

6-25-2009

## Board of Trustees Minutes, June 25, 2009

Eastern Washington University

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**EASTERN WASHINGTON UNIVERSITY  
BOARD OF TRUSTEES**

**June 25, 2009**

**Regular Open Meeting ~ 2:30 p.m. (TAW 215 B&C)  
Executive Session ~ 12:15 p.m. (TAW 215 A)**

**MINUTES**

Trustees Present:

Jo Ann Kauffman, Chair  
Bertha Ortega, Vice Chair  
Gordon Budke  
Courtney Fleming  
Neil McReynolds  
Kris Mikkelsen  
Paul Tanaka  
Ines Zozaya-Geist

**Call to Order, I.**

Chair Kauffman called the June 25, 2009 meeting of the Eastern Washington University Board of Trustees to order at 12:15 p.m.

Chair Kauffman announced that the Board would convene in executive session under RCW 42.30.110 for the following purposes: (g) to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; (i) to discuss with legal counsel representing the agency matters relating to agency enforcement actions, litigation or potential; and/or under RCW 42.30.140 to plan or adopt a strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress.

She announced that executive session would last approximately two hours and fifteen minutes, that no final action would be taken during the executive session, and that at the conclusion of the executive session the Board would convene into open session.

**Quorum, II.**

A quorum was present; all trustees were in attendance.

**Executive Session, III.**

Chair Kauffman stated that executive session was held for purposes authorized in RCW 42.30.110 and/or 42.30.140 as previously scheduled. No action was taken during the executive session.

Chair Kauffman called the June 25, 2009 regular meeting of the Eastern Washington University Board of Trustees to order at 2:30 p.m.

## **Reports, IV.**

### **University President's Report, IV.A.**

President Arévalo highlighted Eastern's graduation ceremonies which honored approximately 3,000 students who earned their undergraduate and graduate degrees. In addition, Dr. Arévalo, Trustee McReynolds and Trustee Tanaka attended the EWU at Bellevue College graduation celebration for over 100 graduates who earned degrees in five EWU degree programs offered at Bellevue.

Dr. Arévalo reported his involvement in: a fund raising event for The Student Success Foundation, which has given Eastern just under six million dollars over the last five years to provide support services to first generation college students who attend EWU; he has been collaborating with the Spokane Leadership Team (business leaders) working to move forward the agenda developed by EWU's indicators project to identify priorities for Spokane and Spokane Valley in terms of improving quality of life; and he recently met with Representatives Don Cox and Joe Schmick to discuss higher education needs for the state and to provide them with information about the value Eastern Washington University offers the region and the entire state.

### **Trustees' Reports, IV.B.**

#### **Board Chair Report, IV.B.5.**

Chair Kauffman reported that she had the opportunity to meet with Eastern's trustees via phone conference on June 17, 2009 to accept the written comments provided by the campus community regarding EWU's budget process and proposed budget cuts. The collection of comments and ideas was very impressive. The Board reviewed the comments and incorporated the thinking and ideas into their retreat discussions during the past two days. All members were in attendance at the retreat where they reviewed the current budget situation facing EWU and higher education across the state, looked at Eastern's accomplishments of the last academic year, and worked to identify a vision and goals for next year. The retreat focused on budget decisions that are going to be made today and on Eastern moving forward in a different climate. Highlights of some of the draft goals, not finalized, the Board is looking at for this next year include: continued financial stability of the institution; continuation of academic excellence and student success; increased visibility and awareness of EWU's value; continued commitment to diversity throughout the university; enrollment management; meeting community and state needs; and looking at the new adjustments and new initiatives that might be required to achieve these goals. The Board will work closely with President Arévalo and his leadership team to prepare the goals as the university moves forward to this next academic year.

#### **Student Trustee, IV.B.6.**

Trustee Fleming expressed thanks to everyone at Eastern for all the incredible opportunities she has experienced over the last five years, and especially this last year as Student Trustee. She shared that she has learned a tremendous amount from being involved in the budget planning process. She remarked that she is looking forward, as a supportive alum, to seeing Eastern grow and change. Ms. Fleming thanked the trustees and everyone for their support and for this incredible opportunity. Trustee Ortega, on behalf of the entire Board, presented Ms. Fleming with a departing gift and shared that Ms. Fleming conducted herself extremely well and was an engaging and wonderful addition to the group. Trustees have been impressed with and have very much enjoyed working with Ms. Fleming and the Board wishes her the best in her future.

