

Board of Trustees Meeting
Thursday, April 2, 2020
Zoom remote meeting 8:00 AM

AGENDA

- I. APPROVAL OF MINUTES, JANUARY 9, 2020 - HARTER
- II. FINANCE AND AUDIT REPORT - NORTON
 - UPDATES TO WSU BOT ENDOWED FUNDS
 - HISTORY OF BOT OWNED FACILITIES MAINTENANCE QUASI-ENDOWED FUND
 - POOLED INVESTMENT PERFORMANCE
 - MILL LEVY BUDGET & YEAR TO DATE REVENUE & EXPENDITURES
 - OPERATING BUDGET (BOT UNRESTRICTED) – REVENUE & EXPENDITURES
- III. CAMPUS DEVELOPMENT REPORT - PACKEBUSH
 - FINANCIAL PLAN REVIEW – BRUUN
- IV. FY2021 MILL LEVY BUDGET REVIEW & APPROVAL – BRUUN
- V. NATIONAL INSTITUTE FOR DIGITAL TRANSFORMATION DISCUSSION – SCHLAPP
- VI. OPEN RECORDS DISCUSSION – BUCKLEY
- VII. CAMPUS UPDATE – GOLDEN
- VIII. AS MAY ARISE

FINANCE & AUDIT COMMITTEE
(Joe Norton, Laurie Labarca, Keith Stevens, Pierre Harter)

CAMPUS DEVELOPMENT COMMITTEE
(Steve Packebush, Tom Winters, Vernell Jackson, Nancy McCarthy Snyder, Sheryl Wohlford)

NOMINATING COMMITTEE
(Sheryl Wohlford, Joe Norton, Tom Winters, Nancy McCarthy Snyder, Pierre Harter)

Upcoming BOT Meeting Dates

Thursday, July 9, 2020 – JBC, Rm 164

Thursday, September 24, 2020 – JBC, Rm 164



WSU Board of Trustees

Board Meeting

Thursday, January 9, 2020, 8:00 am
WSU Old Town, 213 N. Mead, Rm A102

In attendance were board members Pierre Harter, Tom Winters, Joe Norton, Vernell Jackson, Steve Packebush, Sheryl Wohlford, Laurie Labarca, Nancy McCarthy Snyder and Keith Stevens. Also present were Andy Schlapp, Susan Johnson, Troy Bruun, Mert Buckley, and a representative from The Sunflower.

Approval of Minutes

Harter started the meeting at 8:00 am. Jackson made a motion to approve the minutes from the September 20, 2019 meeting. Wohlford seconded and the motion passed.

Finance and Audit Report

Norton asked Bruun to review the finance reports including the campus development fund and financial plan. Norton said a Foundation representative will be at the April 2020 meeting to discuss the investment strategy for the BOT funds and the Gore fund (which is invested separately) and asked that Johnson send out the material ahead of the meeting for the committee to review and comment. Norton motioned to receive the financial reports, Winters seconded and the motion passed.

Woodman Expenses

Schlapp reviewed and discussed the request for funds for restroom maintenance and improvements at Woodman Alumni Center with the board members. Winters motioned to approve an allocation of \$25,000 for the base bid and up to \$32,500 pending review and approval of additional requested finishes and fixtures by Packebush. Labarca seconded and the motion passed. Schlapp also stated he will meet with the Center for Management Development about their lease agreement and report back at next meeting.

University Update

Schlapp discussed the opening of the YMCA which will help bring the community to campus. Parking at the YMCA was discussed. The YMCA parking lot will be for off-campus visitors from 7 a.m.-5 p.m. weekdays. Students, faculty and staff can park at the Y any other time outside of those hours. This allows a balance that encourages community members to come to the YMCA and enjoy the rest of our campus and services at nearby Braeburn Square. Parking rules are subject to change, however, as usage for the YMCA is determined. Students utilizing the Student Wellness Center may park in designated spaces. Once the urgent care center is open, there will also be designated spots for visitors. Fuzzy's Taco is offering a shuttle bus service before and after Men's basketball games. Dr. Jay Golden will be on campus starting January 14, 2020 and he has a bold vision for Wichita State University.

A tour of the WSU Old Town facility and participation in a WSU Brand survey was offered to the board following the meeting. Harter adjourned the meeting at 9:36 am.

