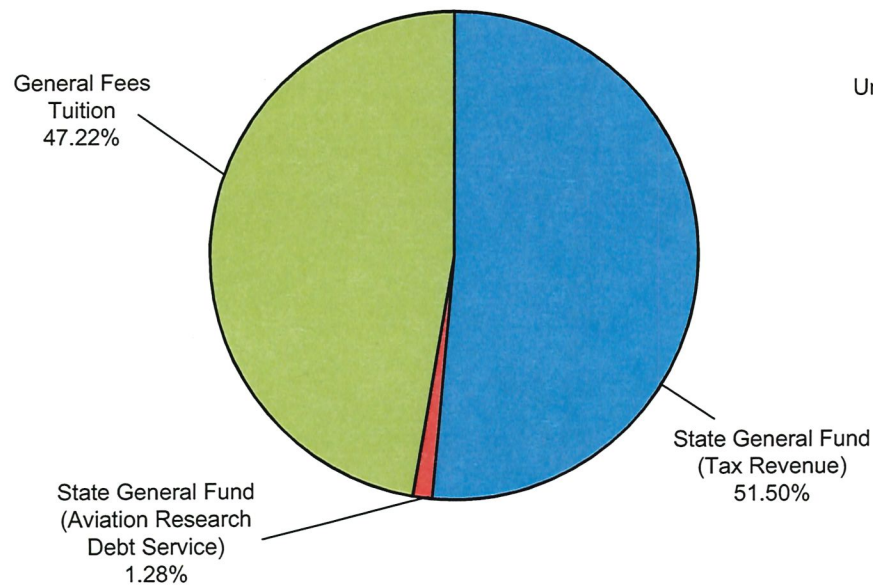
	State General Fund			General Fees Fund (Tuition)	Total General Use Funds
	<u>Operating Expenditures</u>	<u>Aviation Research Debt Service</u>	<u>Sub-Total SGF</u>		
FY 2010 Original General Use Base Budget	\$66,008,125	\$306,268	\$66,314,393	\$57,376,905 *	\$123,691,298
FY 2010 Budget Rescissions:					
November, 2009 Governor's Reduction Allotment	(\$176,840)	\$0	(\$176,840)	\$0	(\$176,840)
Total SGF Budget Rescissions in FY 2010	<u>(\$176,840)</u>	<u>\$0</u>	<u>(\$176,840)</u>	<u>\$0</u>	<u>(\$176,840)</u>
FY 2010 Revised General Use Base Budget	<u>\$65,831,285</u>	<u>\$306,268</u>	<u>\$66,137,553</u>	<u>\$57,376,905 *</u>	<u>\$123,514,458</u>
FY 2011 Appropriations:					
<u>State General Fund Changes</u>					
Restored the November, 2009 Governor's reduction allotment	\$176,840	\$0	\$176,840	\$0	\$176,840
Death & Disability Insurance moratorium for last three months of FY 2011	(108,750)	0	(108,750)	0	(108,750)
Removal of base funding for classified employee longevity payments	(205,948)	0	(205,948)	0	(205,948)
SGF undermarket allocation for classified salaries	484,584	0	484,584	0	484,584
Increase in debt service for aviation research equipment	0	1,341,008	1,341,008	0	1,341,008
Net State General Fund Decrease	<u>\$346,726</u>	<u>\$1,341,008</u>	<u>\$1,687,734</u>	<u>\$0</u>	<u>\$1,687,734</u>
<u>General Fees Fund (Tuition) Increases</u>					
Estimated Additional Tuition Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,300,000</u>	<u>\$3,300,000</u>
Total FY 2011 General Use Budget	<u>\$66,178,011 *</u>	<u>\$1,647,276</u>	<u>\$67,825,287</u>	<u>\$60,676,905 **</u>	<u>\$128,502,192</u>

* This does not include the SGF amount of \$176,840 added in November, 2010, which was a partial restoration needed to meet the federal requirement for stimulus funding.

