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Board of Trustees Minutes, January 25, 2013

Eastern Washington University

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BOARD OF TRUSTEES

**Friday
January 25, 2013**

MINUTES

Trustees Present:

Paul Tanaka, Chair
Mark Mays, Vice Chair
Jo Ann Kaufman
Joshua Neil
Jim Murphy
Vicki Wilson
Robert Whaley

Call to Order, I.

Chair Paul Tanaka called the January 25, 2013, meeting of the Eastern Washington University Board of Trustees to order at 12:09 p.m.

Quorum, II.

A quorum was present. All trustees were in attendance.

Executive Session, III.

Chair Tanaka announced the Board will convene in executive session under RCW 42.30.110(1)(b) (g) and (i) for the following purposes: to consider the selection of a site or the acquisition of real estate by lease or purchase; to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; and to discuss with legal counsel representing the agency matters relating to agency enforcement actions, litigation or potential litigation. Executive session concluded at 1:45 p.m.

Reconvene Open Board of Trustees Meeting

Chair Tanaka called the Regular Session of the January 25, 2013, meeting of the Eastern Washington Board of Trustees to order at 1:55 p.m. He noted that no final actions were taken during the executive session.

Reports, IV.

University President's Report, IV.A.

President Arévalo talked about the strategic goal of visibility and shared a featured article from a newspaper that brought attention to EWU through the work of Dr. Dorothy Zeisler Vralsted and two faculty members who traveled last quarter to communities in Iraq for their work on water studies. He further referred to other published articles in the *Spokesman Review* and magazines produced by Downtown Spokane and Greater Spokane Incorporated that increased EWU awareness and visibility in the region and noted how EWU programs have enhanced the community. He brought attention to a national publication that highlighted EWU's Veteran's Center and quoted that EWU had "created a best practice, rather than followed one." The American Association of State Colleges and Universities (AASCU) also referenced in their news publication on January 9 that the public university presidents in Washington were moving proactively by providing a request to the state legislature for how they could request funding and not increase tuition—an article also highlighted in a national publication focusing on work EWU has accomplished. We have also continued to be in the lead with our creative airport advertising, and our football success created numerous articles in the *Spokesman Review*. The Arevalo's holiday greeting to the community was published and was well received.

Year-End Financial Report:

Vice President for Business & Finance, Ms. Mary Voves, introduced Susan Musselman, our financial advisor for all bond issues and the university housing project. Ms. Toni Habegger, Chief Financial Officer, provided the Board with information on the year end financials noting how a sound financial position supports EWU's mission and is the foundation from which we are able to develop goals, strategies, and actions. The pressures on tuition pricing and financial aid were discussed.

The budget process and operating budget history were reviewed. Continued reductions in state funding have changed the historical balance of the operating budget funding sources. Tuition is a growing piece of operating budget. In 2009, 62 percent of EWU funding was provided by the state; in 2013, 35 percent is provided by state. Eastern's GF-State funding per FTE declined by 67 percent between FY2008 and FY2013. Higher education institutions receive 3.13 percent of the state's GF and EWU's share is 0.22 percent. Capital appropriations are also declining, and funding for minor works is of particular concern.

The primary goal of financial reporting is to communicate information about the university's resources and obligations and demonstrate the organization is fiscally sustainable. Key balance sheet indicators demonstrate our financial stability. Our net assets increased 5.8 percent over FY2011. EWU's measure of liquidity is above the industry baseline with about \$4 to cover every \$1 of current liabilities (industry standard is \$2). The expendable financial resources to direct debt measures our ability to cover debt, and EWU is in a strong position. Eastern is managing debt levels in compliance with the established internal debt policy, which is a 3 percent cap.

The operating statement demonstrates how the university will maintain itself within its annual income over time. Eastern's revenue increased over time primarily due to higher student net tuition

and fees and a three percent growth in enrollment. Future pressures were explained and discussed. The report concluded that EWU is a financially stable institution (see report).

Debt Policy Review:

EWU policy requires an annual debt report to the board. Ms. Susan Musselman reported on a fairly stable outlook. We have two outstanding debt issues: \$33.7 million in student fee revenue bonds issued in 2006 and \$25.3 million in Housing and Dining Revenue bonds issued in 2012. Ms. Musselman emphasized the importance of Board of Trustees' engagement. She made note that the budget situation over the past four years has been handled well, and decisions made in 2008 allow us the financial security we enjoy today (EWU's rating is A1).

Ultimately, she explained these ratings show that EWU has good debt capacity and that we are at the stronger end of our debt ratio capacity. Any potential new financing for improvements in the housing and dining system and the student union were discussed (see report).