Respectfully submitted,

Susan Johnson
Assistant Secretary

Wichita State University Foundation
Updates to WSU Board of Trustees
as of February 29, 2020

BOT Owned Facilities Maintenance Quasi-Endowed Fund Balance- 61103 **\$634,123**
 (investment return posted through 02/29/20)

Lease agreement income received FY 2020

CMD	\$0	
WSU Foundation	52,810	
Alumni	10,000	
BOT annual funding	0	
		\$62,810

Expenses to date FY 2020 **\$16,617**

Wichita State University Foundation
History of BOT Owned Facilities Maintenance Quasi-Endowed Fund Expenses
Inception 5/30/06

FY 2006	Central Air Conditioning - replaced central air at WAC	\$61,520
FY 2007	Lustercraft Plastics - window wells WAC	6,450
	Sutherland Builders - Replace office doors WAC	13,415
FY 2009	Simplex Grinnell - magnets for all doors WAC	24,272
	Cornejo & Sons - asphalt repairs @ Braeburn Golf	7,619
	Mahaney Roofing - Roof Replacement WAC	83,500
	Physical Plant various invoices - WAC	2,178
	Sutherland Builders - replace Alumni side door -WAC	1,263
FY 2010	Physical Plant - half moon windows WAC	6,432
	Physical Plant - ADA auto open front door WAC	5,000
FY 2013	Replace windows at Woodman Alumni Center	40,155
	<i>(approved \$41,300)</i>	
	Braeburn Golf course - concrete cart paths	238,000
FY 2015	Howard & Helmer Architects, Design for boiler & Alumni wing	120
FY2016	WAC Addition/Construction	232,604
FY2018	None	0
FY2019	None	0
FY2020	Window well maintenance	16,617
		<u>\$722,528</u>

WAC= Woodman Alumni Center

Wichita State University Foundation
Pooled Investment Performance
as of February 29, 2020

FY2020
Performance

Composite
Target Weighted Benchmark

-0.8% NOTE: The returns are as of February 29, 2020, and include estimated returns for the Private Investments
0.1%

Historical Investment Returns

	Fiscal Year	Calendar Year
	2019	3.9%
	2018	7.2%
	2017	10.4%
	2016	-3.8%
	2015	0.4%
		14.6%
		Not available (transition to new investment providers)
Five Year Annualized Return	3.8%	

Balance of all BOT Funds as of 02/29/2020

	2/29/2020		12/31/2019
BOT funds in endowed pool (earnings through 02/29/20)	\$7,694,888	66.3%	\$7,915,497
Gore separately invested fund (earnings through 03/27/20)	3,918,367	33.7%	4,617,616
Total funds balance	<u>\$11,613,255</u>		<u>\$12,533,113</u>

Note: \$87K in disbursements since December

**Wichita State University Board of Trustees
City of Wichita/Sedgwick County Mill Levy Budget
Fiscal Year 2020**

Revenues	Fiscal Year 2020 Budget	Revenue Received as of 03/31/20	Budget Remaining	Percent of Budget Received
Mill Levy	\$ 8,171,225	\$ 6,200,990	\$ 1,970,235	75.89%
Interest	-	39,853	-	
Contingent Revenue	300,000	-	300,000	0.00%
Total Revenues	\$ 8,471,225	\$ 6,240,843	\$ 2,270,235	73.67%
Expenditures	Fiscal Year 2020 Budget	Expenditures as of 03/31/20	Budget Remaining	Percent of Budget Expended
Capital Improvement				
Campus Development Transfer	2,634,360	\$ -	\$ 2,634,360	0.00%
Building Insurance	20,396	16,154	4,242	79.20%
Total Capital Improvements	\$ 2,654,756	\$ 16,154	\$ 2,638,602	0.61%
Student Support				
WSU Tech Support	\$ 800,000	\$ 800,000	\$ -	100.00%
Undergraduate Support	3,796,333	3,840,492	(44,159)	101.16%
Graduate Support	417,136	-	417,136	0.00%
Total Student Support	\$ 5,013,469	\$ 4,640,492	\$ 372,977	92.56%
Economic and Community Development				
Interns-City/County	\$ 136,000	\$ 68,000	\$ 68,000	50.00%
Business and Economic Research	150,000	150,000	-	100.00%
City Government Services	80,000	46,566	33,434	58.21%
County Government Services	80,000	83,759	(3,759)	104.70%
Total Economic and Community Development	\$ 446,000	\$ 348,325	\$ 97,676	78.10%
University Research and Support Services				
Organization and Development	\$ 57,000	\$ 56,068	\$ 932	98.36%
Total University Research and Support Services	\$ 57,000	\$ 56,068	\$ 932	98.36%
Contingency				
Contingency	\$ 300,000	\$ -	\$ 300,000	0.00%
Total Contingency	\$ 300,000	\$ -	\$ 300,000	0.00%
Total Expenditures	\$ 8,471,225	\$ 5,061,038	\$ 3,410,187	59.74%

Wichita State University Board of Trustees
Operating Budget for Fiscal Year 2020 (B.O.T. Unrestricted Budget)
Revenue and Expenditures as of March 31, 2020