** The General Fees Fund includes the \$150,000 SEOG match budgeted in the General Fees-Federal Grant Match Fund.

Wichita State University Fiscal Year 2011 Operating Budget Total Budget by Funding Source

General Use Funds



Funding Source

Amount Percent

State General Fund (Tax Revenue - General Operating)	\$ 66,178,011	51.50%
State General Fund (Tax Revenue - Aviation Research Debt Service)	1,647,276	1.28%
General Fees Fund (Tuition)	60,676,905	47.22%

Funding Source

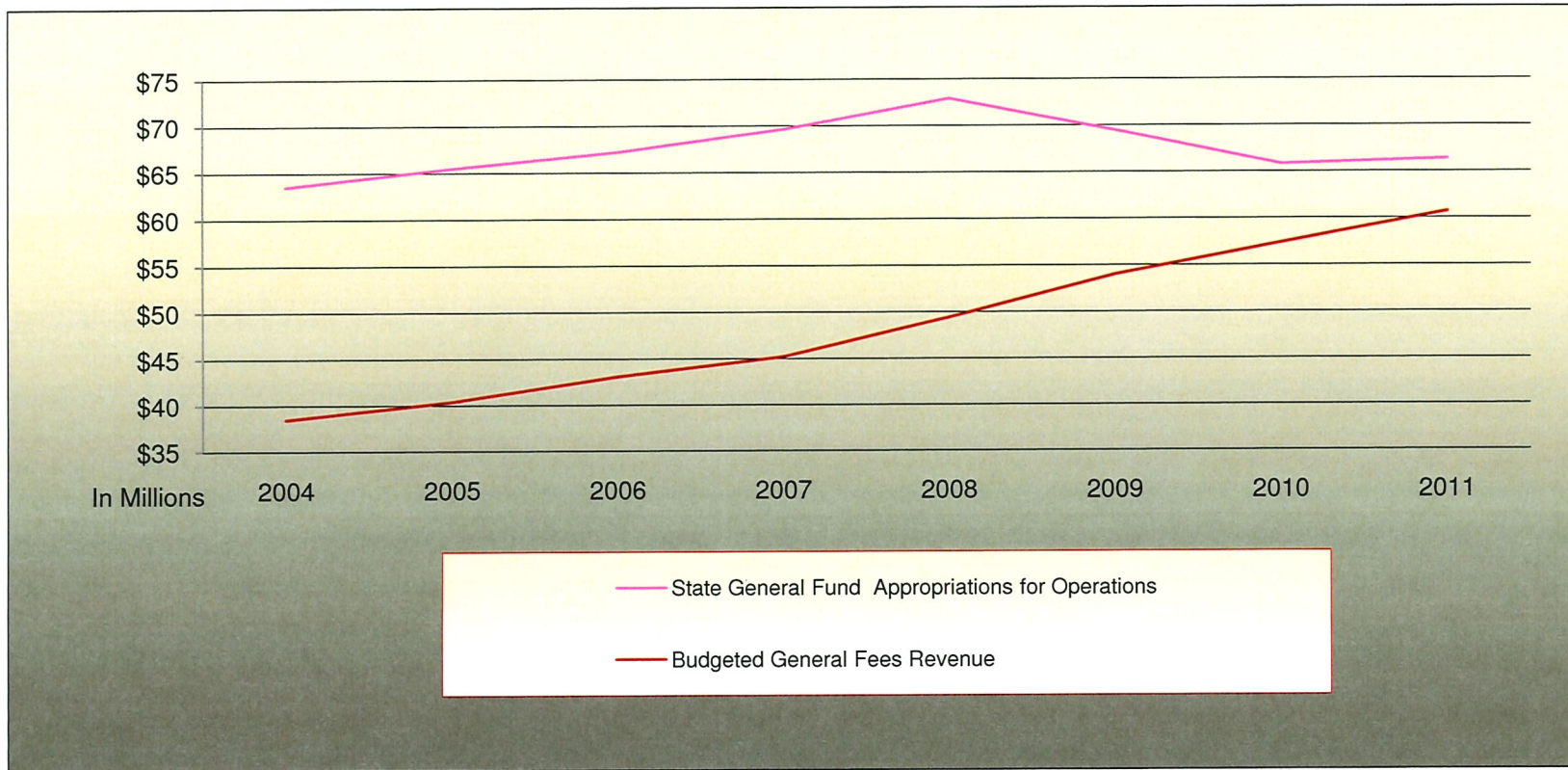
Amount Percent

State General Fund (Tax Revenue)	\$ 67,825,287	26.41%
General Fees Fund (Tuition)	60,676,905	23.63%
SEDIF Aviation Research	4,996,387	1.95%
SEDIF Aviation Infrastructure	5,000,000	1.95%
Faculty of Distinction Matching Fund	293,213	0.11%
Restricted Fees	49,670,050	19.34%
Restricted Fees Research	9,000,000	3.50%
Sponsored Research Overhead Fund	5,500,000	2.14%
University Federal Fund	16,000,000	6.23%
Federal Work Study Funds	377,424	0.15%
Scholarship and Grant Funds	26,935,259	10.49%
Student Housing Operations	7,235,864	2.82%
Parking Operations	759,479	0.30%
Eng Research Bldg Debt Service	1,005,731	0.39%
Fed Fiscal Stabilization Fund	1,527,846	0.59%

Total Budget \$ 128,502,192 100.00%

Total Budget \$256,803,445 100.00%

Wichita State University Comparison of State General Fund Appropriations for Operations versus Budgeted General Fees Revenue



Wichita State University Fiscal Year 2012 Budget Request

Status of Research Activities and Future Initiatives

Wichita State University's mission statement addresses the importance of research:

"Scholarship, including research, creative activity, and artistic performance is designed to advance the University's goals of providing high quality instruction, making original contributions to knowledge and human understanding, and serving as an agent of community service. This activity is a basic expectation of all faculty members at Wichita State University."

The following narrative and chart present an overview of current and planned research activities at WSU in these specific areas:

- Highlights of Fiscal Year 2010 Research Activity
- Use of Appropriations for Aviation Research at Wichita State University

Highlights of Fiscal Year 2010 Research Activity

Fiscal Year 2010 research activity continued its upward climb over prior years.

Fiscal Year	2009	2010	% Change
Total Grant and Contract Funding	\$54 million	\$65 million	17%

The table above reflects the continued advance of Wichita State University's research efforts. Aerospace research continues to provide the majority of research funding for WSU researchers. However, several other areas of specialization are emerging in Biology and Chemistry, while the Psychology and Criminal Justice programs maintain their presence.