Trustees' Reports, IV. B.

Business & Finance: Chair Paul Tanaka reported on the meeting with the state auditor, and a final report will be available for the March meeting. He also reported on the new member legislative reception in Olympia he attended with Trustee Ortega. He also commented on positive discussion last evening at the Board's dinner meeting with the Cheney City Council.

Office of Information Technology: Trustee Vicki Wilson spent yesterday afternoon with Vice President Gary Pratt. Highlights of unit accomplishments include deployment of Canvas, and Office 365 is a move from on campus Exchange/Outlook email to the cloud-based Office 365 (Microsoft's Cloud version). EWU was selected to host the Northwest eLearn Conference, where more than 200 will gather in October. EWU OIT hosted Gonzaga and University of Idaho team meetings, and they have asked to continue the collaboration. Lastly, Trustee Wilson reported on Dr. Pratt's new title: Vice President of Information Technology and CIO.

Student Affairs: Trustee Kauffman reported on winter enrollment numbers and record growth. FTE winter enrollment is up 3 percent from last year, state FTE enrollment is up 3.4 percent, and state head count is up 2.7 percent. Overall FTE is 10,951; headcount is 10,586, and the diversity mix continues to grow. Student Affairs has been awarded the NASPA Gold Excellence Award for Housing and Residential Life, an award given for having one of the best residential life environments in the nation.

Legislative Affairs: Trustee Ortega urged fellow trustees to contact legislators to increase support for students.

Equal Opportunity/Affirmative Action: Trustee Murphy has begun to familiarize himself with diversity issues and programs on campus. He expressed appreciation for the commitment by the President's Office and Director Gayla Wright. Ms. Wright has educated Trustee Murphy on her responsibilities, and he commended her for the opportunities she provides students. Trustee Murphy also attended the celebration event for the creation of the new Race and Culture Studies major at the university. He was encouraged by the presentation today where he learned more about the directors

leading Chicano, Africana, and American Indian Studies. He looks forward to meeting with the program directors in the future.

Academic Affairs. Trustee Mays referred to the earlier presentation by Academic Affairs and thanked Drs. Fuller and Ormsby for their accessibility and dedication.

Trustee Whaley reported on his involvement with the Early Head Start Board. He also reported on Advancement's receipt of a gift and MarCom's award in communications. The unit is also installing a new software which will make for better contact with alumni. Outreach to alumni was high during the recent football successes.

Organization President's Reports, IV.C.

Faculty Organization, IV.C.1.

Faculty Organization President Sam Ligon reported on the importance of work being done on the Student Success and Retention Committee. An area of focus will be advising. He also discussed revision of the general education requirements, which could possibly be affecting our graduation rates. President Ligon co-chairs the committee along with Provost Rex Fuller. The faculty salary study continues; and in conjunction with the Provost's Office, Eastern faculty pay is being reviewed in the context of market pay. Mr. Ligon also reported on his meeting with Vice President Mike Westfall to look at ways to fund more student activities such as travel. Lastly, Mr. Ligon wanted to announce Get Lit's! Pie and Whiskey event is on April 11.

Classified Staff Union

WFSE President Kathleen Warren expressed her appreciation for being able to address the Board. She is thankful for their attention and asked Board members to inform her of their interests, questions or concerns. She reported that we have 535 classified staff members and over 140 classifications.

Associated Students, IV.C.2.

ASEWU President Becca Harrell reported more changes to its leadership. Kaleb Hoffer has resigned, and Ms. Harrell is president. Justin Filla will serve as executive vice president, and Travis Hughes will serve in the Student Services Council position. ASEWU is poised to move forward with a full staff to accomplish their goals. Ms. Harrell reported on the PUB remodel and how the plan is coming together and funding considerations are under way. She expressed her appreciation for collaboration with Vice President Mike Westfall to coordinate services. She also thanked all who sponsored survival kits that were put together in an effort to help students succeed. ASEWU places a high priority on student representation during the legislative session. Most importantly, students do not want tuition raised. Students will also lobby for the GET program.

Action Items, V.

Consent Actions Items, V.A.

Minutes of the November 16, 2012, Regular Board of Trustees' Meeting, V.A.1.

Minutes of the December 13, 2012, Special Board of Trustees' Meeting, V.A.2.

***Motion 01-01-13:** Trustee Ortega moved that the entire consent agenda be approved.*

Seconded by Trustee Kauffman.

Motion carried.

Adjournment, VII.

Chair Tanaka adjourned the meeting at 3:30 p.m.

Paul Tanaka, Chair
Board of Trustees

Rodolfo Arévalo, Secretary