

MEETING OF THE BOARD OF TRUSTEES
OF THE EVERGREEN STATE COLLEGE

Sherwood Motor Inn
Executive Room
Seattle, Washington
July 12, 1969

The meeting of the Board of Trustees was called to order by Chairman Al E. Saunders on July 12, 1969, at 3:15 PM.

All Trustees were present.

Staff Members Present: Charles J. McCann - President
Dean E. Clabaugh - Vice President for Business
Jerry L. Schillinger - Director of Facilities
Planning
Rita Brackenbush - Secretary

Others Present: Richard M. Montecucco - Assistant Attorney General
Al Bumgardner - A. O. Bumgardner & Partners
Al Dreyer - A. O. Bumgardner & Partners
Rod Knipper - A. O. Bumgardner & Partners
Ted Litzenberger - Harris, Reed & Litzenberger Architects
David McKinley - Kirk, Wallace, McKinley Architects
K. E. Richardson - Durham, Anderson & Freed
Chuck McKenzie
Emmett Moore

Motion 1.

67-25 Mrs. Tourtellotte moved approval of the minutes of the May 28 meeting as distributed; seconded by Mr. Schmidt and passed.

The President's report was omitted owing to the long agenda.

Schematics and pre-schematics were presented for Trustee consideration and approval, as follows:

Student Activities Building	- David McKinley
Student Residences	- A. O. Bumgardner
Lecture Halls	- Ted Litzenberger
Heating Plant	- Steve Johnson

Motion 2.

69-20 Mrs. Tourtellotte moved approval of the concepts of schematics presented for the Student Activities Building, Student Residences, Lecture Halls, and Heating Plant, and direction for the respective architects to the design development phase, subject to the approval and further input of the Division of Engineering and Architecture and College staff, and in the case of Student Residences subject to further reports to the Board on alternate configuration and materials concepts. Seconded by Mr. Schmidt and carried.

Motion 3.
67-27
Mr. Hadley moved adoption of the scholarship and development fund resolution attached to these minutes. Seconded by Mrs. Tourtellotte and passed.

Motion 4.
67-28
Mr. Schmidt moved adoption of the attached resolution accepting a gift and establishing the "Southwest Washington State College Committee Scholarship Fund." Motion was seconded by Mrs. Tourtellotte and carried.

Motion 5.
67-29
Mr. Hadley moved adoption of the attached resolution accepting a gift and establishing the "Roger F. Camp Memorial Scholarship Fund." Motion was seconded by Mr. Schmidt and carried.

Motion 6.
67-30
Mrs. Tourtellotte moved adoption of the attached resolution designating staff members exempt from the classified service and eligibility for participation in TIAA-CREF. Motion was seconded by Mr. Schmidt and carried.

Motion 7.
67-31
Mr. Hadley moved adoption of exempt position staff salaries as presented. Motion was seconded by Mr. Schmidt and carried.

Mrs. Tourtellotte nominated Trustee Hadley as Chairman; seconded by Mr. Schmidt. Mr. Saunders nominated Mr. Schmidt as Vice Chairman; seconded by Mr. Hadley. Mrs. Tourtellotte was nominated as secretary by Mr. Schmidt; Mr. Hadley seconded. The secretary was instructed to cast a unanimous ballot for the new officers as nominated.

The next meeting will be held on August 14 at 2 PM in the College office in Olympia.

Chairman Hadley accepted the gavel and expressed the Board's appreciation of Mr. Saunder's chairmanship.

The meeting was adjourned by Chairman Hadley at 6:50 PM.


AL E. SAUNDERS, Chairman


MRS. NEAL TOURTELLOTTE, Secretary

Attachments (5)

66781

State of Washington
The Evergreen State College
June 26, 1969

MEMORANDUM

To: President
From: Vice President for Business
Subject: Policy for gifts and bequests to the College

69-2

why not the funds raised? - unnecessary until received, she covered under first resolved, item (b) see

RECEIVED
JUN 27 1969

THE EVERGREEN STATE COLLEGE
OFFICE OF THE PRESIDENT

INTRODUCTION

Previously routed to you have been my memoranda to the Board of Trustees dated September 10, 1968 on the subject of The Evergreen State College Foundation and October 8, 1968 on the subject of policy for gifts and bequests to the College. The former presented draft articles of incorporation for a foundation for receipt and allocation of gifts and bequests to the College, and the latter a resolution to establish a fund for receipt and dispersal of gifts and bequests within the confines of the local structure. No recommendation was incorporated in either of these memoranda, although it was clearly implied that the foundation and at least that portion of the resolution dealing with discretionary funds were duplicative and therefore mutually exclusive.