<u>Expenditures</u>	<u>Fiscal Year 2020 Budget</u>	<u>Actual Expenditures as of 03/31/20</u>	<u>Budget Remaining</u>	<u>Percent of Budget Expended</u>
General and Administrative:				
Maintenance and Repairs	\$ 15,000	\$ 25,000	\$ (10,000)	166.67%
Professional Fees	17,000	15,660	1,341	92.11%
Insurance	8,800	11,765	(2,965)	133.69%
Other	450	481	(31)	106.94%
Bank Fees	-	3,162	(3,162)	
Transfer to Cash Flow Reserve	15,750	-	15,750	0.00%
Total Expenditures	<u>\$ 57,000</u>	<u>\$ 56,068</u>	<u>\$ 932</u>	<u>98.36%</u>

**Wichita State University Board of Trustees
Campus Development Fund
Fiscal Year 2020**

Revenues	Fiscal Year 2020 Budget	Revenue Received as of 03/31/20	Budget Remaining	Percent of Budget Received
University EEG for WSIA	\$ 2,092,730	\$ 2,092,730	\$ -	100.00%
Transfer from Mill Levy	2,634,360	-	2,634,360	0.00%
Total Revenues	\$ 4,727,090	\$ 2,092,730	\$ 2,634,360	44.27%
Expenditures	Fiscal Year 2020 Budget	Expenditures as of 03/31/20	Budget Remaining	Percent of Budget Expended
<u>Capital Improvements</u>				
Debt Service - WSIA Series 2014-3(2054)	\$ 1,748,359	\$ 1,748,359	\$ -	100.00%
Debt Service - WSIA Series 2014-4(2027)	746,795	746,795	-	100.00%
Debt Service Admin Fees	-	4,240	(4,240)	
Total Capital Improvements	\$ 2,495,154	\$ 2,499,394	\$ (4,240)	100.17%
<u>Innovation Campus Support</u>				
Innovation Campus Infrastructure	\$ 600,000	\$ -	\$ 600,000	0.00%
Fitness Facility	1,250,000	1,250,000	-	100.00%
Total Innovation Campus Support	\$ 1,850,000	\$ 1,250,000	\$ 600,000	67.57%
<u>Reserve</u>				
Project Reserve	\$ 381,936	\$ -	\$ 381,936	0.00%
Total Reserve	\$ 381,936	\$ -	\$ 381,936	0.00%
Total Expenditures	\$ 4,727,090	\$ 3,749,394	\$ 977,696	79.32%

**Wichita State University
Campus Development Fund
Fiscal Year 2021 Budget**

<u>Revenues</u>	<u>Fiscal Year 2021 Budget</u>	<u>Fiscal Year 2020 Budget</u>	<u>Increase (Decrease)</u>
University EEG for WSIA	\$ 2,340,352	\$ 2,092,730	\$ 247,622
WSIA Innovation Campus (BOT)	2,918,718	2,634,360	284,358
Total Revenues	<u>\$ 5,259,070</u>	<u>\$ 4,727,090</u>	<u>\$ 531,980</u>
<u>Expenditures</u>			
<u>Capital Improvements</u>			
Debt Service - WSIA Series 2014-3(2054)	\$ 1,748,359	\$ 1,748,359	\$ -
Debt Service - WSIA Series 2014-4(2027)	746,878	746,795	83
Total Capital Improvements	<u>\$ 2,495,237</u>	<u>\$ 2,495,154</u>	<u>\$ 83</u>
<u>Innovation Campus Support</u>			
Innovation Campus Infrastructure	\$ 600,000	\$ 600,000	\$ -
Fitness Facility	2,500,000	1,250,000	1,250,000
Total Innovation Campus Support	<u>\$ 3,100,000</u>	<u>\$ 1,850,000</u>	<u>\$ 1,250,000</u>
<u>Reserves</u>			
Project Reserve	\$ -	\$ 381,936	\$ (381,936)
Total Reserves	<u>\$ -</u>	<u>\$ 381,936</u>	<u>\$ (381,936)</u>
Total Expenditures	<u>\$ 5,595,237</u>	<u>\$ 4,727,090</u>	<u>\$ 868,147</u>

Wichita State University Board of Trustees
City of Wichita/Sedgwick County Mill Levy Financial Plan

