

**REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE EVERGREEN STATE COLLEGE**

June 9, 2011

Trustees Attending:	Nathan Brockett Carver Gayton Irene Gonzales Kristin Hayden Denny Heck Keith Kessler Anne Proffitt	Absent: Paul Winters
Staff Present:	John Carmichael, Executive Assistant to the President Art Costantino, Vice President for Student Affairs Julie Garver, Director of Government Relations Lee Hoemann, Vice President for College Advancement John Hurley, Vice President for Finance and Administration Collin Orr, Director of Business Services Thomas L. Purce, President Ken Tabbutt, Interim Academic Vice President and Provost Steve Trotter, Executive Director of Operational Planning and Budget	
Others present:	Jonathan Lindsay, Staff Representative to the Board Kelsy Melton, Geoduck Student Union Representative to the Board Joe Tougas, Faculty Representative to the Board Colleen Warren, Senior Assistant Attorney General	

Thursday, June 9, 2011

Trustee Irene Gonzales called the meeting to order at 9:40 a.m. in the Board Room (Library 3201) of The Evergreen State College. A quorum was present with Trustees Brockett, Gayton, Gonzales, Hayden, Heck, Proffitt attending. Mr. Kessler joined the meeting shortly thereafter.

Executive Session

Dr. Gonzales announced that the Board would move into executive session to discuss the performance of a public employee, returning to an open public meeting at 10:05 a.m. Trustee Brockett excused himself from the discussion. The Board returned to open public meeting as scheduled.

Introduction

President Purce introduced Joe Tougas, Faculty Representative to the Board.

Quarterly Financial Reports

Vice President for Finance and Administration John Hurley and Director of Business Services Collin Orr presented quarterly financial reports for the period ending March 31. Mr. Orr presented a statement of net assets, a statement of revenue and expenses, a report of dedicated local revenue, a report of expenses by division, and reports of capital and auxiliary accounts. Dr. Hurley responded to questions about the effect of the out-of-state travel freeze on budgets and staff development. He also discussed the Facilities Labor

Pool, a part of the capital budget which funds positions working on facilities preservation and maintenance projects.

Mr. Orr presented audited financial statements for the year ending June 30, 2010. Dr. Hurley said that the audited financial statements are similar to the financial reports presented to the Board previously, but have now been reviewed by the state auditor. The Board will be asked to formally accept the audited financial statements as a true picture of the college's financial standing.

Legislative Report

Director of Government Relations Julie Garver distributed a summary of new legislation affecting higher education policy. She described legislation affecting retirement plans for exempt staff and faculty and changing the rules for re-hiring of retired employees. She described legislation creating an endowed scholarship for students in certain fields to be funded through a combination of public and private contributions. She described legislation to phase out the Higher Education Coordinating Board. She discussed legislation that defines new tuition policy, giving higher education institutions authority for a period of time to raise tuition above legislatively established levels if certain conditions are met.

Budget Work Session

Executive Director for Operational Planning and Budget Steve Trotter said that the extended legislative session had affected the college's timeline for finalizing biennial budgets. He recalled that the Board had heard at the previous meeting budget proposals for Housing and Dining rates and Services and Activities Fee allocations and rates for 2011-13. He noted a proposal for an increase in the Health and Counseling fee. He said that staff have prepared recommendations for the largest part of the college's operating budget, which includes state funding and tuition. President Purce said that the recommendation included budget cuts, tuition increases, new expenses related to higher levels of enrollment and other needs, and plans for maintaining a prudent reserve fund in light of current economic uncertainty.

Mr. Trotter presented an analysis of the final legislative budget, which decreases state support of the college by \$14 million (about 28%). He recalled that the previous biennium saw a similar reduction in state support. He said that the legislative budget also sets policies that direct how the reduced state support can be absorbed. The legislative budget assumes a 14% tuition increase in both years of the biennium and assumes that the college's compensation base will be reduced by 3%. In addition, the college staff propose to re-set enrollment goals to a higher level, recognizing tuition revenue that can be used to offset cuts. After these and other adjustments, the college was left with a \$3.4 million gap between revenues and expenses, about 3.3% of the budget.

