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Board of Trustees Minutes, December 2, 2008

Eastern Washington University

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**EASTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES**

December 2, 2008

Open Public Session ~ 3:00 p.m. (TAW 215 B&C)
Executive Session ~ 11:00 a.m. (PUB 267)

MINUTES

Trustees Present:

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

Call to Order, I.

Chair Kauffman called the December 2, 2008 regular meeting of the Eastern Washington University Board of Trustees to order at 11:20 a.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 90 minutes, that no final action would be taken during the executive session, and that the Board would re-convene into Open session following committee meetings, at 3:00 p.m.

Quorum, II.

A quorum was present. Trustee Zozaya-Geist participated via telephone in the executive session. She was unable to attend the open portion of the regular meeting.

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, and that no action was taken during the executive session.

Reconvene Open Board of Trustees Meeting

Chair Kauffman called the open session of the December 2, 2008 regular meeting of the Eastern Washington University Board of Trustees to order at 3:00 p.m.

Public Hearing on proposed WAC 172-132, Course Materials

Chair Kauffman announced that the Board would hold a public hearing on proposed WAC 172-132, Course Materials. She announced that this hearing is being held on December 2, 2008 at the Tawanka Commons building, Eastern Washington University, Cheney, WA pursuant to the authority given under RCW 34.05, the Administrative Procedures Act. This hearing is held to consider testimony on the following proposal only: Codification of existing Course Materials practices as WAC 172-132. This is a rule designed to help reduce course material costs for students. The statutory authority for this rule is RCW 28B.10.590.

Laurie Connelly presented information on the proposal. She explained that this WAC is being adopted pursuant to legislation enacted two sessions ago aimed at reducing the cost of course materials for students. The goal is to provide more information to students and professors in order that they could choose the less expensive option. The legislation calls for the public disclosure of the cost of materials and disclosure of what is different in newer versions from previous versions.

Eastern's Student Trustee, Ms. Fleming, asked if there is a requirement for faculty to use the newest version of a text book. Ms. Connelly responded that, no, there is not such a requirement.

Trustee Budke pointed out and Ms. Connelly confirmed that these types of cost saving procedures have already been in place at Eastern since shortly after the legislation was adopted.

Faculty Organization President, Terry MacMullan asked how the university encourages faculty to use less expensive course material options. Ms. Connelly responded that this is done by informing faculty of; the issue, the procedures in place, and the requirements of the legislation.

Trustee Tanaka inquired about how the effectiveness of this program to reduce the cost of materials for the students' benefit will be evaluated. Ms. Connelly responded that the university has information, through the bookstore that faculty have allowed students to use older versions or textbooks, even if the faculty member is using the newer version.

No public testimony was given during the hearing.

Chair Kauffman concluded the hearing after calling for testimony, questions and comments.

Reports, IV.

University President's Report, IV.A.

Dr. Mason shared that Dr. Arévalo is doing well and recovering at home.

As Acting President, Dr. Mason reported to the Board on behalf of Dr. Arévalo on the following:

- University budget planning – a great deal of time is being spent in this area.
- The Higher Education Coordinating Board's draft recommendations for special project operating funds went to the legislature with no recommendations for Eastern's requests. Dr. Mason, with Council of Presidents, asked for re-consideration and the HEC Board altered their recommendations to include our request for a little over \$3 million dollars to enhance retention of students and help develop alternative teacher education programs. Eastern is pleased that the HEC Board re-considered, however, it does not seem likely that the legislature would approve these requests for funds.
- Spokane Community Leadership Team – comprised of leaders such as the mayor of Spokane, chair of the city council, director of Greater Spokane Inc., and other community leaders who are focused on developing priorities for the greater Spokane area, using EWU's community indicators project. Dr. Mason chairs a task force to identify priorities for education for the

next several decades. The task force will be providing draft recommendations to the leadership team after their next meeting.

- He recently began serving on a state-wide task force to look at education regions in the state – formed by the HEC Board in cooperation with Council of Presidents. Formed in part to respond to the proposal from Bellevue Community College to acquire four year status. The HEC Board wants to look at where higher education operates across the state and why.
- State Representative Deb Wallace has included Dr. Mason in conversations on the future for teacher education. She is greatly concerned about how the legislature can use its abilities to foster advancement and reform in teacher education and preparation.

Trustees' Reports, IV.B.

Academic Affairs Committee, IV.B.1.