Emerging Research Initiatives

Through collaboration with Via Christi's Orthopedic Research Institute, WSU continues to support the Center of Innovation for Biomaterials in Orthopedic Research as a platform to explore the use of composites and advanced materials for bone repair, implantable orthopedic devices and surgical instruments. This center represents a remarkable opportunity for WSU to use its strength in materials science and engineering to open up a sector in our local economy that is complementary to aviation research. During the past year, Mr. Richard Sullivan was recruited as the first permanent CEO of this center.

WSU's Department of Biological Sciences dedicated a building at the Ninnescah Biological Research Field Station in Sedgwick County near Viola. The tract of land contains 330 acres of unplowed lowland prairie, restored midgrass prairie, riparian woodlands and wetlands. Construction costs were funded in part through a grant from the National Science Foundation for \$240,000.

Wichita State University Fiscal Year 2012 Budget Request

Status of Research Activities and Future Initiatives

WSU announced the formation of the Advanced Networking Research Institute. This institute organizes four current centers: Center for Information Security, CISCO Technical Research Center, Center for Storage Networking Research, and Technology Evaluation Center. It will also serve to organize and develop several other centers: Center for Excellence in Airborne Networking, Certification and Training Center and Center for Emerging Applications and Technologies.

State Appropriations for Aviation Research at Wichita State University

Governor's Budget Recommendations for Fiscal Year 2012

For FY 2011, the legislature granted \$5 million for aviation research at NIAR from the State Economic Development Initiatives Fund (EDIF). It also granted \$5 million from the EDIF for aviation infrastructure and aviation industry worker training at Wichita Area Technical College (WATC).

The FY 2012 Governor's Budget removes from WSU's budget the \$5 million for aviation research at NIAR. The Governor's Budget instead proposes the creation of a grant program to expand university research in key areas affecting the state's economy. The program will provide \$5 million each to three separate areas, one being for aviation research at Wichita State University. The Department of Commerce will receive this appropriation and will oversee the grant. The university will be required to provide a dollar for dollar match to the state support and a plan to the Secretary of Commerce as to how the research activities create additional jobs for the state.