Although these matters have been discussed briefly by the Board of Trustees on various occasions, the entire question has been more or less dropped for the past six months in deference to other more pressing matters.

This memorandum consolidates my memoranda of June 9, 1969, and June 12, 1969, and the Controller's memorandum of June 18, 1969, on the same subject, with certain modifications and simplifications.

DEFINITIONS

"Restricted gifts and bequests" are those which must be used in accordance with the terms of the gift instrument. Release from the terms of the bequest may be obtained only through a cy pres action in court upon the college's proving that the purpose for which the funds were granted is not feasible or possible. Therefore it is advisable to pursue a policy of soliciting funds on an unrestricted basis. If the donor wants to restrict the gift, the effects of the restriction should be explained and a clause stating that if the express purpose for which the gift is made is no longer possible the gift may be used at the discretion of the Board of Trustees should be inserted.

"Unrestricted gifts and bequests" are those for which no specific use is required by the donor. They need only be managed by the Board with reasonable prudence.

The term "discretionary funds" has no interinstitutional or accounting meaning, but is used within this memorandum to represent monies received through gifts or bequests which, either at the request of the donor (restricted) or without restriction, may at the option of the college be employed for varied purposes--including supplementation of travel allowances for the president and his wife, other officers of the college, entertainment, and so on--to enhance the life of

the college. To qualify for tax deductible status, however, discretionary funds may not be used for purposes arguably political in nature or undertaken to influence legislative action.

FUND STRUCTURE

Grants in Aid: Scholarship and Fellowship Fund

This fund is, generally speaking, the operating fund from which the largest share of scholarships, fellowships, development and discretionary funds would either be expended or held until time to be transferred to one of the other operating funds for expenditure. Basically, there are four different categories of accounts accounted for within the Scholarship and Fellowship fund: (1) scholarships, (2) fellowships, (3) development, and (4) discretionary.

(1) Scholarships

Scholarships are generally awarded to both undergraduates and graduates on the basis of their scholastic achievements and financial need and may cover total educational expenses or only a part of them. Certain scholarships are awarded regardless of financial need.

(2) Fellowships

Fellowships are generally in larger amounts and are awarded to graduate or post-doctorate students who are not required to demonstrate economic need but must show scholastic excellence.

(3) Development

Development is interpreted to mean monies for promoting the College through community action programs and also physical development of the College. Funds for college promotional programs would be expended from the respective accounts established herein, however, funds for additions to physical facilities should either be transferred to the local plant fund if development is to proceed immediately or to the endowment fund if the Board intends to invest the monies for construction at a later date.

(4) Discretionary

Discretionary accounts may be established for faculty recognition awards, grants in aid to worthy students, special entertainment costs, or travel expense which may be incurred by the President which would not be reimbursable under the state travel regulations.

Loan Fund

Student loan funds become available from gifts, endowment income, other institutional funds, and appropriations of governmental agencies. Included are the National Defense student loans, student loan accounts, college loan programs, and loans from gifts which have created loan accounts. Loan funds are of a permanent nature in that they are intended to be a revolving fund which is available for providing loans to students on a continuing basis. Generally they provide a lower interest rate and can be made available to students who would not be eligible for outside financial assistance through private institutions.

Endowment

This fund includes monies non-expendable as to principal as of the date of reporting and invested or available for investment, for the purpose of producing income. Generally there are three types of endowments which should be identified by separate categories of accounts within the endowment fund. These are: (a) endowment funds: funds which donors have stipulated, as a condition of gift, that the principal is to be maintained inviolate and in perpetuity, with only the income from the investments available to be expended; (b) term endowment funds: funds which donors or other outside agencies, by the terms of the instrument of gift, have provided are to be released from inviolability to permit all or part of them to be expended upon the happening of a particular event or the passage of a stated period of time; and (c) quasi-endowment funds: funds which the governing board of an institution, rather than a donor or other outside agency, has determined are to be retained and invested.

Gifts, bequests, contributions, grants, and other receipts of funds in this group, and their transfers, charges, and other forms of reduction of principal or balances should be accomplished in accordance with the terms of the gift instrument. Dependent upon the type of money that is involved, the designation as to fund would be according to purpose of the gift. For example, monies which were placed in the endowment fund for the construction of buildings would be eventually transferred into the building account. Monies which were placed in the endowment fund for the purpose of funding scholarships would be transferred to the Grants in Aid Fund. Monies which were placed in the endowment fund for research may be transferred to either the current operating fund or the grants and contract fund. The endowment fund itself does not expend money since it is only a holding account for investment purposes.