Trustee Budke reported that the following topics were discussed at the committee meeting:

- Student Representative, Dustin Massy, reported on the student lobbying effort and their interest in expanding their representation by allocating part of their fees to two additional lobbying groups.
- Dr. Hedquest – gave a truly excellent report on Faculty Organization activities.
- Review of accreditations – committee received updates on the results of several accreditations. During these times of financial strain this will be a good time to review and determine the value of various accreditations. Perhaps some are of great value and should be continued, some may need to be discontinued and some may need to be added.
- Overview of how the budget allocation process may work. Discussed how it interacts with enrollments, budget increases, and budget reductions.
- Riverpoint – Dr. Fuller gave the Board a perspective on what Riverpoint looked like 25 years ago, what it looks like now, and what it can be in 25 years. Discussed programmatic and collaborative elements, traffic patterns, support services, private enterprise opportunities, etc.
- Eastern Voice Program – Olga Baren reported on upcoming trips and their five year plan.

Advancement Committee, IV.B.2.

Trustee McReynolds reported on the following topics discussed at the meeting:

- Fundraising/Comprehensive campaign – the committee endorsed the plan for the silent phase of the campaign. In terms of contributions, November was a good month for EWU, \$700,000.
- Vice President Westfall reported on several other advancement activities such as the volunteer board workshop in November. This was an important and valuable event.
- Government Relations – reviewed the election results and their possible impacts on Eastern and higher education. Discussed legislative committees and other related topics. David Buri presented information regarding the revenue picture and the budget impacts. The current revenue shortfall forecast is \$5 billion dollars, and it is being said it could go higher. The preliminary work the university is doing to develop reduction scenarios is very important.
- Trustee McReynolds is pleased to have faculty member Rafael Guillory at the meetings. He has offered the faculty's help and support with advancement and budget related activities.
- Athletics – Bill Chaves reported on ways athletics is supporting fundraising at the university, and also reported on the athletics department strategic plan.

Chair Kauffman expressed her appreciation to the Board Committee Chairs and the university staff for their work in looking at the challenges of reduced available funds for the important work of the university and she appreciates the work involved in re-focusing on the challenges at hand.

Business and Finance Committee, IV.B.3.

Trustee Mikkelsen reported on topics discussed at the meeting:

- Pleased to have two new people join the committee meetings – Gayla Brown, Affirmative Action Officer, and Jim Pendleton, president of the classified staff union.
- Policies: Heard a first reading of the Information Technology Policy. Discussed two policies which will come forward for action today, Retirement Policy and Plans document changes and Electronic Records Policy. The committee recommends these two policies for approval.
- University budget - the committee spent the majority of the meeting discussing budget updates and budget reduction strategies. Was general discussion, not specific in nature. Discussion revolved around what the board's involvement could and should be in this arena. The Board will meet again on December 17th between 2 – 4 p.m. to develop policy guidance from the Board to the university with respect to budget reductions.
- FY09 Budget Amendment – budget authority to spend one time funds in the amount of 1.6 million dollars to be used to fund a portion of the budget reductions for fiscal year 2009. The committee recommends that the Board approve this item this afternoon.
- Riverpoint Campus – Dr. Fuller provided an excellent overview of the newest master plan.
- Community College building – continued discussion regarding ways the university can move forward to acquire a joint interest in that building and what that looks like for the upcoming legislative session. The Board will watch this topic closely and continue to work on this.

Student Affairs Committee, IV.B.4.

Trustee Ortega reported on the following discussions from the committee meeting:

- University budget – the Student Affairs Committee discussed the opportunities with the budget – how to work together and better utilize all resources across the university in order to enhance services and ensure there is not duplication.
- Student Recruitment – Josh Ashcroft and Craig Fisher discussed new markets and recruitment strategies in other parts of the country, such as Philadelphia. In addition, Patrick Harris and Alyona Pipenko discussed the potential for recruiting Russian students to EWU. There are over 300,000 Russian speaking people in Spokane and 1,000 in the public schools. It would be a great opportunity for these students to attend Eastern and a great opportunity for Eastern's enhancement through increased interaction with the Russian community.
- Enrollment – great news in this area as increases are being reported in most areas and the projections for next year are also up. Ms. Ortega thanked the staff for their work in this area.
- Athletics – Bill Chaves – strategic plan - enhance the value, image and visibility – vision is maximizing opportunities every day. EWU football team is best in the state - congratulations. Both the women's and men's basketball teams are excellent as well.
- Reports from Associated Students and Faculty Organization.
- Gary Pratt will be looking at all IT opportunities across campus – an audit.

Ms. Ortega thanked the entire Student Affairs staff for their hard work and for their continued dedication during the upcoming opportunities.

Board Chair Report – Chair Kauffman shared that she had the pleasure of accepting a large check recently from Associated Industries for approximately \$100,000 (a private/public partnership) for student scholarships in high demand areas at Riverpoint. This was an excellent event at which Congresswoman McMorris and other leader were in attendance.

