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Board of Trustees Minutes, March 2, 2001

Eastern Washington University

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EASTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES
March 2, 2001—10:00 a.m.
Pence Union Building Room 263-7
Cheney Campus

MINUTES

Trustees Present:

Ms. Kelly Behne
Mrs. Jean L. Beschel
Mr. Gordon Budke
Mr. Neil McReynolds
Mr. Michael Ormsby, Chair

Faculty Present:

Dr. Alex Cameron, Professor of Accounting and Information Systems
Dr. Lynn Stephens, Professor of Accounting and Information Systems/Director of MBA Program
Dr. Wendy Repovich, President of the Faculty Organization
Dr. Edmund Yarwood, Associate Dean of Arts and Letters/Executive Director of ELI
Ms. Nance Van Winkle, Professor of Creative Writing
Mr. Chris Howell, Associate Professor of Creative Writing
Dr. Sandra Christensen, Associate Professor/Chair of the Management Department

Staff Present:

Mr. Phil Akers, Associate Vice President for Development
and Executive Director of the EWU Foundation
Dr. Phil Castille, Dean of the College of Arts and Letters
Ms. Roxann Dempsey, Assistant to the Vice President for Business and Finance
Dr. Peter Dual, Provost and Vice President for Academic Affairs
Ms. Connie Gross, Secretary to the Board of Trustees
Ms. Toni Habegger, Chief Financial Officer
Mr. Michael Irish, Associate Vice President for Facilities
Dr. Stephen M. Jordan, President
Ms. Patricia Kelley, Dean of Information Resources
Dr. Brian Levin-Stankevich, Vice President for Student Affairs
Ms. Shawn Macduff, Budget Analyst II
Dr. Dee Martin, Dean of the College of Business and Public Administration
Chief Tom McGill, University Police
Ms. Rebecca Moss, Director of Publications and Printing
Ms. Stefanie Pettit, Public Information Officer
Mr. Bill Ponder, Associate Vice President for Enrollment Services
Ms. Jolynn Rogers, Director of Human Resources
Mr. Rick Romero, Associate Vice President for Business Services
Ms. Penny Rose, Secretary Lead, PEHR
Ms. Judy Samples, Budget and Administrative Services Manager, CAL & CSBS
Ms. Judith Penrod Siminoe, Associate to the President
Ms. Tracy Springberry, Information Coordinator, Grants and Research Development
Ms. Carol Terry, Director of Financial Planning
Ms. Julie Thayer, Assistant to the Vice President for Student Affairs
Ms. Mary Voves, Vice President for Business and Finance
Ms. Lesli Younger, Computer Services Consultant II

Students Present:

Dan Gunther, Beta Alpha Psi
Sonja Hammes
Bree Holsing, ASEWU President
Ryan Kroum
Mary Richter
Joe Vessey, Beta Alpha Psi

Others Present:

Mr. David Rey, Cheney Free Press
Mrs. Amy Jo Sooy, Mayor of Cheney

Call to Order and Quorum, I. and II.—Chair Ormsby called the meeting to order at 10:10 a.m. He noted that a quorum was present, although Trustees Jackson, Mays and Shiota could not be in attendance.

Trustees' Reports, III.A.

Trustee Budke reported from the Business and Finance Committee meeting. They discussed their proposed workplan for now until September. They will have a fairly aggressive focus on several different issues, including: update, support and overview of the budget planning process; the contract review process; and the need for a fund balance and reserve philosophy on campus. They reviewed two contracts which are listed on the consent agenda, and heard an energy conservation report from Mike Irish which showed that the campus community is cooperating in the process of conserving energy. He applauded Mr. Irish's leadership and the cooperation of the campus community in this effort. Trustee Budke also reported that the committee heard the exit report from a representative of Moss Adams regarding their recent audit of auxiliary services.

Trustee McReynolds reported from the Student Affairs Committee, noting that they discussed the Student Health Clinic, enrollment issues, and the student athletic policy. Heather Harris presented a report from the Student Health Services Committee (SHSC), copies of which will be distributed to the full Board. The committee will present a recommendation to reaffirm the mandatory fee at the Board's April meeting. Anyone can comment on the report between now and April 6. The SHSC recommended maintaining the current fee structure, the current level of service, and the variety of locations. By putting the contract out on bid they hope to encourage more competition for Eastern's business. The staff has been asked to prepare a Request For Proposal (RFP) this month. We may need to hold a special teleconference board meeting to get the information out in time. Ms. Holsing noted that 1600 of 5000 surveys were returned, and that 70% of those responding agreed on the fee and the amount (\$30 to \$39 per quarter). She also thanked Heather for her hard work. The Student Council has recommended the issue go forward to the Board.