Agency Funds

These are funds received by an institution from student organizations, individual students, or faculty members, for which the institution acts as custodian or fiscal agent on behalf of the payer. In some instances, outside organizations will give scholarships or grants in aid to a particular student; in such cases those funds would be included in the agency fund.

Fund Name

Each of the four funds above constitutes an "umbrella." Each account under the umbrella would require Board acceptance and naming, although accounts could be created and named in advance of receipts.

Names assigned to individual accounts would be the "public" name; publicly no account need be identified as falling under the umbrella heading. For example, the discretionary account could be called (and is called in the proposed resolution attached) "The Greater Evergreen College Fund." Similarly, the development account could be called "The Roger F. Camp Memorial Fund for College Development" or "The Evergreen Development Fund" or even the "Cooper Point Foundation Fund."

ACTION AT OTHER STATE INSTITUTIONS

Each of the other five senior state supported institutions provides for receipt of gifts and bequests into the four funds listed above. There is less uniformity, however, regarding methods for receiving and disbursing discretionary funds.

At Central Washington State College and Western Washington State College, separately incorporated non-profit foundations have been established. At Eastern Washington State College, a very small discretionary account has been established within the agency fund (to which revenues are from speaking engagement fees received by the president), with all remaining discretionary funds received from voluntary faculty contributions and handled separately from institutional accounts by the faculty organization. At Washington State University, a discretionary account has been established within the Grant in Aid Fund. At the University of Washington, the "Walker-Eames" fund has been established as an account within the Grant in Aid Fund. Eastern, the one institution which has not formalized its discretionary fund, is currently considering following the lead of either Central and Western or of WSU, with preference expressed for the latter.

FOUNDATION vs. GRANT IN AID: SCHOLARSHIPS AND FELLOWSHIPS FUND

Although the fund structure at The Evergreen State College encompasses each of the major funds listed above, no loan, endowment, or agency funds are yet in hand, and none contemplated in the immediate future. An immediate need, however, is a vehicle for receiving and disbursing discretionary funds as well as other current restricted and unrestricted gifts and bequests. As indicated in the memoranda previously prepared, either of two methods will satisfy this purpose: a separately incorporated foundation, or inclusion within the Grants in Aid: Scholarships and Fellowships Fund.

In favor of the separately incorporated foundation:

- (1) The argument which apparently convinced Western to take the route it did was that the separately incorporated foundation provided an easier vehicle to achievement of tax exempt status for donations to a discretionary fund; this argument has been obviated by Internal Revenue Service acceptance of the approach used at Washington State University.
- (2) A still valid argument for the foundation is the remote fear that discretionary funds within the standard local accounts--as contrasted to the foundation--might be subjected later by the Legislature to state control.

In favor of the separate account within the local fund structure:

- (1) A discretionary account within local fund structure can be legally handled by the college staff, while time and materials of the controller's staff cannot be expended in the accounting for a separately incorporated foundation.
- (2) A discretionary fund within the standard local fund structure, following the lead of the University of Washington and Washington State University, and perhaps setting the lead for Eastern Washington State College, will tend toward the goal of uniformity in account code structure, which is apparently of itself a goal of both the executive and the Legislature.
- (3) A discretionary account within the standard fund structure will permit direct control by the college administration and Board of Trustees.

- (4) A discretionary account within the standard fund structure makes it explicit what the purpose of the account is and that its purposes are clearly the furtherance of college goals.
- (5) A discretionary account within the standard fund structure places these funds within the context of accountability and justification procedures without the requirements for separate bookkeeping and other different approaches which would be required in the case of a corporation.

RECOMMENDATIONS

I have restudied the issues involved, and recommend local fund handling of both restricted and unrestricted gifts and bequests, and against a separately incorporated foundation.

A proposed draft of a Scholarship, Fellowship and Development Resolution, patterned generally after a similar resolution adopted by the Board of Regents of Washington State University early in 1968, is attached. The resolution is designed to accommodate both restricted and unrestricted donations, and the receipt and dispersal of discretionary funds.

I am convinced that the arguments for including all gifts and bequests, including discretionary funds, within the local fund structure are valid and overriding. The possibility of the State Legislature attempting to assume control of discretionary funds merely because they are within the state fund structure is, in my opinion, remote; if an attempt is made, alternate action can be taken.

I, therefore, recommend your presentation of the attached Scholarship, Fellowship and Development resolution to the Board of Trustees for adoption. It should be noted that although the attached resolution has been reviewed by Mr. Thomas McKinnon, Assistant Attorney General, it has not been discussed with, nor forwarded for approval to, the Internal Revenue Service for its imprimatur as qualifying for tax deductible status.