The FY 2012 Governor's Budget does again recommend the \$5 million from the EDIF for aviation infrastructure and worker training at WATC. The state is a partner with Wichita aviation companies, the City of Wichita, and Sedgwick County in the development of the National Center for Aviation Training. State funding is administered by WSU to provide equipment and assistance fitting with the program's curriculum.

Request for and Support of the Fiscal Year 2012 Budget from the Aviation Industry

The aviation industry is a major contributor to the economic vitality of Kansas and has the potential for significant growth as a national center for aerospace innovation. In order to maintain a leadership position in this growing market, industry and the State of Kansas must invest funds in order to leverage significant federal and industry funding.

To maintain a leadership position and support potential growth, the aviation industry requested a \$10 million State of Kansas appropriation for NIAR for Fiscal Year 2012. Approval of this request would assist the Kansas aviation industry in becoming prepared to meet the demand for future products and technology innovations. In addition, the aviation industry requested \$10 million for education and training to expand the current workforce. As noted above, the Governor included \$5 million for each in his Fiscal Year 2012 budget, with the NIAR appropriation being administered by the Department of Commerce.

Wichita State University Fiscal Year 2012 Budget Request

Status of Research Activities and Future Initiatives

Request for Legislative Action-Request for Carry Forward Funds into FY 2011

Allocations of funds to the individual projects varied from \$100,000 to \$800,000, depending on the complexity of the project. Funds were expended primarily for faculty and graduate student time and effort, supplies and laboratory usage costs. **It is extremely important to have unexpended funds re-appropriated to the following year (FY 2012) in order to cover project expenses that have not cleared the State system by the end of Fiscal Year 2011.**

Projects Selected for the Fiscal Year 2011 Appropriation for Aviation Research

New Projects

CAD Neutral Data Exchange and 64 bit Functionality
Low-cost Light-weight Methods for Flutter Excitation
Acoustical Impact to Composite Sandwich Structures (Dampening, Core Shear and Thermal)
5-Axis Machine Verification by Using Transducers (Concept)
Simulation and Modeling of Bird Strike Testing
Composite Fuel Bay Sealant Liner Materials
Correlation Between Cure and Mechanical Properties of Composite Materials

Additional Research on Projects Carried Forward from Fiscal Year 2010

Repair of Composite Structures
Blind or One-Sided Fastener Usage in Composite Structures
Quiet Interiors Development
Friction Stir Welding and Related Topics
Adhesive Joint Characterization and Testing
Composite Bearing Allowables Baseline
Ground Anti-Ice Development
Electromagnetic Characterization of Composite Fuselages
Metadata Enabled thinking systems tools for Implementation IVHM
Microcracks in Composites
Effects of Manufacturing Defects on Composite Materials (NDI Development)
Engine Inlet Ice Protection System
Influence of Environmental Knock-down Factors in Composite Design Structural Margins

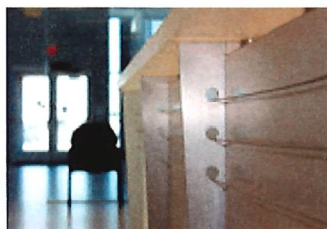
Wichita State University Fiscal Year 2012 Budget Request

Status of Research Activities and Future Initiatives

National Center for Aviation Training



During the past year, WSU's National Institute for Aviation Research has acquired additional research space by entering into a partnership with the National Center for Aviation Training and its managing partner, the Wichita Area Technical College. This is a mutually beneficial working arrangement; NIAR receives much-needed expansion space for its burgeoning research labs and the WATC benefits from its ready access and exposure to the latest materials and testing capabilities for aviation manufacturing.



