



## **Fiscal Affairs Committee Agenda**

Wednesday, March 11, 2026, 10:15 am  
Kansas Board of Regents' Office, Topeka

### **I. Old Business**

- A. Approve minutes of February 11, 2026 committee meeting
- B. Follow up on issues raised during the February 24 agenda call

### **II. New Business**

- A. Receive Internal Audit Plans  
*Cate Neeley, University of Kansas/KU Medical Center*  
*Chris Cavanaugh, Wichita State University*  
*Tammy Norman, Emporia State University*
- B. **FAA 26-04** Review State Universities' Annual Financial Reports, including Composite Financial Index and Current Year Budget Status Relative to Plan  
*Ethan Erickson, Kansas State University*  
*David Miller, Wichita State University*  
*Jeff Dewitt, University of Kansas*
- C. **FAA 26-05** Receive Debt Capacity Plans for State Universities and Assess Universities' Indebtedness  
*Jim MacMurray, Kansas Development Finance Authority*
- D. Review Board Agenda Items under Fiscal Affairs
- E. Receive Update on FY 2027 Unified Appropriations Request

### **III. Standing Topics**

- A. **FAA 26-08** Monitor Progress on Kansas Campus Restoration Act
- B. **FAA 26-09** Review Audit Findings

### **IV. Future Meetings**

March 31 (virtual meeting to include first read of FY 2027 Johnson County Education Research Triangle Budgets from KSU Olathe, KU Edwards, KUMC)



## KANSAS BOARD OF REGENTS

### **Fiscal Affairs and Audit Standing Committee Meeting Minutes Wednesday, February 11, 2026**

The February 11, 2026, meeting of the Fiscal Affairs and Audit Standing Committee was called to order by Chair Dicus at 10:15 a.m. The meeting was held in the Board Office located in the Curtis State Office Building, 1000 S.W. Jackson, Suite 520, Topeka. *Proper notice was given according to the law.*

MEMBERS PRESENT:

- Regent John Dicus, Chair
- Regent Matt Crocker
- Regent Neelima Parasker
- Regent Kathy Wolfe Moore

#### **Old Business**

##### **Approval of Minutes**

Regent Crocker moved to approve the minutes of the January 14, 2026, meeting. Following Regent Parasker's second, the motion carried.

##### **Follow Up on Issues Raised During Agenda Call**

Chair Dicus discussed the project proposals and how often they need to return to the Committee and Board, and whether there are ways to make that process more efficient for the universities. There is ongoing concern that repeated Board reviews can create delays, additional workload, and increased costs, particularly given inflation and lengthy project timelines, and asked if there's a way to streamline the process going forward. Director Bristow will work with the Council of Business Officers on a proposal for the Board to consider that would streamline the process.

#### **New Business**

##### **Receive External Management Review of Pittsburg State University**

Mike Lowry from Allen, Gibbs & Houlik, presented an external management review for Pittsburg State University, examining non-public funds during Fiscal Years 2024 and 2025, triggered by the departure of President Shipp last summer. The external management review assessed non-public funds of Pittsburg State University and its affiliated corporations. The review covered the Research Foundation, which had suspended operations and had no transactions, and the Foundation, along with university-level non-public funds, primarily student activity and Foundation funds. Review procedures included leadership interviews, evaluation of conflict-of-interest forms, review of governance documents and financial statements, and transaction testing. Testing covered 51% of student activity funds and 60% of Foundation funds, with no compliance, control, or documentation issues identified. The review noted a few senior administrators lacked current conflict-of-interest forms; management reported this gap was identified through an internal audit and corrective actions are underway. Regent Wolfe Moore moved to accept the report. It was seconded by Regent Crocker and the motion passed.

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### **Receive Presentation of Computations for Composite Financial Index**

Jeff Hunter, Director of Financial Reporting Services at the University of Kansas, presented an overview of the Composite Financial Index (CFI), a standardized benchmark used nationally in higher education to assess overall institutional financial health and reported annually to the Board of Regents. The CFI combines four weighted ratios—primary reserve, net operating, viability, and return on net assets—into a single, comparable metric that simplifies financial analysis and supports long-term trend evaluation rather than point-in-time assessment. The presentation emphasized that the CFI should be interpreted alongside non-financial indicators such as enrollment, research activity, and growth opportunities, and that declining CFI trends may signal increased financial risk. Staff reviewed the purpose of each ratio, explained how the CFI score is calculated, and demonstrated how the index provides a clearer, consolidated view of financial performance over time to inform strategic and operational decision-making.

Regent Crocker asked for clarification on the purpose of the industry factors and weights used in the Composite Financial Index, given its application across higher education. Mr. Hunter explained that the CFI methodology is established through an industry-standard framework detailed in published guidance and is designed to ensure uniformity and comparability across institutions. The industry factors and weights are fixed and applied consistently to all universities; they do not vary by institution. Differences in CFI results arise solely from each institution's underlying financial data and ratio performance, ensuring standardized analysis while allowing for institution-specific outcomes.