Mr. Trotter described the effect of the tuition increases proposed in the legislative budget assumptions. Tuition for resident undergraduates would increase 14% each year, from the current \$5,585 per year. This would add \$782 in the first year and \$891 in the second year. Staff recommend increasing non-resident undergraduate tuition by 5% each year adding \$836 in the first year and \$877 in the second year to the current annual tuition rate of \$16,711. Resident graduate tuition would increase \$335 in the first year and \$351 in the second year from the current rate of \$6,691 per year. Non-resident graduate tuition would be held at \$19,506 per year.

Mr. Trotter noted that staff budget proposals recognize several new expenses, including the cost of funding pension contributions that the state will no longer support, the cost of funding actuarial liabilities associated with pensions, the cost of faculty to support the assumed level of enrollment, and costs of marketing, student recruitment and financial aid associated with reaching the enrollment goals on which the budget depends. In addition, the budget provides funding to respond to several issues, including the public records program, emergency response planning, broadband service to the campus, and assistive technology.

Mr. Trotter said that the staff proposal included a mix of cuts to the base operating budget and the use of one-time resources. Each of the Vice Presidents described the proposed cuts in their divisions. Mr. Trotter said that the overall institutional plan would reduce the college's employee FTE count by 19.5. Most of these represent vacant positions. Four are layoffs.

Mr. Trotter presented a recent history of the college's fund balances and projected fund balances. He said that fund balances have grown from a combination of over-enrollment and belt-tightening measures, including hiring and spending freezes. The sources of money that helped grow fund balances are now devoted to ongoing base expenses. Consequently, fund balances are expected to decline.

Vice President for Finance and Administration John Hurley reviewed the proposed capital budget spending plan. He noted that the smaller minor works budget would put a strain on the Facilities Labor Pool. The reduced level of funding for the COM Building renovation will also present challenges.

Break

The Board adjourned for lunch at 12:05 p.m. and reconvened at 1:30 p.m. with a quorum present.

Accepting Audited Financial Statements

Motion Mr. Heck made a motion to accept the audited financial statements for fiscal year 2010
2011-14 as presented. The motion was seconded and passed on a voice vote.

Appointing Board Officers

Motion On behalf of the nominating committee, Mr. Kessler moved to appoint Paul Winters as
2011-15 Chair, Keith Kessler and Kristin Hayden as Vice Chairs, and Carver Gayton as Secretary of the Board for the 2011-12 year. The motion was seconded and passed on a voice vote.

Mr. Kessler said that Dr. Gayton would continue to serve as the Board's liaison to The Evergreen State College Foundation and that Dr. Gayton and Mr. Heck would serve as the Board's audit committee.

Setting Summer Tuition

Interim Academic Vice President and Provost Ken Tabbutt reviewed the recommendation for summer tuition presented at the previous meeting. He said that the recommended tuition levels would allow the summer session to continue as a self-supporting operation while providing revenue to support operations during the regular academic year.

Motion Dr. Gayton made a motion to approve increases in the summer school 2011 tuition rates
2011-16 (operating fee) of 12% for resident undergraduate, 0% for resident graduate and 10% for non-resident undergraduate and graduate students. The motion was seconded.

In discussion of the motion, Mr. Heck, Mr. Kessler, and Dr. Gayton expressed regret that very difficult economic times make tuition increases a necessity.

The motion passed on a voice vote.

Renewing an Agreement with The Evergreen State College Foundation

Vice President for Finance and Administration John Hurley and Vice President for College Advancement Lee Hoemann recommended that the Board renew the college's agreement with The Evergreen State College Foundation. Dr. Hurley said that the terms and conditions of the agreement remain the same.

The agreement allows the college to provide up to \$3 million in goods and services to the Foundation in exchange for a comparable level of fundraising services.

Motion Ms. Profitt made a motion to approve renewal of the agreement between The Evergreen
2011-17 State College and The Evergreen State College Foundation. The motion was seconded
and passed on a voice vote.

Minutes from May

Motion Ms. Proffitt made a motion to approve the minutes of the May meeting as presented.
2011-18 The motion was seconded and passed on a voice vote.

Student Trustee Report

Dr. Gonzales invited Nathan Brockett to report as Student Trustee. Trustee Brockett noted that the student trustee term ends on June 30 and offered reflections on the past year, thanking the Board for the welcome and respect shown to the Student Trustee. Each of the Trustees in turn expressed appreciation for Trustee Brockett's contributions to the Board. President Purce presented a gift on behalf of the Board.