The Student Affairs Committee also discussed alternative strategies in response to Eastern's enrollment issues. They received a report from Sandra Christensen and the Athletic Policy Board, noting that the board reviewed rules compliance and restraints, and areas for improvement. A number of recommendations were made in the report, some with budget implications. They have asked the President to come back to the committee and Board in the fall. President Jordan acknowledged the work of Sandra Christensen and the tremendous progress this group has made under her leadership.

Trustee Jean Beschel reported that she and Provost Dual met with administrators of the Northwest Museum of Arts and Culture to see in what areas, if any, we can collaborate with the museum. They have discovered a multitude of opportunities that would be mutually beneficial to both institutions, including

art, speakers, business opportunities, and student internships (business and public relations). The academic deans helped in the discussions. She congratulated Provost Dual and Dean Castille.

Trustee Kelly Behne recently visited Central Washington University. She sat in on their February Board of Trustees meeting, and reported that Central's Board thanked Eastern's Board and administration for their help and guidance. Ms. Behne also spoke on a Seattle radio program Monday, along with Larry Ganders and Marc Gaspard, regarding the Governor's proposal on tuition setting.

Trustee Ormsby reported on Higher Education Day in Olympia. He noted that the Alumni Association was very instrumental in helping to plan this day. President Jordan, Mr. McReynolds and Mr. Ormsby joined a number of alums in Olympia to visit with legislators about Eastern's budget proposals. He related some stories about our alums and their association with Eastern, and noted how our alums are our best advertisement. Mr. Ormsby, along with Provost Dual, Dean Dalla and President Jordan, represented EWU before the House and Senate Higher Education Committees for the Doctorate in Physical Therapy (DPT). Both the House and Senate have passed them out of those committees—one to their Appropriations Committee, which indicates some concerns about any costs that might be associated with offering the DPT.

Trustee Budke reported that the Academic Affairs Committee is continuing their discussion of Access, Cost and Quality. At yesterday's meeting Dr. Penrod facilitated a discussion centering around quality which included some of the indicators of quality, and the processes that we're using on campus to make some assessments about educational requirements in courses and assessing effectiveness. Dr. Paul Lindholt and Dr. Wayne Kraft spoke about what they're doing in courses that are crossing disciplinary lines.

Presidents' Reports, III.B.

Faculty Organization Report, III.B.1.

Dr. Repovich reported that the college plans have been completed and approved within all of the colleges, and the Department and Faculty plans are in process. The Senate is involved in discussions of the report from the Integrated Studies Task Force, after a year of work, and it will be approved soon.

Associated Students Report, III.B.2.

Ms. Holsing reported that the students have been very involved in the process in Olympia, and she commended our administrators on their professional presentations. She is proud of the students who have worked on two of the bills—HB 1381 and SB 5909 regarding the use of social security numbers as student identifiers—and reported that the bills have passed out of both houses into rules. The students are looking into bringing other food options on campus, in compliance with the current guidelines and policies; work is continuing on the creation of a "cyber café" in the Rendezvous Room; the ASEWU is researching the cost of getting Internet access into their offices; the second "Recognition of Excellence" presentation was done at the basketball game last night; and they are preparing for the second round of the book exchange.

Last weekend Ms. Holsing presented at the National State Student Association Conference, and gained information on how to build a stronger state student association. In two weeks she will be attending the United States Student Association Conference in Washington, DC as a Washington representative. She will be presenting at the conference, will meet with the federal representatives, and also plans to visit Eastern's Center for American politics while there. Ms. Holsing reported that the ASEWU just completed elections for the 2001-2002 academic year. They have done some restructuring within the organization, and the elected officers are: Christian Shook, President; Dan Clark, Executive Vice President; Renon Losse, Finance Vice President; Chad Bouma, Council Position #1--Academic Affairs;

Chris Schwartzenberger, Council Position #2--Athletic Affairs; Fletcher Barkdull, Council Position #3--Legislative Affairs; and Chantel Wilde, Council Position #4--Public Relations. There was a tie for the student activity position, so there will be a run-off election on March 15. A new position of Student Health and Safety Services—Council Position #7 has been created, and was filled by Tiffany Manhart. The Council Position #7--Student Services representative is Christina Bresnahan-Johnson; Colleen Miller is the representative for Council Position #8—Campus Organizations and Outreach; and the University Advancement and Technology—Council Position #9 representative is Brandon Schinzel.