Line		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	Beginning Cash (less amount held by Sedgwick Co.)	\$ 4,086,723	\$ 3,705,028									
Revenues												
2	Mill Levy	\$ -	\$ 8,243,810	\$ 8,408,686	\$ 8,576,860	\$ 8,748,397	\$ 8,923,365	\$ 9,101,832	\$ 9,283,869	\$ 9,469,546	\$ 9,658,937	\$ 9,852,116
3	Mill Levy Distributed to BOT	5,462,589	-	-	-	-	-	-	-	-	-	-
4	Mill Levy Distributed to Security Bank/Sedgwick County	2,496,700	-	-	-	-	-	-	-	-	-	-
5	Interest	74,574	-	-	-	-	-	-	-	-	-	-
6	Alumni Association	-	-	-	-	-	-	-	-	-	-	-
7	Contingent Mill Levy	-	-	-	-	-	-	-	-	-	-	-
8	Total Revenues	\$ 8,033,863	\$ 8,243,810	\$ 8,408,686	\$ 8,576,860	\$ 8,748,397	\$ 8,923,365	\$ 9,101,832	\$ 9,283,869	\$ 9,469,546	\$ 9,658,937	\$ 9,852,116
Expenditures												
Capital Improvements												
9	Campus Development											
10	Debt Service - Refunding of Series 2001											
11	Debt Service - WSIA Series 2014-3											
12	Debt Service - WSIA Series 2014-4											
13	Debt Service Admin Fees											
14	Building Insurance											
15	Subtotal Capital Improvements	\$ 13,799	\$ 20,396	\$ 20,600	\$ 20,806	\$ 21,222	\$ 21,646	\$ 22,079	\$ 22,521	\$ 22,971	\$ 23,430	\$ 23,899
Student Support & Workforce Development												
16	WSU Tech Support	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
17	Undergraduate Support	4,270,353	3,796,333	3,872,260	3,949,705	4,028,699	4,109,273	4,191,458	4,275,287	4,360,793	4,448,009	4,536,969
18	Graduate Support	417,136	417,136	425,479	433,989	442,669	451,522	460,552	469,763	479,158	488,741	498,516
19	Subtotal Student Support & Workforce Development	\$ 5,487,489	\$ 5,013,469	\$ 5,097,739	\$ 5,183,694	\$ 5,271,368	\$ 5,360,795	\$ 5,452,010	\$ 5,545,050	\$ 5,639,951	\$ 5,736,750	\$ 5,835,485
Economic & Community Development												
20	Interns - City/County	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 138,720	\$ 141,494	\$ 144,324	\$ 147,210	\$ 150,154	\$ 153,157	\$ 156,220
21	Business & Economic Research	150,000	150,000	150,000	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,302
22	City Government Services	41,750	80,000	100,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,868
23	County Government Services	37,923	80,000	100,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,868
24	Subtotal Economic & Community Development	\$ 365,673	\$ 446,000	\$ 486,000	\$ 486,000	\$ 495,720	\$ 505,634	\$ 515,747	\$ 526,061	\$ 536,582	\$ 547,313	\$ 558,258
University Research & Support Services												
25	Organization & Development	\$ 30,841	\$ 57,000	\$ 57,000	\$ 57,000	\$ 58,710	\$ 60,471	\$ 62,285	\$ 64,154	\$ 66,079	\$ 68,061	\$ 70,103
26	Bank Fees	3,538	3,550	3,550	3,550	3,621	3,693	3,767	3,842	3,919	3,997	4,077
27	Subtotal University Research & Support Services	\$ 34,379	\$ 60,550	\$ 60,550	\$ 60,550	\$ 62,331	\$ 64,164	\$ 66,052	\$ 67,996	\$ 69,998	\$ 72,058	\$ 74,180
28	Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Total Expenditures	\$ 8,404,935	\$ 8,243,810	\$ 8,408,686	\$ 8,576,860	\$ 8,748,397	\$ 8,923,365	\$ 9,101,832	\$ 9,283,869	\$ 9,469,546	\$ 9,658,937	\$ 9,852,116
30	Revenues Over/(Under) Expenditures	\$ (371,072)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Wichita State University Board of Trustees
Campus Development Fund Financial Plan**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues											
31 University EEG for WSIA	\$ 1,852,376	\$ 2,092,730	\$ 2,340,352	\$ 2,595,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 WSU Contribution											
33 Campus Development from BOT	2,503,595	2,703,395	2,743,797	2,825,810	394,189	468,459	546,047	621,824	696,065	781,077	857,825
34 Total Revenues	\$ 4,355,971	\$ 4,796,125	\$ 5,084,149	\$ 5,421,273	\$ 394,189	\$ 468,459	\$ 546,047	\$ 621,824	\$ 696,065	\$ 781,077	\$ 857,825
Expenditures											
Capital Improvements											
35 Debt Service - WSIA Series 2014-3	\$ 1,748,359	\$ 1,748,359	\$ 1,748,359	\$ 1,748,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36 Debt Service - WSIA Series 2014-4	749,445	746,795	746,878	749,778	-	-	-	-	-	-	-
37 Debt Service Admin Fees	4,240	4,240	4,240	4,240	-	-	-	-	-	-	-
38 Innovation Campus Infrastructure	600,000	600,000	600,000	1,600,000	-	-	-	-	-	-	-
39 Fitness Facility - Health & Wellness	1,250,000	1,250,000	2,500,000	-	-	-	-	-	-	-	-
40 Subtotal Capital Improvements	\$ 4,352,044	\$ 4,349,394	\$ 5,599,477	\$ 4,102,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42 Total Expenditures	\$ 4,352,044	\$ 4,349,394	\$ 5,599,477	\$ 4,102,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43 Revenues Over/(Under) Expenditures	\$ 3,927	\$ 446,731	\$ (515,328)	\$ 1,318,897	\$ 394,189	\$ 468,459	\$ 546,047	\$ 621,824	\$ 696,065	\$ 781,077	\$ 857,825
44 Less Mill Levy/Interest Distributed to Security Bank/Sedgwick Co	(2,512,355)										
45 Less Debt Payment made by Security Bank	2,497,804										
46 Rounding	2										
47 Ending Cash (less amount held by Sedgwick Co.)	\$ 3,705,028										
48 Less cash not available for Campus Development*	\$ (317,535)										
49 Less cash held for cash flow	\$ (2,900,000)										
50 Cash available for Campus Development (cumulative)	\$ 467,060	\$ 913,791	\$ 398,463	\$ 1,717,359	\$ 2,111,548	\$ 2,580,007	\$ 3,126,054	\$ 3,747,878	\$ 4,443,943	\$ 5,225,020	\$ 6,082,845
Change from January 2020 Financial Plan		125,336	253,179	383,579	516,587	652,255	790,636	931,785	1,075,757	1,222,609	1,372,398