Wichita State University Fiscal Year 2012 Budget Request

Fiscal Year 2011 Overview—Current Issues Center of Innovation for Biomaterials in Orthopedic Research

The Center of Innovation for Biomaterials in Orthopedic Research (CIBOR) is a partnership between Wichita State University and Via Christi's Orthopedic Research Institute, formed to develop an active medical device industry in Wichita. CIBOR will promote bioscience development in south-central Kansas, using composite technology engineered for aviation to develop a new generation of orthopaedic devices for healthcare. Wichita's healthcare industry is one of the largest in the Midwest. The collaboration of Via Christi Research and WSU creates the infrastructure for new research projects in a new industry. This will promote growth and innovation in manufacturing and attract new businesses to Kansas, which will lead to new jobs and the creation of intellectual property. In order to accomplish its mission, CIBOR will:

- Adapt direct-interaction relationships between industry and academic institutions, similar to the successful example provided by WSU's National Institute for Aviation Research (NIAR).
- Provide common ground to promote the interactions of participants from diverse fields.
- Place the initial focus upon one class of materials (composites) over a range of devices in one clinical specialty (orthopedics).

The Kansas Bioscience Authority (KBA) has now approved the funding and formation of CIBOR in Wichita. Additional funding for this venture was obtained from the Knight Foundation. In making their funding decision, the KBA has described CIBOR as "an exciting initiative which promises to open a new economic sector in Kansas at the interface between aviation manufacturing and health care, the two largest economic sectors in the state. Wichita is the center of a regional cluster in composites, plastics and advanced materials".

CIBOR's business plan is designed to yield economic benefits for Kansas, creating high-paying, non-cyclical manufacturing jobs to offset the aviation industry's cyclical patterns. It will offer entry into the profitable and rapidly expanding realm of orthopedic manufacturing, attracting or creating new high-tech companies that work in this area.

In the past year, CIBOR has moved into its own space off campus and has retained its first permanent CEO, Mr. Rich Sullivan. Mr. Sullivan brings a great of pertinent experience to this post, having brought 4 medical devices or new drugs from the bench top to the marketplace.

Wichita State University
Comparison of Fiscal Year Changes in State General Fund Expenditures
with Changes in the Higher Education and Consumer Price Indexes

<u>Fiscal Year</u>	<u>Actual State General Fund Expenditures</u>	<u>Change over Prior Fiscal Year</u>	<u>Percent Change</u>	<u>Higher Education Price Index</u>	<u>Consumer Price Index</u>
2000	\$61,631,921				
2001	\$63,610,280	\$1,978,359	3.2%	4.9%	3.4%
2002	\$65,699,384	\$2,089,104	3.3%	1.9%	1.8%
2003	\$62,810,116	(\$2,889,268)	-4.4%	5.1%	2.2%
2004	\$63,522,168	\$712,052	1.1%	3.7%	2.2%
2005	\$65,498,585	\$1,976,417	3.1%	3.9%	3.0%
2006	\$67,237,014	\$1,738,429	2.7%	5.1%	3.8%
2007	\$69,739,177	\$2,502,163	3.7%	2.8%	2.6%
2008	\$72,918,313	\$3,179,136	4.6%	5.0%	3.7%
2009	\$69,486,743	(\$3,431,570)	-4.7%	2.3%	1.4%
2010	\$65,831,285	(\$3,655,458)	-5.3%	0.9%	1.0%
Percent Change Over Ten Year Period			7.3%	35.6%	25.1%

The Higher Education Price Index (HEPI) is an inflation index designed specifically for higher education and is a more accurate indicator for colleges and universities than the Consumer Price Index (CPI). HEPI measures the average relative level in the prices of a fixed component of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding expenditures for research. It is a tool enabling universities to determine increases in funding necessary to maintain real purchasing power. The components used in determining the index include: salaries and fringe benefits, contracted services such as data processing, communication, supplies and materials and laboratory, scientific and technology equipment, and library acquisitions and utilities.