## **Organization Presidents' Reports, IV.C.**

### Classified Staff Union, IV.C.1.

Mr. Pendleton reported that numerous staff enjoyed EWU's Commencement, and also participated in Eastern's Relay for Life. The fifteen member classified staff team raised several hundred dollars for the American Cancer Society.

Classified staff ratified the July 1, 2009 – June 30, 2011 contract with EWU on June 15, 2009.

Members of the executive board will be attending leadership training in the near future.

During the past months staff members have been waiting to find out about the federal and state budgets and how these budgets will effect EWU, and wondering how the EWU Board of Trustees will handle the suggestions presented. One solution suggested by the staff is to scale back on salaries of administrators. Members of the classified staff team are real people and form a community who have invested their lives and time into EWU. The classified staff ask the Board to make decisions that will keep staff levels intact.

Chair Kauffman thanked Mr. Pendleton for his report and thanked classified staff members for taking their time to provide written input to the Board. She stated that the Board recognizes that a lot of time went into this process.

### Associated Students, IV.C.2.

Newly elected ASEWU President, Ryan Euker, reported that the new executives began their term with the conclusion of Commencement, and that their planning for the next academic year is in full swing. They are taking this opportunity to look at the student financing system and the approach to clubs and organization in order to ensure that students are getting the best possible resources available. Even with the possible tuition increase and the budget situation, the student leadership is remaining optimistic.

Mr. Euker introduced Stacy Butler, Executive Vice President, Tayler Mills, Superior Court Chief Justice, and Patrick Spanner, Finance Vice President for the upcoming year. He explained that some ASEWU officers are returning, which will help with continuity, and quite a few are first year officers with different backgrounds and experiences, which will be beneficial to the overall group.

He expressed that all involved in ASEWU are looking forward to working with the administration and Board during the upcoming year.

Board Members congratulated and welcomed Mr. Euker and the ASEWU officers.

## **Action Items, V.**

### Consent Action Items, V.A.

#### Minutes of the May 15, 2009 Board of Trustees' Meeting, V.A.1.

Chair Kauffman announced that the Minutes of the May 15, 2009 regular Board of Trustees Meeting will be tabled until the September Board Meeting.

### Discussion Action Items, V.B.

"Eastern Washington University strives to satisfy all requests for special access needs for persons with disabilities. Requests for such accommodation are welcome and may be made by calling the President's Office, (509) 359-4648."

Collective Bargaining Agreement between Eastern Washington University and the Washington Federation of State Employees, Council No. 28 of the American Federation of State, County and Municipal Employees, AFL-CIO, Bargaining Unit 1 & Bargaining Unit 2, V.B.1.

Ms. Connelly reported that the collective bargaining agreement with EWU's classified staff was approved by the EWU Board at the September 2008 Board meeting, but was not approved by the governor. None of the collective bargaining agreements across the state were certified by the governor as they were found to be financially unfeasible. As a result of this, Eastern went back to the table with the classified staff and renegotiated this new contract that is before the board today for approval. The main change is that the salary increases and one additional personal day (negotiated last year) were removed from the contract. As Mr. Pendleton indicated, this new contract, effective July 1, 2009 – June 30, 2011, was ratified by the classified staff membership on June 15, 2009.

***Motion 06-01-09:** Motion by Trustee Budke that the Board approve the Collective Bargaining Agreement, effective July 1, 2009 – June 30, 2011, between Eastern Washington University and the Washington Federation of State Employees, Council No. 28 of the American Federation of State, County and Municipal Employees, AFL-CIO,*  
*- Bargaining Unit 1*  
*- Bargaining Unit 2.*  
*Seconded by Trustee Ortega.*  
*Motion carried.*

EWU Policy 203-02, Identify Theft Prevention Program, V.B.2.

Ms. Connelly reported that this policy was approved as an interim policy by President Arévalo on April 24, 2009 in order to comply with the deadline to have the identify theft prevention program in place. The Board is being asked to approve the permanent policy. It was posted on the policy web site for public comment and received no comments. Toni Habegger has been involved in developing the identify theft prevention program for the university.

***Motion 06-02-09:** Motion by Trustee Mikkelsen that the Board approve EWU Policy 203-02 Identity Theft Prevention Program.*  
*Seconded by Trustee Fleming.*  
*Motion carried.*

2009-2011 Biennial Operating Budget, Tuition, and Fees, V.B.3.