Wichita State University Board of Trustees
City of Wichita/Sedgwick County Mill Levy Financial Plan

Line		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
51	Beginning Cash (less amount held by Sedgwick Co.)	\$ 4,086,723	\$ 3,705,028									
	Revenues											
52	Mill Levy	\$ -	\$ 8,243,810	\$ 8,408,686	\$ 8,576,860	\$ 8,748,397	\$ 8,923,365	\$ 9,101,832	\$ 9,283,869	\$ 9,469,546	\$ 9,658,937	\$ 9,852,116
53	Mill Levy Distributed to BOT	5,462,589	-	-	-	-	-	-	-	-	-	-
54	Mill Levy Distributed to Security Bank/Sedgwick County	2,496,700	-	-	-	-	-	-	-	-	-	-
55	Interest	74,574	-	-	-	-	-	-	-	-	-	-
56	Alumni Association	-	-	-	-	-	-	-	-	-	-	-
57	Contingent Mill Levy	-	-	-	-	-	-	-	-	-	-	-
58	Total Revenues	\$ 8,033,863	\$ 8,243,810	\$ 8,408,686	\$ 8,576,860	\$ 8,748,397	\$ 8,923,365	\$ 9,101,832	\$ 9,283,869	\$ 9,469,546	\$ 9,658,937	\$ 9,852,116
	Expenditures											
	Capital Improvements											
59	Campus Development											
60	Debt Service - Refunding of Series 2001											
61	Debt Service - WSIA Series 2014-3	\$ 2,503,595	\$ 2,703,395	\$ 2,743,797	\$ 2,825,810	\$ 394,189	\$ 468,459	\$ 546,047	\$ 621,824	\$ 696,065	\$ 781,077	\$ 857,825
62	Debt Service - WSIA Series 2014-4					1,748,359	1,748,359	1,748,359	1,748,359	2,063,359	2,495,659	2,499,819
63	Debt Service Admin Fees					750,968	750,068	747,298	747,818	436,380		
64	Building Insurance					4,240	4,240	4,240	4,240	4,240	2,650	2,650
65	Subtotal Capital Improvements	13,799	20,396	20,600	20,806	21,222	21,646	22,079	22,521	22,971	23,430	23,899
	Student Support & Workforce Development											
66	WSU Tech Support	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
67	Undergraduate Support	4,270,353	3,796,333	3,872,260	3,949,705	4,028,699	4,109,273	4,191,458	4,275,287	4,360,793	4,448,009	4,536,969
68	Graduate Support	417,136	417,136	425,479	433,989	442,669	451,522	460,552	469,763	479,158	488,741	498,516
69	Subtotal Student Support & Workforce Development	5,487,489	5,013,469	5,097,739	5,183,694	5,271,368	5,360,795	5,452,010	5,545,050	5,639,951	5,736,750	5,835,485
	Economic & Community Development											
70	Interns - City/County	\$ 136,000	\$ 136,000	\$ 136,000	\$ 136,000	\$ 138,720	\$ 141,494	\$ 144,324	\$ 147,210	\$ 150,154	\$ 153,157	\$ 156,220
71	Business & Economic Research	150,000	150,000	150,000	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,302
72	City Government Services	41,750	80,000	100,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,868
73	County Government Services	37,923	80,000	100,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,868
74	Subtotal Economic & Community Development	365,673	446,000	486,000	486,000	495,720	505,634	515,747	526,061	536,582	547,313	558,258
	University Research & Support Services											
75	Organization & Development	\$ 30,841	\$ 57,000	\$ 57,000	\$ 57,000	\$ 58,710	\$ 60,471	\$ 62,285	\$ 64,154	\$ 66,079	\$ 68,061	\$ 70,103
76	Bank Fees	3,538	3,550	3,550	3,550	3,621	3,693	3,767	3,842	3,919	3,997	4,077
77	Subtotal University Research & Support Services	34,379	60,550	60,550	60,550	62,331	64,164	66,052	67,996	69,998	72,058	74,180
78	Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	Total Expenditures	\$ 8,404,935	\$ 8,243,810	\$ 8,408,686	\$ 8,576,860	\$ 8,748,397	\$ 8,923,365	\$ 9,101,832	\$ 9,283,869	\$ 9,469,546	\$ 9,658,937	\$ 9,852,116
80	Revenues Over/(Under) Expenditures	\$ (371,072)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Wichita State University
City of Wichita/Sedgwick County Mill Levy Budget
Fiscal Year 2021 Budget