University Report, III.B.3.

- President Jordan said we have been working diligently around the concept of advancing our three Centers of Excellence, and we are privileged today to hear from our center of excellence in Creative Writing. Two of our Creative Writing faculty have recently won a national award. This is the second time they each have won this award. He introduced Dean Phil Castille to present the two faculty. Dean Castille noted that in his 6 months at Eastern he has come to be impressed by the quality of the Creative Writing Center. He gave background on the writing career of Nance Van Winkle, and then introduced her and asked her to read from her award winning manuscript, “Beside Ourselves”. Dean Castille then gave some background on Chris Howell, introduced him and asked him to read from his manuscript “Other Lights” (King of the Butterflies). President Jordan thanked them both for their readings.
- President Jordan announced that our first guest for the Presidential Speakers Series will be Lech Walesa, who has been scheduled to speak on campus on October 18, 2001.
- Dr. Jordan noted that there have been two burglaries on campus in the last couple of weeks, one in the Phase and one in Tawanka. Computers and technology equipment were stolen, as well as student files and Social Security numbers. We had already begun to respond to the bill regarding the use of social security numbers as student identification numbers, and he noted that we are committed to changing our practice and will do everything possible to implement this change. Trustee Beschel was very pleased to hear that, noting that she recommended it several years ago. President Jordan pointed out that there will be a fiscal impact to implementing this change.
- President Jordan is continuing to work with the Secretary of State on the regional archives building, and noted the decision was Secretary Reed’s alone. Dr. Jordan and President Rawlins had met with Mr. Reed and encouraged him to look for an existing facility in Spokane, but he chose Eastern because of the possible connections to our academic programs. They are proposing Certificates of Participation (COPs) for capital funding, which are not favored, so this is not a complete deal yet.
- Dr. Jordan introduced the new dean for the College of Business and Public Administration, Dr. Dolores Martin, and welcomed her to the university. He again thanked Alex Cameron for his great work as interim dean.
- President Jordan said the administration continues to work diligently on our fund raising efforts. The Oracle Corporation has presented the first of a two-part gift of software to the university, the first gift of which is worth \$880,000. We’re very pleased, and thank the Oracle Corporation for its support of Eastern Washington University
- Dr. Jordan announced that men’s basketball player Aaron Olson has been selected to the Verizon Academic All District 8 team, which continues to demonstrate the quality of EWU student athletes.
- President Jordan noted the wonderful reception given to injured student athlete Kelsey Koty at the basketball game last night, and wished her the very best in her recovery.

- President Jordan asked Mayor Sooy about the fundraising for the “Pathways to Progress” project. She announced that they set a goal of \$70,000, and have raised \$96,515 as of this morning. She said people have asked what will happen to the excess amount, and she explained that the excess money will allow some flexibility in the design. President Jordan noted that the response from the Cheney community and the university community was overwhelming—the Senate, the departments, fraternities and sororities, as well as individuals all contributed to this worthy endeavor. Mayor Sooy also responded to the university’s involvement as well as that of the community, calling it “phenomenal” and saying that “Eastern IS a major part of the community.”
- President Jordan invited Lynn Stephens to introduce two members of Beta Alpha Psi to make a presentation. She introduced Joe Vessey and Dan Gunther, who presented the Business Professional of the Year Award to Mr. Gordon Budke. This is a national award for exceptional contributions to the profession of accounting. They explained that 250 chapters nationwide submit nominations. Twenty-four people have received the award, and they are typically chairmen of the “Big 5” or “Big 8” accounting firms. They pointed out that Mr. Budke serves as an outstanding role model. He is an EWU graduate, a member of Beta Alpha Psi, he demonstrates a strong work ethic, he served as managing partner of Coopers and Lybrand for 16 years, and is active in the Spokane Community. Mr. Budke thanked the fraternity for their nomination, noting that he feels very humbled by this award and that he has never done anything in his career with the purpose of receiving such recognition.

Foundation Report, III.C.