Vice President Voves presented EWU's biennial budget proposal for 2009-2011. This budget includes a total reduction for the biennium of twenty-six million dollars, due to the state's economic down turn and the reduction in state allocated funds to Eastern. Eastern has undergone an extensive budget planning process during this past year which included public forums and extensive work by the University Budget Committee. The Board of Trustees budget reduction principles and the president's guidelines were kept in mind while the University Budget Committee recommendations were being developed.

Details related to the budget, the reductions, and their impacts are available in the handout, EWU Operating and Capital Budget 2009-2011 Biennium.

The largest portion of Eastern's budget is in job positions, therefore the largest portion of the reduction is being taken is in positions (31% vacant and 40% filled).

The largest unit of the university is Academic Affairs, and therefore the largest percentage of budget reduction is in Academic Affairs.

This budget includes tuition increases for all categories (see chart on page 37 of handout), including Service & Activity Fees. For a resident undergraduate student, this will be an increase of \$639.00 for 2009-2010, and an increase of \$747.00 for 2010-2011.

Tuition increases will be mitigated to some degree by financial aid and federal tax credits that will be available to many students and their families.

The budget includes requests for differential tuition for two high-demand, high-cost to deliver programs - Masters in Business Administration and Doctorate in Physical Therapy.

All university fees will increase by the fiscal growth factor.

This budget asks permission to use some reserves in order to cover payroll until the position elimination process is complete.

The Board of Trustees is being asked to approve the 2009-2011 biennial operating budget as presented in the handout, EWU Operating and Capital Budget 2009-2011 Biennium.

This includes, but is not limited to, the approval of tuition, fees, and housing and dining rates on page 58 of the handout and FY2010 and FY2011 budget actions on page 59 of the handout.

Trustee Budke moved to approve the EWU 2009-2011 Biennial Operating Budget, Tuition, and Fees as listed on page 58 and page 59 of the handout. (See official motion, *Motion 06-03-09*, below).

Trustee Budke expressed his desire to make certain the university communicates thoroughly and often to students and parents about the federal grants and educational tax credits that might assist them with tuition costs. It is the understanding that families below a certain income level will be minimally affected by tuition increases. Trustee Fleming agreed and added that the recently approved mandatory email account for students is the perfect opportunity to communicate with every EWU student in order to give them information about federal aid and web links to apply on-line for the aid. Trustee Tanaka expressed that this is the toughest budget and toughest vote he will have made as a trustee and he believes it is similar for his colleagues as well. As tough as it is, he is heartened by the fact that this university, under the leadership of Dr. Arévalo and Dr. Mason, pulled together to review seriously what the options were and what reductions could be taken without jeopardizing what the university is about. He stated that he doesn't think anyone is happy with this budget, yet, most of those involved understand the necessity of this budget due to the state economic climate and the funding levels received from the state legislature - which almost mandate these types of reductions. He is impressed with how this university reacted and dealt with the issues, however, this doesn't take away the concern. As Jim Pendleton mentioned earlier, the employees are real people and the Board understands this, which is why this is such a difficult budget and difficult vote for all the trustees to take. The Board knows there has been a lot of work put into this budget process and that those who wanted to participate did so.

Chair Kauffman, on behalf of the Board, thanked Vice President Voves and the members of the University Budget Committee for the work they have done, and she thanked the many people who showed up at the budget hearings and those who took the time to draft their budget related recommendations and comments submitted to the board during the public comment period. She stated

this is an unusual time and that trying to cut twenty-six million dollars out of Eastern's biennial budget was not easy, and the Board understands this. Chair Kauffman was impressed during a trip to

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Olympia that EWU was one of the only institutions who stood up and declared that it will get through this and will keep the doors open and will keep academic excellence and student success at the forefront. This has not been just a slogan - Eastern has demonstrated throughout the process that it prioritizes protection of instruction, and the percentage of cuts between faculty, classified and administrative staff reflects that. The Board understands that some of the proposed cuts will be implemented right away and that there will also be a second phase during which the comments and ideas submitted will continue to be looked to for opportunities to become more efficient and more targeted in how Eastern does business and in how Eastern finds new and innovative ways to do business.

The Board has identified several areas to be tracked specifically. The Board is very interested in: 1) the reduction of academic colleges from six to a maximum of four; 2) the programs of study review that will move forward; 3) how the strategic plan adjusts to the new budget realities, even going into the next biennium; 4) directing resources and savings toward innovative academic programs and support for student retention; 5) overseeing the president’s task force to study the transition from quarters to semesters, and learning of the potential cost savings and support for academic excellence and student retention this might result in; 6) after receiving input with regard to EWU’s participation in Division 1 athletics, the Board had a lively discussion about this. The Board is unanimous in its continued support for Division 1 as an important part of who Eastern is, and that this program (in addition to other non academic programs) provides support and security for many students here on campus and creates a campus life for students that is important.