Regent Parasker asked for clarification on the weighting of the CFI ratios, noting that the primary reserve and viability ratios carry greater weight than the net operating ratio and return on net assets, and questioned the emphasis placed on the viability ratio. Mr. Hunter explained that the primary reserve ratio reflects an institution's operational capacity, while the viability ratio assesses the institution's ability to support its current debt load. Both ratios are weighed equally to balance operational sustainability with debt capacity, recognizing that debt can be a strategic tool when managed appropriately and does not mature uniformly. It was acknowledged that the viability ratio is more fluid and context-dependent, emphasizing the importance of considering institutional strategy and mission when interpreting its impact on overall financial health.

Regent Wolfe Moore asked whether CFI scores should be used to compare Kansas universities directly. Mr. Hunter explained that while CFI results may be reviewed collectively, they should not be interpreted in isolation or used to rank institutions against one another, as each university's financial strategy, resource needs, and programmatic challenges differ. The discussion emphasized evaluating CFI results alongside non-financial indicators to understand institutional context. Regent Wolfe Moore also asked how a declining or lower CFI may disadvantage an institution competitively. It was noted that external stakeholders, such as grant-making organizations and funding agencies, may view lower or declining CFI scores as higher risk, potentially affecting the institution's ability to compete for grants, awards, and other funding opportunities.

Regent Crocker asked about the appropriate timeframe for analyzing CFI trends when informing long-term decisions. Mr. Hunter advised that industry practice typically considers a five- to ten-year trend to provide sufficient historical context and reduce the impact of short-term volatility. The discussion noted that CFI results can fluctuate significantly due to external factors beyond institutional control, such as market-driven investment gains or losses, reinforcing the importance of evaluating CFI performance over an extended period rather than relying on single-year results.

## **FAA 26-04 Review State Universities' Annual Financial Reports & Current Year Budget Status Relative to Plan**

Wesley Wintch, Vice President for Administration and Finance at Fort Hays State University, presented their mid-year financial overview, highlighting revenue, enrollment, expenditures, debt, and financial position. Approximately 33% of the budget derives from the State General Fund, 20% from tuition, 21% from restricted fees, and the remainder from federal, auxiliary, and other sources. Enrollment trends showed modest growth following prior declines, with Fiscal Year 2025 FTE students increasing by 1% and continued gains projected for Fiscal Year 2026; student retention improved to 77.1%, driven by growth in workforce-aligned programs such as nursing, allied health, and social work.

Tuition revenue remained heavily supported by online instruction, while on-campus enrollment growth positively affected credit hour production and auxiliary revenues. Expenditures remained aligned with budget, with compensation and benefits comprising approximately 60% of total costs; changes in scholarship expenditures reflect updated accounting standards rather than reduced support of students. The University reported declining debt levels, improved Moody's outlook from A1 negative to A1 stable, and a strengthened Composite Financial Index of 6.47, influenced in part by the two newly affiliated technical colleges. Staff emphasized affordability, improved student success outcomes, and strong regional partnerships as institutional strengths, while noting ongoing challenges related to enrollment headwinds, workforce competition, regulatory uncertainty, and the need for strategic investment to support future growth.

Regent Wolfe Moore asked about the potential impact of a reduction in regional stabilization funding and the likelihood of continued state support. Mr. Wintch reported that the future of the funding remains uncertain, though incorporation into the base budget could suggest continued support. Staff noted that the current proposal reflects a \$2.4 million reduction in state operating funds to Fort Hays, which would present a significant challenge and directly affect university operations. While the institution would work collaboratively to manage the impact, staff emphasized that the reduction would require careful planning and adjustments to navigate the loss of state support.

Angela Wolgram, Executive Vice President for Finance and Chief Financial Officer at Emporia State University reported that fall enrollment trends have shifted from declining to stabilizing, though headcount remains below peak levels. In-state resident students continue to comprise the majority of enrollment, while international enrollment has declined significantly, dropping from more than 500 students in 2013 to 44 currently. Annual credit hour production is evenly split between online and on-campus students, as defined by at least one in-person credit hour. Growth in the Jump Start high school concurrent enrollment program has doubled since last year, but these primarily part-time students contribute fewer credit hours overall. She also noted that prior reductions in degree requirements to 120 credit hours have contributed to lower credit production.

Chair Dicus asked about the possibility of better tracking the on-campus presence of students enrolled in online courses. Ms. Wolgram indicated that address data and identity management systems, including ID usage, may offer opportunities to more accurately document on-campus engagement, and interest was expressed in further exploring these options.