<u>Revenues</u>	<u>Fiscal Year 2021 Budget</u>	<u>Fiscal Year 2020 Budget</u>	<u>Increase (Decrease)</u>
Revenue	\$ 8,445,583	\$ 8,171,225	\$ 274,358
Interest	50,000	-	50,000
Contingent Revenue	300,000	300,000	-
Total Revenues	<u>\$ 8,795,583</u>	<u>\$ 8,471,225</u>	<u>\$ 324,358</u>
<u>Expenditures</u>			
<u>Capital Improvements</u>			
WSU Innovation Campus	2,918,718	2,634,360	284,358
Building Insurance	20,396	20,396	-
Total Capital Improvements	<u>\$ 2,939,114</u>	<u>\$ 2,654,756</u>	<u>\$ 284,358</u>
<u>Student Support/Workforce Development</u>			
WSU Tech Support	\$ 800,000	\$ 800,000	-
Undergraduate Support	3,796,333	3,796,333	-
Graduate Support	417,136	417,136	-
Total Student Support	<u>\$ 5,013,469</u>	<u>\$ 5,013,469</u>	<u>\$ -</u>
<u>Economic and Community Development</u>			
Interns-City/County	\$ 136,000	\$ 136,000	\$ -
Business and Economic Research	150,000	150,000	-
City Government Services	100,000	80,000	20,000
County Government Services	100,000	80,000	20,000
Total Economic and Community Development	<u>\$ 486,000</u>	<u>\$ 446,000</u>	<u>\$ 40,000</u>
<u>University Research and Support Services</u>			
Organization and Development	\$ 57,000	\$ 57,000	\$ -
Total University Research and Support Services	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ -</u>
<u>Contingency</u>			
Contingency	\$ 300,000	\$ 300,000	\$ -
Total Contingency	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 8,795,583</u>	<u>\$ 8,471,225</u>	<u>\$ 324,358</u>

Wichita State University Board of Trustees
University Research and Support Services Detail
Fiscal Year 2021 Budget

<u>Expenditures</u>	<u>Fiscal Year 2021 Budget</u>	<u>Fiscal Year 2020 Budget</u>	<u>Increase (Decrease)</u>
<u>General and Administrative</u>			
Maintenance and Repairs	\$ 15,000	\$ 15,000	\$ -
Professional Fees	17,000	17,000	-
Insurance	12,000	8,800	3,200
Bank Fees	5,000	-	5,000
Other	8,000	450	7,550
Transfer to Cash Flow Reserve	-	15,750	(15,750)
Total Expenditures	\$ 57,000	\$ 57,000	\$ -

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WICHITA STATE UNIVERSITY
CITY-COUNTY MILL LEVY BUDGET REQUEST**

Capital Improvements \$2,939,114

WSU Innovation Campus \$2,918,718

Goal: To provide capital for strategic initiatives needed to improve the Innovation Campus and the campus as a whole.

Create a live, work, play environment for students, staff, strategic partners, and the community. All funding decisions will be vetted by the WSIA and facilities committee and approved by the BOT. The \$284,358 budgetary increase in this line item reflects the increase in budget for mill levy revenue over the prior period of \$234,358 and the recognition of \$50,000 of budgeted interest.

Building Insurance \$20,396

Goal: To provide insurance coverage as required by bond covenants.

Bond transcripts require that insurance coverage be maintained on buildings where bond proceeds were used to fund the construction costs of the buildings. No change is requested in this budget item for Fiscal Year 2021.

Student Support \$5,013,469

WSU Tech Support - \$800,000

In prior years, Sedgwick County received this support from the Board of Trustees to offset a portion of the County's debt service for the National Center for Aviation Training. Since WATC is now WSU Tech, the County has eliminated their operating support of WATC, the Board of Trustees has eliminated support for the County's debt service and redirected this support directly to WSU Tech. No change is requested in this budget item for Fiscal Year 2021.