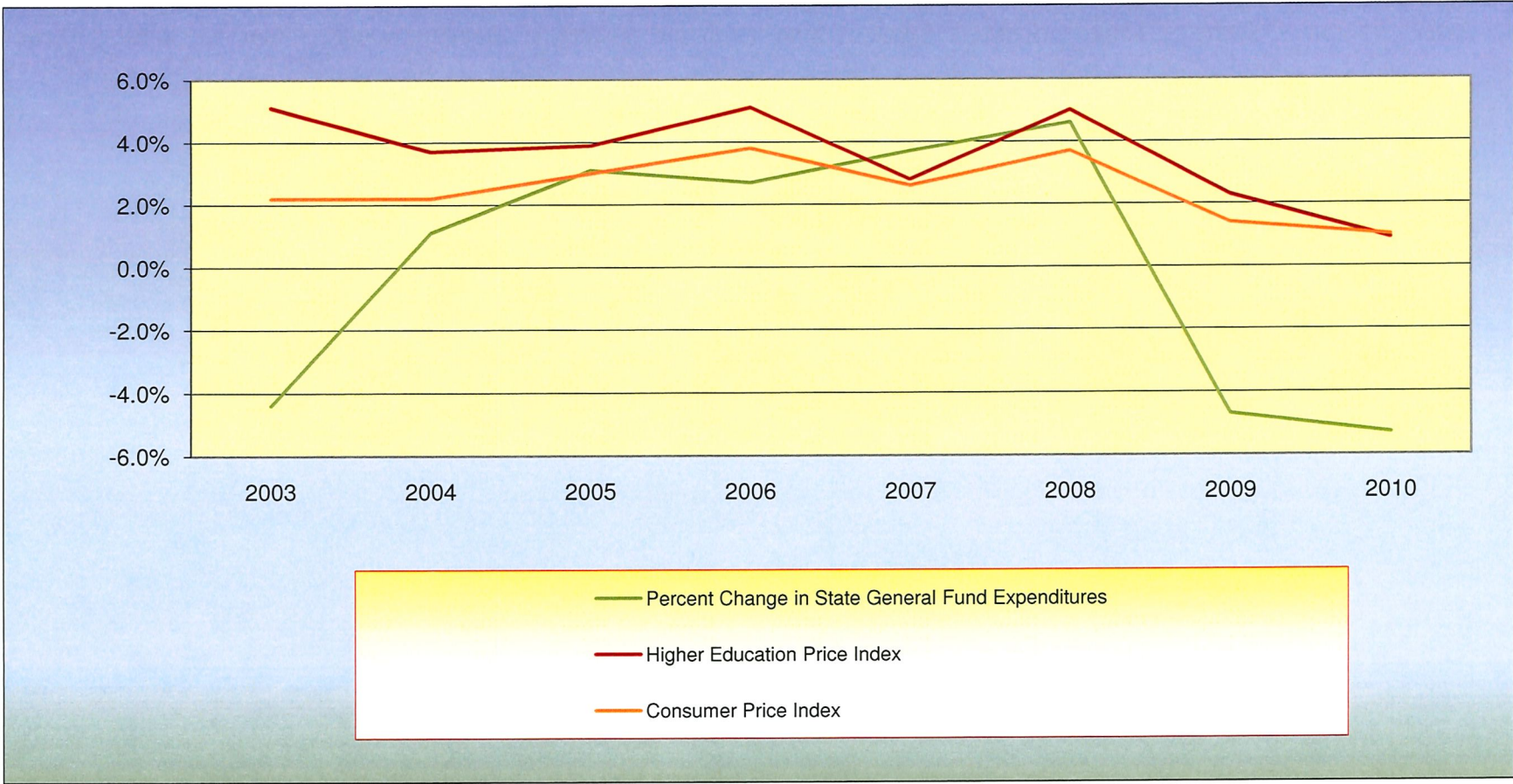
5-27

25

5-27

5-28

Wichita State University
Comparison of Annual Changes in State General Fund Expenditures
with Changes in the Higher Education and Consumer Price Indexes



26

5-28

Wichita State University

Fiscal Year 2011 and Fiscal Year 2012 Budget Overview

Budget Terms and Definitions

Funding of the University Budget

Wichita State University is funded from two categories of resources: General Use Funds and Restricted Use Funds. Both General Use Funds and Restricted Use Funds are on deposit in the State of Kansas Treasury. The graph on Page 18 of this document presents the total WSU budget by funding source.

General Use Funds

General Use Funds are derived from two separate funding sources: State General Fund and General Fees.