Ms. Wolgram reported the 20th-day census shows strong growth across the institution, with total headcount up over 6%, residential housing up 23%, and first-time undergraduate enrollment increasing nearly 30%. High school concurrent enrollment more than doubled, reflecting effective cross-campus alignment in recruitment, academics, and student support. Mid-year financials are tracking positively,

with tuition revenue exceeding budget and expenses at appropriate mid-year levels. Strategic investments continue in instruction, student services, athletics, and scholarships, while tuition remains competitive among peers. Financial indicators are strong, debt has been reduced, and leadership noted positive momentum alongside continued attention to long-term funding and demographic challenges. Regent Parasker asked what their Moody's rating was, and Angela replied it was A1 stable.

Doug Ball, Vice President for Administration and CFO, Pittsburg State University, shared their updates. He reported stable overall enrollment on an FTE basis, with modest gains in headcount driven by strong undergraduate performance. New freshman enrollment increased for the fifth consecutive year, with a significant gain in the most recent fall, strengthening overall undergraduate numbers. Graduate enrollment remains a challenge, though spring data showed the first year-over-year increase in new graduate students in several years, signaling early progress. Mid-year financials are tracking as planned, with revenues and expenditures slightly below typical mid-year levels due to project timing and disciplined spending, positioning the institution for a potential year-end surplus. Long-term financial trends reflect increased state support, tuition growth, and expanded grant funding, enabling continued investment in student success initiatives. Tuition remains highly competitive relative to KBOR and conference peers, strengthening market position. Financial indicators remain strong, debt service has declined significantly, and major capital projects continue to advance. Leadership highlighted ongoing challenges related to state funding, graduate enrollment, and competitive salaries, while noting strengths in freshman recruitment, student success efforts, and the positive institutional and regional impact of major capital investments.

Chair Dicus asked whether recent developments related to Name, Image, and Likeness (NIL), as presented by Division I athletic directors to the Legislature, have any current or anticipated impact on the three institutions presenting, and whether there are concerns moving forward regarding NIL's implications. Doug responded that NIL activity exists at the Division II level but at a much smaller scale than Division I and does not involve direct institutional funding of athletes, limiting its immediate financial impact. He noted, however, that Division II athletics face ongoing financial pressures related to maintaining competitiveness, requiring increased institutional investment. Athletics funding relies on a combination of university budget support, generated revenues, and donor contributions, and managing this multi-source funding model remains a continuing challenge, albeit at a different scale than Division I institutions.

Vice President Frisbie added that the Board previously conducted a multi-year review of student health and athletics support. The first year focused on student health centers and services, followed by a second-year review centered on student-athletes and how universities address their needs. That review was supported by an external consultant, the U.S. Council for Student Athlete Health, which provided campus-specific recommendations. Athletic departments have continued implementing those recommendations and reported progress in subsequent years, reflecting ongoing institutional attention to athletics, student well-being, and the university-athletics relationship.

#### **Review Board Agenda Items Under Fiscal Affairs**

The Committee reviewed Board agenda items under Fiscal Affairs, including four consent agenda items and one for discussion, with the Student Insurance Advisory Committee chair on the program's legislative authority, established in 2006, and the current ten-year contract with UnitedHealth Student Resources, bid in 2020. The committee, representing all six state universities including KUMC, unanimously recommended modest rate increases of 3.21% for Plan 1 and 3.23% for Plans 2, 3, and 4, reflecting higher claims experience, market conditions, prior year rate reductions, and enrollment considerations.

The Committee also recommended inclusion of the Healthiest U telehealth service at no additional cost to students or future rates. The proposed rates have been reviewed and approved by the Council of Business Officers and the Council of Presidents. Regent Parasker moved to this on to the full Board agenda, it was seconded by Regent Crocker, and the motion passed.

#### **Receive Update on FY 2027 Unified Appropriations Request**

Vice President Frisbie summarized current legislative budget actions affecting the higher education system, noting that the House largely adopted its budget committee recommendations and that comparisons reflect the Board's request, the Governor's proposal, and House and Senate positions. A key concern is the House's proposed \$2.3 million reduction to public university need-based aid, which could significantly reduce student awards.

Other highlights include general support for the instructional cost model for funding the two-year colleges' state aid, continued discussion around Excel in CTE funding, and mixed support for student success initiatives and university projects. Current-year carryforward funds were largely subject to lapsing, though some student aid and literacy funding was restored. The Campus Restoration Act remains on track for full funding, and both chambers included FY 2028 financial aid appropriations for financial aid, providing a greater degree of certainty. The budget remains fluid, with further updates expected as the legislative process continues.

#### **Standing Topics**

##### **Campus Restoration Act**

Director Bristow noted that because the Board does not have an April meeting this year, universities are unable to present five-year capital plans for a first read on the usual schedule. He proposed shifting the first read to May, with Board approval in June, and requested endorsement to temporarily suspend Board policy to allow this one-month adjustment. Regent Crocker moved to approve the adjustment. The motion was seconded by Regent Parasker, and the motion passed. Director Bristow will communicate with staff at the campuses to explain the change in deadline.

#### **Adjournment**

Chair Dicus announced adjourned the meeting at 12:02 p.m.