Ms. Kauffman also attended the EWU Thanksgiving dinner for the campus at which she assisted Dr. Arévalo in handing out pins for length of service to Eastern employees who have been working at the university for thirty-five years, thirty years, etc. This was an excellent event.

Ms. Kauffman reported that she hosted Eastern’s new student trustee, Courtney Fleming, for orientation. Chair Kauffman then introduced Eastern’s Student Trustee, Ms. Courtney Fleming.

Student Trustee, IV.B.5.

Ms. Fleming expressed that she is incredibly happy to be present and to have this great opportunity to serve on the EWU Board. She shared that she has been honored to attend numerous Eastern events recently in her role of Student Trustee. She attended the WWAMI/RIDE launch and the Economic Forecast event. She was thrilled to attend the Chelan/Douglas Community Indicators web site launch in her home town of Wenatchee, at which Eastern had a great presence. It was also great to see the brainstorming and community building at the Volunteer Governing Boards Workshop. She commended all who are working hard on the university budgeting process. Ms. Fleming felt it was important to share how extremely important the Student Affairs and other extra-curricular activities are to college students’ success, including her own. She has grown tremendously through those experiences outside the classroom. Ms. Fleming asked that the connection to Riverpoint students be kept more in mind by the administration and the board. Trustee Budke commented that he and Ms. Fleming handed out root beer floats at Riverpoint for a student welcome event earlier in the quarter.

Presidents’ Reports, IV.C.

Faculty Organization, IV.C.1.

Dr. MacMullan reported on the following topics included in the written report:

Student evaluation of faculty – working to develop a new format and process similar to other schools.
Overhaul of Course Scheduling – Dr. Kissling is coordinating and they plan to implement a new system for the first time in Winter ‘09.

Military Service Center – Working on finding space on campus, and talking with Advancement regarding external fundraising. A large number of recent veterans will become college students.

Evaluation of Administrators – Goal is to have an agreed upon model to use by the end of the year.

Budget – Dr. MacMullan is urging calm and patience with the faculty. The Faculty Rules Committee and Provost Mason are organizing a budget forum on January 12th. Dr. Patty Chantrill, along with other university representatives, will be presenting a united front when they talk with legislators.

Classified Staff Union, IV.C.2.

Chair Kauffman welcomed and introduced the new classified staff union president, Jim Pendleton.

Mr. Pendleton expressed his appreciation to the board and stated he is please to represent the staff.

He reported that it has been just five business days since he was elected, so he has not participated in very much union business as of yet. He stated he is looking forward to his work as president and is looking forward to working with everyone involved. He hopes to represent the union well and he hopes all will work together to better the university.

Associated Students, IV.C.3.

Ms. Whitney Jones, ASEWU President, reported (further details in written report) on the following topics:

Student representatives have been appointed to graduate affairs and superior court. Numerous students participate on committees across the university, with student involvement numbers positive. Student Legislative Action Coalition – specifically for legislative action. 300 students have provided their e-mail addresses so they can help contact state legislators when important topics come up.

ASEWU will be helping community colleges strive for a student trustee on their governing boards. Budget Forum - coordinating a budget forum for students in January to help inform students about the budget situation and the potential impact of university cuts. Ms. Jones would be happy to pass along the students' perspective on the budgets so she encourages people to contact her.

Student Fees – ASEWU wants to initiate a student fee of 75 cents per FTE per year to help maintain membership to the Washington Student Lobby, which would enable the S & A Fee dollars to be used toward activities specifically on Eastern's campus. Also proposing a student fee of 25 cents per student per year to pay membership in the United States Student Association. This would enable direct membership with USSA so the benefits would come directly to Eastern for the benefit of Eastern students. Both of these will go before the students in the spring for a vote.

Action Items, V.

Consent Action Items, V.A.

Minutes of the September 12, 2008 and September 30, 2008 Board of Trustees' Meetings, V.A.1. and V.A.2.

Motion 12-01-08: Motion by Trustee Budke that the Board approve all of the consent action items including; minutes of the September 12, 2008 and September 30, 2008 Board of Trustees' Meetings. Seconded by Trustee Ortega.

Motion carried.

Discussion Action Items, V.B.

EWU Interim Policy and Retirement Plans, V.B.1.

Details of this item were provided and reviewed in the Business & Finance Committee meeting. Toni Habegger, Chief Financial Officer, presented information to the Board regarding this item. She explained that approval of the retirement plans and updated policy are a formality for the institution and need to take place because the Internal Revenue Code 403 B regulations have been updated for the first time since 1964 and plan changes are due by January 1, 2009. EWU's supplemental retirement plan had been included in the 403(b) plan (core retirement plan for faculty and admin exempt). Higher education institutions are required to move the supplemental plan out of 403(b) and into a new 401(a) plan document. 403(b) is defined contribution – 401(a) is a defined benefit plan – each different according to the internal revenue code.