President's Report

President Purce invited Jonathan Lindsay to report as Staff Representative to the Board. Mr. Lindsay said that the college is a constant state of transition that is visible through uncertainty about the budget and through disruptive capital projects. He said that staff are aware that the college is changing, but that how it is changing is not always clear. Although staff are likely relieved that the budget proposal includes only a few layoffs, the larger reduction in FTE represents increased workload for the staff who remain.

President Purce invited Kelsy Melton to report as the Geoduck Student Union (GSU) Representative to the Board. Ms. Melton said that the recent student elections included three ballot initiatives. One asked if students feel more comfortable if the police carry tasers. A majority of those voting answered, "yes." A second initiative asked if students would support consideration of a technology fee. A majority of those voting answered, "yes." A third asked if students would support consideration of a new fee to support an anti-oppression workshop. A majority of those voting answered, "no." The vote also served to elect new members of the GSU. A few members were elected for a second term. Ms. Melton also noted that a piece of Caterpillar equipment is being used to move staging for graduation. She said the GSU continues to support divestment and a Caterpillar boycott. She said that the GSU is happy that the college has formed a committee to work on socially responsible investing, but does not believe that this is a substitute for divestment.

President Purce invited Joe Tougas to report as the Faculty Representative to the Board. Dr. Tougas said that the faculty have a new process for electing the chair of the faculty, which provides more predictability in roles. Dr. Tougas, who is finishing a term as chair, will serve as Faculty Representative to the Board next year. Andrew Reece, who was elected last year to serve as chair in 2011-12, will serve as Faculty Representative to the Board in 2012-13. Dr. Tougas thanked Ken Tabbutt for his work as Interim Academic Vice President and Provost and said that the faculty look forward to working with the new Provost, Michael Zimmerman.

President Purce asked Interim Academic Vice President and Provost Ken Tabbutt to provide an update on accreditation. Dr. Tabbutt said that the accreditation steering committee will work over the summer to complete the college's first-year accreditation report. The report is built upon the college's updated mission statement. Based on the mission, the steering committee in consultation with the campus, has identified core themes, objectives, and indicators that will be presented in the first-year report and will provide a framework for reporting over the seven-year accreditation cycle. Dr. Tabbutt distributed a draft of the themes, objectives and indicators that the committee has developed to date.

Appointment of Emeritus Faculty

Interim Academic Vice President and Provost Ken Tabbutt, on behalf of the faculty, recommended that the Board confer the title of Emeritus Member of the Faculty on Nalini Nadkarni, Sally Cloninger, Dave Hitchens, Raúl Nakasone, Charles Pailthorp, and Setsuko Tsutsumi.

Motion 2011-19 Mr. Kessler made a motion to adopt Resolution 2011-04 appointing Nalini M. Nadkarni Faculty Emeritus. The motion was seconded and passed on a voice vote.

Motion 2011-20 Trustee Brockett made a motion to adopt Resolution 2011-05 appointing Sally Cloninger Faculty Emeritus. The motion was seconded and passed on a voice vote.

Motion 2011-21 Mr. Heck made a motion to adopt Resolution 2011-06 appointing David L. Hitchens Faculty Emeritus. The motion was seconded and passed on a voice vote.

Motion 2011-22 Dr. Gayton made a motion to adopt Resolution 2011-07 appointing Raúl Nakasone Faculty Emeritus. The motion was seconded and passed on a voice vote.

Motion 2011-23 Ms. Proffitt made a motion to adopt Resolution 2011-08 appointing Charles Pailthorp Faculty Emeritus. The motion was seconded and passed on a voice vote.

Motion 2011-24 Ms. Hayden made a motion to adopt Resolution 2011-09 appointing Setsuko Tsutsumi Faculty Emeritus. The motion was seconded and passed on a voice vote.

Dr. Tabbutt presented a gift to each of the new Emeritus Faculty members and Dr. Gonzales invited the recipients in attendance to say a few words.

Adjournment

The meeting adjourned at 3:18 p.m.

Paul Winters, Chair

Carver Gayton, Secretary

Attachments: Resolution 2011-04 appointing Nalini M. Nadkarni Faculty Emeritus
Resolution 2011-05 appointing Sally Cloninger Faculty Emeritus
Resolution 2011-06 appointing David L. Hitchens Faculty Emeritus
Resolution 2011-07 appointing Raúl Nakasone Faculty Emeritus
Resolution 2011-08 appointing Charles Pailthorp Faculty Emeritus
Resolution 2011-09 appointing Setsuko Tsutsumi Faculty Emeritus