- State General Fund: Appropriations made by the Governor and Legislature from State of Kansas tax revenues. Appropriations from the State General Fund may be for general operating purposes or may be targeted for a specific use such as aviation research, payment of debt service, etc. For Fiscal Year 2011, the original budget from the State General Fund is as follows:

WSU's FY 2011 Appropriation from the State General Fund

<u>Fund</u>	<u>Amount</u>
State General Fund-Operating Expenditures	\$ 66,178,011
State General Fund-Aviation Research Debt Service	1,647,276
Total State General Funds	<u>\$ 67,825,287</u>

The State General Fund-Operating Expenditures is the appropriation for general university operating expenditures including both salaries and fringe benefits and other operating expenditures. The State General Fund-Aviation Research Debt Service is the appropriation to fund the debt service on the revenue bonds issued for NIAR laboratory equipment to be used specifically for aviation research.

- General Fees Fund: Revenue from the collection of student tuition. Per credit hour rates for student tuition are established by WSU and approved by the Kansas Board of Regents. The President of the University obtains feedback from student leaders during the process of establishing changes to tuition rates each fiscal year. At the beginning of each fiscal year, the University estimates the amount of tuition dollars that will be collected. Actual tuition dollars collected are monitored each semester and compared with the estimate used for budget purposes. The University can only spend actual tuition dollars collected. **If tuition dollars collected fall short of the original estimate, budgets must be reduced accordingly.** In recent years, the amount of the general use budget funded from tuition dollars has steadily increased while the amount funded from state tax dollars has steadily decreased. For Fiscal Year 2011, the budget for General Fees totaled \$60,676,905. The following table presents the tuition rates for Fiscal Years 2010 and 2011 at Wichita State University.

Wichita State University

Fiscal Year 2011 and Fiscal Year 2012 Budget Overview

Budget Terms and Definitions

General Use Funds (cont.)

	FY 2010 Amount Per <u>Credit Hour</u>	FY 2011 Amount Per <u>Credit Hour</u>	<u>Amount</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
<u>Resident Undergraduate</u>	\$149.90	\$157.40	\$7.50	5.00%
<u>Resident Graduate</u>	\$208.35	\$215.85	\$7.50	3.60%
<u>Non-Resident Undergraduate</u>	\$417.70	\$425.20	\$7.50	1.80%
<u>Non-Resident Graduate</u>	\$593.00	\$600.50	\$7.50	1.26%

Note: In both FY 2010 and FY 2011, resident students received\receive a \$5.50 per credit hour scholarship, funded by federal stimulus dollars.

Restricted Use Funds

Restricted Use Funds represent revenues derived from all sources other than tax revenues and tuition. **Restricted Use Funds are special revenues that must be used for the specific purpose collected.** Examples of Restricted Use Funds are:

- State Economic Development Initiatives Fund: Appropriation for the National Institute for Aviation Research (NIAR) for research projects vital to the Kansas Aviation Industry.
- Restricted Fees: Revenues from special events, student fees (other than tuition), workshops, services performed, concerts, etc.
- Restricted Fees-Research: Gifts and grants from outside companies or agencies such as Boeing, Kansas Health Foundation, etc.
- University Federal Fund: Grant and contract funding from the federal government.
- Sponsored Research Overhead Fund: Overhead income generated from research and public service grants.
- Student Housing Funds: Revenues from the student housing operations.
- Federal Work Study Funds: 75% Federal Government match for the salaries of work study students.
- Parking Operations: Revenues from parking operations such as parking fees, parking fines, etc.

Each restricted use fund has its own fund number assigned by the State Division of Accounts and Reports and must be included in the University's appropriation bill to be a valid source of revenue.

Wichita State University

Fiscal Year 2011 and Fiscal Year 2012 Budget Overview

Budget Terms and Definitions

Operating Grant Budget Model

In the fall of 2000, the Kansas Board of Regents proposed an Operating Grant Budget Model to the Governor. The Governor recommended the concept to the Legislature, and during the 2001 Legislative Session, operating grants were implemented for the FY 2002 budgets of the universities under the Kansas Board of Regents.