Mr. Phil Akers reported on the progress being made in fundraising. Donations include the software from Oracle, and earlier a \$8.5 million from Structural Dynamics. These are wonderful gifts that enhance our classrooms and the education we are able to provide our students. He reported that we should set a new fundraising record for the third successive year—not just dollars, but also the number of donors. He noted that much of this year’s success is due in large part to the gifts of two alums. John Bohanon bequested his estate, estimated to be in the amount of \$500,000, to Eastern. Ed Johnson has left one gift of \$130,000, plus an additional check of \$700,000 is expected soon. This makes Mr. Johnson the largest single donor in the university’s history. Mr. Akers expressed his gratitude to these gentlemen, noting that he is pleased to have known them, and is touched by their generosity.

Mr. Akers and Vice President Voves then briefed the Board on the university’s communications plan. We have contracted with a public relations firm, Rockey West, to help develop and enhance our communications. They will help us determine our purpose, objectives, key messages and strategies. We expect our relationship with Rockey West to continue through the summer before we take it over on our own.

Chair Ormsby announced a 10-minute break.

Special Reports, III.D.

Annual Report—Office of Grant and Research Development, III.D.1.

Ms. Tracy Springberry presented the annual Grants Office Report for 1999-2000. 179 awards were made, totaling \$8,363,000. This is the third highest level of grant awards in Eastern's history, and we are significantly higher than our peer institutions (from the Carnegie-Mellon listing). She noted that the School of Social Work and Behavioral Sciences brings in the most funding, with \$2.3 million a year. The College of Science, Mathematics and Technology is second highest, at \$2.2 million. The College of Letters, Arts and Social Sciences received \$963,000, the College of Business and Public Administration received \$358,000, and the College of Education and Human Development received \$259,000. Ms. Springberry said the numbers of grants are going up, along with the amounts.

Legislative Update, III.D.2.

Chair Ormsby explained that this item was added to the agenda by the Coordinating Committee at its meeting on Monday. He explained that there are a number of policy issues we will have to deal with later in the year, so it's time to start discussing them now. He encouraged everyone to share their comments with Board Members regarding these fiscal issues and their impact on our budget.

Vice President Voves gave a presentation which included the historical context, the new reality, our critical budget planning parameters, our institutional budget shortfall in 2001-03, and our enrollment scenario. (Copies of the presentation slides are attached to the official minutes.) Bill Ponder explained some strategies related to the enrollment issue, which include the possibilities of trying to hold enrollments to 8060 FTES, to grow enrollments by 300 FTES, and the consideration of our state and self-support mix. He noted that this is an opportunity to shape our class-size distributions, to consider tuition rate increases, and to prepare a timeline to implement necessary budget reductions.

Ms. Voves said fiscally we're going to have to reduce spending. We can fix enrollment and revenue and teach the same number of students with less dollars, or we can increase enrollment and use that increased income to address some of those needs and some of those weaknesses that we have within our system. We need to develop some strategies to look at this, and then we will have the potential to not only deal with our budget problem but to help move the institution forward in structuring the budget and our budget allocation process. The we can really address enrollment, high need areas, and have a logical, focused way to reallocate resources. We need to solve our budget problems and still move the university forward. Mr. Ponder suggested looking at managing our enrollment over the biennium, as we need to take the time to look at how we manage the resources over time.

President Jordan noted the literature is very clear that the fundamental premise begins with an assessment of whether the fiscal stress is going to be short term or long term. Those organizations that think it's short term and try to stretch their resources over time, and then find out that it is actually a long-term problem, ultimately go through severe organizational dysfunction. Those who plan for a long-term problem, and try to reconcile that with the environment, usually come out of it much better. If we hold enrollment to 8060, it would allow us to shape the size of the university better, but it limits our revenue capacity—so we would have to make real cuts right away in the budget. This would maintain the student faculty ratio and some quality aspects, but you sacrifice in other areas. If we grow enrollments we generate much more revenue, and can use some of that revenue to offset the effects of some of the cuts. But additional enrollments will add to the workload of the existing faculty. He noted that the administration has begun looking at student-to-faculty ratios in the university over the past five years. We are seeing that in spite of President Drummond's commitment to move to a 22:1 ratio, we estimate that at the end of this year we will still be at 19:1 university wide. There are real differential ratios within colleges and departments, but this second strategy allows us to think about the reductions more long term. We could make more

conscious decisions about what reductions need to be made and how we need to reconcile ourselves with the environment, as long as a plan is completed by the end of the biennium.