It is the Board’s hope that the university has looked carefully at the cuts and made those that need to be made and that the university will emerge a stronger, leaner, and more targeted institution.

Chair Kauffman thanked Vice President Voves, President Arévalo, and all who participated in the budget process for their hard work. She thanked those from the classified staff, faculty organization, and student association for their participation in this process and for their ability to communicate with their constituents and for realizing that there is no simple solution to this challenge.

***Motion 06-03-09: Motion by Trustee Budke that the Board approve the EWU 2009-2011 Biennial Operating Budget, Tuition, and Fees as follows:***

	<i>FY2010</i>	<i>FY2011</i>
<i>Tuition - Resident Undergraduate</i>	<i>14%</i>	<i>14%</i>
<i>Tuition – Resident Graduate</i>	<i>10%</i>	<i>10%</i>
<i>Tuition – Nonresident Undergraduate</i>	<i>5%</i>	<i>5%</i>
<i>Tuition – Nonresident Graduate</i>	<i>5%</i>	<i>5%</i>
<i>Differential Tuition – MBA Program</i>	<i>Add'l \$50 per credit for RG</i>	<i>Add'l \$100 per credit for RG</i>
<i>Differential Tuition – DPT Program</i>	<i>Flat \$500 per student per quarter</i>	<i>Flat \$500 per student per quarter</i>
<i>Service &amp; Activity Fees</i>	<i>14%</i>	<i>TBD</i>
<i>Housing and Dining Rates</i>	<i>4.75%</i>	<i>TBD</i>
<i>Mandatory Fee – Comprehensive Health And Wellness</i>	<i>5.20%</i>	<i>4.61%</i>

	<i>FY 2010</i>	<i>FY 2011</i>
<i>Education &amp; General Budget</i>	<i>\$127,206,738</i>	<i>\$132,472,681</i>
<i>Auxiliaries Budget</i>	<i>\$ 32,534,072</i>	<i>\$ 32,718,658</i>

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<i>Scholarships &amp; Fellowships Budget</i>	\$ 26,025,000	\$ 27,950,000
<i>Sponsored Programs Budget</i>	\$ 16,767,000	\$ 15,600,000
<i>Total Operating Budget</i>	\$202,532,810	\$208,741,339
<i>Fund Balance Draw (149)</i>	\$ 2,200,000	\$ 0
<i>Grand Total Budget</i>	\$204,732,810	\$208,741,339

*Seconded by Trustee Ortega.  
Motion carried.*

2009-2011 Biennial Capital Budget, V.B.4.

Vice President Voves presented the biennial capital budget proposal, smaller than in previous biennia, to the trustees. She expressed that the university is grateful to have received the following biennial capital appropriations from the state:

Reappropriations unspent from the previous biennium      \$ 9,450,000

New Appropriations      \$39,523,000

    Patterson Hall – currently in the process of developing a plan to relocate faculty during the construction phase.

    New Science Building – predesign funds – the building will likely be located on the site of Reid School.

    Preventive Maintenance  
    Minor Works

Eastern also received authority to purchase a building on the Riverpoint campus, contingent on the sale of the Spokane Center. Eastern did not receive funding to purchase a building, but would use proceeds from the sale of the Spokane Center.

This biennial capital budget also includes a Local Capital Budget for residence hall renovations such as bathrooms, lighting, furniture, painting, roof, and miscellaneous repairs.

***Motion 06-04-09:*** *Motion by Trustee Fleming that the Board approve the 2009-2011 Biennial Capital Budget as follows:*

<i>State Capital Budget</i>	\$ 48,973,000
<i>Local Capital Budget</i>	\$ 940,000

*Seconded by Trustee Budke.  
Motion carried.*

Personnel Actions, VI.

Trustee Budke stated that he asked Provost Mason, and he was assured that the university's normal procedures were followed regarding the tenure personnel items being presented for approval.

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***Motion 06-05-09:** Motion by Trustee Budke that the Board approve the personnel actions as presented in the document, *Personnel Actions for Board of Trustees Meeting June 25, 2009*.  
Seconded by Trustee Tanaka.  
Motion carried.*

**Adjournment, VII.**

Chair Kauffman adjourned the regular meeting at approximately 3:30 p.m.

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Jo Ann Kauffman, Chair

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Rodolfo Arévalo, Secretary