Under this model, each university has its own line item appropriation from the State General Fund which is carried forward from each fiscal year. Increase funds are appropriated through the form of an operating grant to the Kansas Board of Regents. The Board of Regents then determines the allocation to each of the universities. This allocation then becomes a part of each university's State General Fund base budget. Each university may determine the use of the operating grant allocation subject to guidelines issued by the Board of Regents. Although the State does not provide mandates on how the funding should be spent, universities must continue to adhere to State salary requirements for increases in the classified civil service pay matrix, changes in fringe benefit rates, etc.

Under the Operating Grant Budget Model, tuition rates continue to be approved by the Board of Regents based upon university-specific recommendations. Universities retain tuition revenues and have increased management flexibility over all resources.

Through the Operating Grant Budget Model, the Board of Regents and the universities have full responsibility for the effective use of resources and are accountable to the Governor and Legislature for improved institutional quality and performance.

For FY 2011, the Governor and Legislature did not approve an operating grant increase for the Board of Regents institutions.

Expenditures

Budgeted expenditures are classified in the following categories and are represented by unique account (object) codes in the University's accounting system. The account codes correspond to definitions and codes assigned by the State Division of Accounts and Reports.

- **Classified Salaries:** Salaries of employees who are under the Kansas Civil Service Act. Base salary levels and annual increases are determined on a state-wide basis by the Kansas Department of Administration based on the outcome of the budget appropriation process. During Fiscal Year 2006, legislation was passed allowing classified employees at the University of Kansas to withdraw from the Kansas Civil Service System. Classified employees at all of the other campuses remain within the Kansas Civil Service System at this time even though discussions on the change have occurred on all of the campuses.
- **Unclassified Salaries:** Salaries for faculty, unclassified professional staff, lecturers, and graduate assistants. Personnel in this category are under the auspices of the Kansas Board of Regents. Annual increases are awarded on a merit basis resulting from the outcome of the budget appropriation process. Because of budget constraints, no merit increases were granted for FY 2011.

Wichita State University

Fiscal Year 2011 and Fiscal Year 2012 Budget Overview

Budget Terms and Definitions

- Student Salaries: Salaries paid on an hourly basis to enrolled students who perform technical, clerical, or custodial services to the campus.
- Fringe Benefits: Expenditures for retirement contributions, health insurance, FICA, workers compensation, unemployment compensation, and leave upon retirement assessment that are paid by the University for each employee.
- Shrinkage: The amount of savings WSU must generate from employee turnover or vacant positions. The shrinkage rate for WSU is 2.28%.
- Other Operating Expenditures (OOE): Amounts budgeted for all University operating expenditures except salaries and fringe benefits. Major examples of OOE include equipment, copier rental, equipment rental, office supplies, laboratory supplies, library acquisitions, travel, telephone costs, printing, postage, etc.

Management of Shrinkage

In preparing the annual operating budget for Fiscal Year 2011, the following expenditure distribution was established in the official University accounting records.

FY 2011 Original General Use Budget for Wichita State University

\$102,655,021	Budget for Salaries and Fringe Benefits
(2,340,535)	Required Shrinkage for Salaries and Fringe Benefits
28,187,706	Other Operating Expenditure Budget

\$128,502,192 Total FY 2011 General Use Budget

Salaries and fringe benefits budgeted within the individual campus departments totaled \$102,655,021 and other operating expenditures totaled \$28,187,706. In other words, departmental budgets across the campus are fully funded and shrinkage is managed at the president, vice president, and college or major unit levels.

In order to balance the budget to appropriations and meet the shrinkage requirements, accounts are established for each division and college which must be equal to the required amount of shrinkage for their areas of responsibility. During the annual operating budget development process, vice presidents and other budget review officers prepare plans detailing how the negative balances in their respective shrinkage accounts will be covered.

Shrinkage may be covered in the following ways:

- Savings from vacant positions that are not filled during the fiscal year
- Savings from positions where persons leave the university during the fiscal year
- Savings from positions where faculty are on leave without pay or are on sabbatical leave for the academic year
- Savings when part of a faculty member's salary is paid from a research grant
- Savings when a classified person resigns and is replaced by another person who is on a lower step of the classified pay matrix
- Savings from other operating expenditures

Shrinkage requirements must be covered by the end of the fiscal year.