Chair Ormsby asked about the status of the tuition proposals and bills. Ms. Voves said she suspects stronger support for the tuition bills after the earthquake because the legislators are looking for sources of revenue. They are now speaking of a 6.7% tuition increase. Mr. Ormsby said we do not like to see tuition increase, and we realize our student population has the lowest income of the state public baccalaureate institutions, but if the state is going to reduce its support the difference has to come from somewhere—and that will probably mean increased tuition. The question is not whether or not tuition will increase, but rather how much. President Jordan pointed out the importance of student mix. When he arrived at Eastern he knew we had to change from a diamond shape to a triangle. How we approach this decision will have a lasting effect on Eastern's future. Ms. Holsing said that although the students do not like to see tuition increase, they do support a minimal tuition increase and would like to see it connected to an economic indicator. The Associate Students are supporting the median family indicator, which is 4% per year, and are working on a presentation to look at the different indicators. Quality is important, but the students' main priority is access, e.g. if tuition increases then financial aid should increase. Chair Ormsby guaranteed that students will be at the table during the tuition discussions. He also noted that the Board and its committees will likely have special meetings over the next few months. Dr. Jordan said Eastern's success ultimately depends on the human factor; it is critical that we engage the community in these discussions and that we reconcile our organization with the environment around us. Mr. Ormsby said we don't want to repeat the mistakes we made in the past.

President Jordan then reported on the Doctorate of Physical Therapy, noting that the bill has passed out of the higher education committees in both houses with unanimous votes. The Senate is scheduled for a vote on the floor, but the House bill was referred to their appropriations committee. Don Cox is checking on what the problem might be.

IV. Action Items

Chair Ormsby introduced the concept of consent items for action, noting that these are considered to be routine items such as minutes and items that have been discussed in committee and are ready for action by the full board. The Board will vote on all consent items at one time. Any individual member of the Board may pull an item out for separate consideration, otherwise there will be one motion and one vote for all consent items. Most of the other state universities made the move to a consent agenda some time ago.

Consent Items, IV.A.

Minutes of the January 16, 2001 Board of Trustees' Special Meeting, IV.A.1.

Minutes of the January 26, 2001 Board of Trustees' Meeting, IV.A.2.

Acceptance of Public Works Contract No. AE-99-08G, Louise Anderson Hall Improvements—Phase II, IV.A.3.

Contract Award Project No. AE-99-13, PEHR Locker Rooms/HVAC Improvements, IV.A.4.

Dr. Repovich requested proper titles for items such as this, pointing out that the PEHR locker rooms are really being improved for Athletics, and this should not be looked upon as something being done for academics. The Phase facilities are for shared use. Gordon Budke noted that this contract is a result of athletic gender equity funding.

Motion 03-01-01: "Consent items 1-4, brought forward by the appropriate Board committees, are moved and seconded for adoption by the Board of Trustees." Motion carried.

Executive Session, VI.

At 12:38 p.m. Chair Ormsby announced that the Board of Trustees would adjourn to executive session for purposes authorized in RCW 42.30.110, to discuss personnel items, items of executive evaluation and compensation, and also legal issues. He anticipated their return to open session at 1:30 p.m. to take action on the personnel items, and noted that action on the personnel items will include an addendum as well as the items published in the bound agenda.

Reconvene

Chair Ormsby called the meeting back to order at 1:35 p.m. Board members Beschel, Budke, McReynolds and Ormsby were present, as well as Trustee Cindi Shiota via conference call.

Personnel Actions, VII.

Motion 03-02-01: "I move that the Board of Trustees approve the personnel actions as presented, including the addendum."

Motion by Trustee Budke; seconded by Trustee Beschel.

Chair Ormsby offered a clarification of the performance bonus for President Jordan, noting that it was the result of a long process. An annual evaluation was conducted last July when Dr. Jordan earned last year's bonus. A subcommittee of the Board reviewed his evaluation and he provided goals in October that were discussed in December, as was the amount of bonus he would receive if those goals were achieved. The Board did not take action on this item at that time, but does so now. President Jordan noted that if a bonus is offered in excess of the previous level, he would defer it on an annual basis until the university is able to sustain this expenditure. Mr. Ormsby reiterated that the Board's discussions have been very clear, and that it is not Dr. Jordan's fault that the Board did not act on this item earlier.

Motion carried.

Adjournment, VIII.

The meeting adjourned at 1:40 p.m.

Michael C. Ormsby
Chair of the Board

Stephen M. Jordan
Secretary of the Board