Wichita State University Undergraduate Support - \$3,796,333

In October of 2013, President Bardo announced a new scholarship program for Wichita State University. WSU will become more assertive about (1) offering scholarship money, and (2) offering scholarships earlier to a larger number of prospective students. Funds from the City-County Mill Levy will be a key factor in the implementation and success of this new program. Support for undergraduate students will be dispersed in four types of scholarships; Freshman Merit, Honors College, National Merit, and Transfer Merit. Funds from the Mill Levy will be targeted primarily to students who are Sedgwick County residents. No change is requested in this budget item for Fiscal Year 2021.

Wichita State University Graduate Support - \$417,136

Support for the Graduate School is targeted to assist graduate students studying for the Master of Public Administration degree, doctoral or master's studies in areas directly affecting local industry or the public sector. Funding also used to recruit graduate research assistants to assist faculty-directed projects that have received or have a strong potential to receive external grant funding in areas that have applications

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to business, industry, and social agencies in Wichita/Sedgwick County. No change is requested in this budget item for Fiscal Year 2021.

Economic and Community Development-\$486,000

Funding for Economic and Community Development activities allows Wichita State University to continue expanding its involvement with the City of Wichita and Sedgwick County through education and training programs in support of economic development. The funding also provides opportunities to utilize faculty expertise in the analysis of community issues in partnership with the City and County, utilize student internships related to specific local needs and provide services related to maintaining and analyzing important socio-economic databases. The \$40,000 increase reflects a \$20,000 increase for both City and County Services for Fiscal Year 2021.

Interns-City/County \$136,000

Goal: To attract pre-service students considering professional degree programs and provide them with financial assistance, to provide an enriched learning experience for students, and to contribute to the quality of community decision making through intern assistance to the Offices of the City Manager and County Manager.

The City/County intern program is directed by the Hugo Wall School of Urban and Public Affairs and is used to enhance the learning experience of four Master of Public Administration students through internships with the City of Wichita and Sedgwick County. No change is requested in this budget item for Fiscal Year 2021.

Business and Economic Research \$150,000

Goals: To produce annual economic forecasts such as employment, personal income, and retail sales for the Wichita/Sedgwick County area.

To develop and maintain public accessible business, demographic and economic databases for the Wichita/Sedgwick County area.

To respond to requests for information from the community relative to business, economics and demographics.

In 1999, the City of Wichita asked the Center for Business and Economic Research at Wichita State University to expand its research capabilities to provide Geographic Information System (GIS) services. In 2005, the Center was asked by the City of Wichita, Sedgwick County and the Greater Wichita Economic Development Coalition (GWEDC) to expand its research capabilities and services by developing, maintaining and operating the South Central Kansas Economic and Fiscal Impact Model. The city, county and GWEDC have asked the Center to maintain most databases on a county-by-county basis for a ten-county service area, as economic development has become a more regional endeavor. The Center has expanded its research, forecasting, database management and economic modeling to better serve business, industry, government and non-profit groups throughout south-central Kansas. Through its

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research and programs, the Center has established a reputation for efficient, timely, reliable and customer-friendly services. The Center contributes directly to the economic development efforts of Wichita, Sedgwick County and Kansas. Beginning January 1, 2017 all Business and Economic Research expenditures are also approved by the Greater Wichita Partnership. No change is requested in this budget item for Fiscal Year 2021.

City Government Services \$100,000

Goal: To provide services to the City of Wichita on projects requested by city government.

Wichita State University provides technical assistance and training to support the mission of the City of Wichita. Expertise of faculty, staff and students will be used to respond quickly to requests for assistance and information. A \$20,000 increase is requested in this budget item for Fiscal Year 2021.

County Government Services \$100,000

Goal: To provide services to Sedgwick County on projects requested by county government.

Wichita State University provides technical assistance and training to support the mission of Sedgwick County. Expertise of faculty, staff and students will be used to respond quickly to requests for assistance and information. A \$20,000 increase is requested in this budget item for Fiscal Year 2021.

University Research and Support Services \$57,000

Organization and Development \$57,000

Goal: To insure that funds from the Mill Levy are properly administered for the City of Wichita, Sedgwick County and Wichita State University.

Organization and Development represents the operating costs for the Board of Trustees. The WSU Board of Trustees is responsible for administering the Mill Levy fund, monitoring endowments held in the WSU Foundation that are owned by the Board of Trustees and managing the facilities owned by the Board of Trustees. No change is requested in this budget item for Fiscal Year 2021.

Contingency \$300,000

Goal: To provide flexibility in funding to respond to unforeseen needs or emergencies.

The Contingency line item will support unanticipated program needs throughout the year. As recommended by Sedgwick County financial officials, \$300,000 represents anticipated revenue depending on the financial determination of the actual dollar value of the revenues from the 1.5 Mill Levy. These additional resources may result from unanticipated increases in property valuation. Any unused portion of these funds will be utilized for additional support for the Wichita State University Merit Scholarship Program.