Eastern and the other institutions worked together with legal counsel to develop these new plans. No significant changes have been made to the plans.

The policy revision for EWU Policy 610 takes the prior language for the retirement plan, supplemental retirement plan and the voluntary investment program plan out of policy and into plan

documents. The policy has been significantly shortened and reflects only the necessary language to cite the authority for the plans as well as the VEBA provisions and the reemployment of retirees. The plans have been transferred to their own plan documents. The Board is being asked to approve the updated policy in Eastern's new policy format and to approve the plan documents.

Motion 12-02-08: Motion by Trustee Ortega that the Board approve the proposed changes to university policy 610-040 and that the revised policy be published as Interim Retirement Policy 610-040, and that the Board approve the EWU Retirement Plan, EWU 401(a) Supplemental Retirement Plan, and EWU Voluntary Investment Program as proposed.

Seconded by Trustee Budke.

Motion carried.

FY09 Budget Amendment, V.B.2.

Vice President Mary Voves explained that the Business & Finance Committee has reviewed, discussed, and recommended approval of additional budget authority in the amount of \$1.6 million for this current fiscal year. The Governor has asked EWU to take a \$2.8 million budget reduction in the current fiscal year. This amendment would allow EWU to use unexpended financial aid set aside funds and over realized enrollment revenue (enrollment was conservatively estimated) in order to help mitigate this fiscal year budget reduction. This is cash revenue only, is one-time funds, and is not a base funding reduction. The governor will expect EWU to take this in the 2009-11 budget as a permanent budget reduction.

Motion 12-03-08: Motion by Trustee Ortega that the Board approve the FY09 Budget Amendment authorizing the university to spend an additional \$1.6 million during fiscal year 2009. This additional authority will be used to fund a portion of the proposed state budget reduction for FY2009.

Motion Seconded by Trustee Budke.

Motion carried.

EWU Policy 201-02, Preservation of Electronic Records, V.B.3.

Laurie Connelly explained that this policy has been discussed at the Business & Finance Committee meeting, and was taken through the university policy process which included being posted on the policy web site for public comment. It will bring EWU into compliance with the changes in the federal court rules regarding litigation related information. The policy sets up a process (if litigation is anticipated) to identify what electronic records are held by employees and departments across campus. The university then notifies them that they need to not destroy those records - they need to maintain the records so that if the university receives a request for those records, they can be provided. The policy includes a process to notify when the hold has been released (once the litigation has been resolved) and that the records no longer need to be maintained. As records storage has become more complicated with electronic databases, it is a great deal of work to identify which records need to be retained and this policy assists with this. EWU had implemented this process last year, and the Attorney General's Office routinely notifies Eastern regarding records that might be needed. This is an important policy for Eastern to assist with the protection of records.

Motion 12-04-08: Motion by Trustee Budke that the Board approve EWU Policy 201-02 - Preservation of Electronic Records.

*Motion Seconded by Trustee Mikkelsen.
Motion carried.*

University Initiatives Reports, IV.D.

2008 Fiscal Year End Review, IV.D.1.

Toni Habegger, Chief Financial Officer, presented the 2008 Fiscal Year End Review to the board. She stated that the board members received a more detailed preliminary report at September's Business & Finance Committee meeting. Ms. Habegger reported that the university is in the process of preparing the formal university-wide financial statements which will go to the auditors in December and will be provided to the Board in February. The exit conference with the auditors will also take place during the February board meetings.

Details of the 2008 Fiscal Year End Review are available in the handout.

A question was asked regarding the carryforward policy and its impact at the end of 2009. Ms. Habegger explained that the policy is a Board policy that the university complies with. Dr. Mason mentioned that this was recently discussed and it is possible that other options may be proposed to the Board due to the zero based budgeting process.

Chair Kauffman thanked Ms. Habegger and the entire university team for their work for the university and also for positing Eastern in a solid position to move forward. She informed the administrators that the board members are committed to working collaboratively with Dr. Mason, Dr. Arévalo, and others in order to be as helpful as possible and to provide the guidance and vehicles necessary to get through the future challenges. She stated that she is encouraged by the comments made today by the student, faculty and classified staff representatives. This will be a difficult year and possibly several years, and it is a very important time for all to pull together on behalf of the university.

Chair Kauffman announced that the board is planning to meet again on December 17 in the afternoon.

She shared that the board's thoughts and prayers continue to go out to Dr. Arévalo for his continued recovery, and she also wished everyone a very happy holiday season.

Adjournment, VII.

Chair Kauffman adjourned the meeting at 4:39 p.m.

Jo Ann Kauffman, Chair

John Mason, Acting President,
on behalf of Rodolfo Arévalo,
Secretary