Review Request to Establish a National Institute of Digital Transformation and Convergence Sciences – WSU

Wichita State University requests that the Board of Regents review a request to establish a new Institute. In furtherance of its vision and mission to be an essential educational, cultural and economic driver for the State of Kansas, Wichita State University is requesting authorization to accept additional funding and legislation for an investment in the amount of \$5 million to support the University's National Institute of Digital Transformation (NIDT) and Convergence Sciences.

The NIDT will explicitly support Pillar 3 of the Strategic Plan established by the Kansas Board of Regents. The NIDT is a cornerstone of President Golden's Initiative for Convergence Sciences which entails integrating knowledge, methods, and expertise from different disciplines and forming novel frameworks to **catalyze scientific discovery and innovation**. The result being novel research and subsequent innovations that can be exported worldwide as well as attract and create new companies in Wichita which, will help diversify and advance the economy of Kansas.

Recent aviation industry layoffs reinforced the critical need to diversify the Kansas economy and focus on the jobs of the future. Those jobs are in technology. For the last 40 years, all net new jobs in the US economy have been technology jobs, mainly from companies less than five years old. The University's planned National Institute of Digital Transformation and Convergence Sciences will focus on (1) research and innovation in cloud computing and software development utilizing high speed broadband in Kansas; and (2) research and service laboratories to provide the needed technology for Kansas to compete globally. The labs will support these endeavors and include: (1) cybersecurity; (2) environmental testing and certification for hardware and Internet of Things ("IoT") devices; (3) interoperability and solutions testing; (4) machine learning and artificial intelligence; and 5) simulations and virtual and augmented reality for systems engineering.

Students at WSU would benefit from the additional experiential learning opportunities from the institute. New programs (e.g., artificial intelligence, machine learning, virtual reality, blockchain) or expanded and redevelopment of existing programs (e.g., data science, engineering, business, health sciences) will occur as a result of the proposed cluster. These programs will provide internships, certificates, minors, and degrees at the undergraduate or graduate level, which will provide the necessary education for jobs in the growing technology field. Students of all types will be able to immediately participate in applied learning experiences within and related to the project as industry partners begin to collaborate with the institute.

The National Institute would be based on the model and strengths of NIAR but focused on developing technology that can transform other industries, including aviation, to drive economic development and support new ventures in Kansas. In fact, several companies, including a publicly-traded Fortune 500 company and a multinational professional services network supporting technology and automated manufacturing, have become the first to take root and will likely continue to grow and attract other businesses in this industry with this infrastructure and research support at Wichita State University.

The state investment of \$5.0 million would be used as the KART (Kansas Aviation Research & Technology Growth Initiative) money is used at NIAR and the NCAT (National Center for Aviation Training) funding is used at WSU Tech. We will meet with industry in the technology fields to determine what labs and research are needed to grow the Kansas economy. Each year we will submit a review of how the money was spent as we currently do with NIAR and WSU Tech. These reports will respond to industry need

each year and we will be able to change focus based on economic needs. The research programs developed by collaboration between WSU and the tech companies will be used to purchase equipment, subject matter experts and lab space. The Institute will be expected to use this funding to drive additional revenue for government contracts and grants and private industry funding.

Digital transformation can vastly expand the potential of the economy and generate opportunities for many. Digital technology improvements are the most important driving factor for business sustainability as they are redefining work and transforming the structure of the entire economy. It is essential that Wichita State urgently expand the high-skill information technology talent pipeline and create capacity to upskill incumbent workers as knowing digital skills represent a key channel to productivity gains. The National Institute will provide additional direct job for faculty and staff but will also provide applied learning opportunities for students. The following table provide the estimated direct total full-time equivalent (FTE) jobs immersed in digital transformation at the National Institute. Each student job is equal to 0.5 FTE and it is anticipated that the student to staff ratio will be a minimum of four students to each staff thereby expanding the high-skilled information technology pipeline.

The Institute anticipates an equipment investment of \$20 million half donated by the private sector and half funded by the public sector. Over the 10-year term of the analysis, it is estimated that there will be 1,300 applied learning experiences.

Table 1. Growth Metrics for First 10 Operating Years

	Total Direct Jobs		3. Equipment Investment	4. R&D Grant and Contract
	1. Added/Created	2. Retained		
10 Year Outcomes	95 FTE Faculty, Staff and Students per year	33 FTE	\$20 Million	\$40 Million

To maintain economic prosperity Kansas must increase research and development (R&D) spending provide greater investment in local R&D institutions. In the first ten years of operation, it is estimated that the NIDT will engage in \$40 million dollars of grant and contract research with over \$16 million of research programming in the tenth year. The National Institute will improve Kansas's digital workforce skills in and increase labor productivity and the potential of individuals and society.

If the state of Kansas cannot invest in developing centers of excellence to train and support a workforce skilled in applying digital transformation tools to grow and create new business, those businesses will have no choice but to move and center their operations around locations that do invest in a digitally skilled and savvy workforce.