DEAN E. CLABAUGH

DEC:crs
Attachment
cc: Controller
Director of Information Services

SCHOLARSHIP, FELLOWSHIP AND DEVELOPMENT RESOLUTION

WHEREAS, It is essential that the Board of Trustees of The Evergreen State College take all desirable steps to promote, aid, and assist the educational, instructional, and service programs of the College, and promote, assist, and aid the students, faculty, and general development of the College; and

WHEREAS, A mechanism is desired for the receiving processing and depositing of gifts, grants, donations, contributions, and other monies received from private sources for such purposes; and

WHEREAS, Such mechanism shall not be organized for profit and the income therefrom shall not inure in part or in whole to the benefit of individual members of the Board of Trustees, administration, faculty or employees of The Evergreen State College:

NOW, THEREFORE, BE IT RESOLVED, That there be, and there is hereby, established a Grant in Aid: Scholarships and Fellowships Fund as a local fund of The Evergreen State College, into which shall be paid and deposited all gifts, grants, donations, contributions and other monies received by The Evergreen State College for scholarships, college improvement and betterment, fellowships, and other college purposes from alumni and other friends and supporters of The Evergreen State College, excepting that (1) research, project and program grants and contracts shall be maintained as a separate fund, and (2) gifts, donations, and contributions for specific purposes as delineated by the giver, donor or contributor shall at his request be maintained as separate accounts within the Grant in Aid: Scholarships and Fellowships Fund; and

BE IT FURTHER RESOLVED, That use and expenditure of monies within the Grant in Aid: Scholarships and Fellowships Fund shall be determined by the President upon the recommendation of the Scholarship and Development

Board, which Board shall be comprised of the President, Vice President-Provost, Vice President for Business, one member of the Board of Trustees appointed by the Board of Trustees, one member of the faculty elected by the faculty, one student elected by the student body, one Thurston or Mason County citizen appointed by the Southwestern Washington State College Committee (a non-profit corporation) or its successor organization, and, at a later date, one member of the alumni appointed by the duly constituted alumni association, provided that the ultimate and final decision as to such use and expenditure shall be subject to modification and/or rejection by the Board of Trustees of The Evergreen State College; and

BE IT FINALLY RESOLVED, That there be and is hereby established a special and separate account within the Grant in Aid: Scholarships and Fellowships Fund to be known as "The Greater Evergreen College Fund"; from which money shall be allocated annually by the Board of Trustees for any purpose which in the judgment of the Board of Trustees is beneficial to The Evergreen State College and for which other funds are not provided, including use to provide programs which enhance and enrich the College's total environment and ability to provide quality educational experiences for students of The Evergreen State College, to assist financing special events which enhance the academic reputation or prestige of the College, and to make available to the President of The Evergreen State College or his designee funds which may be used in the performance of official duties including travel and related expenses incurred while representing The Evergreen State College which are in excess amounts which are otherwise reimbursable; the Board of Trustees shall have the broadest possible discretion in selecting the most appropriate uses for monies in this special account, and the President shall be responsible only to the Board of Trustees with regard to monies allocated for his use; annual allocations from this special account shall be made for fiscal year periods commencing July 1 and ending June 30 each year.

RESOLUTION NO. 69-3

"SOUTHWEST WASHINGTON STATE COLLEGE COMMITTEE
SCHOLARSHIP FUND"

WHEREAS, Citizens of Thurston and Mason Counties contributed through the Southwest Washington State College Committee (a non-profit corporation) to promote the location of The Evergreen State College in Olympia and to promote and aid the purposes of the College; and

WHEREAS, By resolution of July 12, 1969, the Board of Trustees of the College established a Grant in Aid: Scholarships and Fellowships Fund for the receipt, processing, and depositing of such contributions:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Trustees of The Evergreen State College gratefully accepts the sum of \$3,000 from the Southwest Washington State College Committee; and

BE IT FURTHER RESOLVED, That the \$3,000 be paid into the Grant in Aid: Scholarships and Fellowships Fund to become, with accrued earnings and supplementation, a separate account known as the "Southwest Washington State College Committee Scholarship Fund."

RESOLUTION NO. 69-4

"ROGER F. CAMP MEMORIAL SCHOLARSHIP FUND"

WHEREAS, Friends and colleagues of Roger F. Camp, late a trustee of The Evergreen State College, have contributed to a scholarship fund in his memory; and

WHEREAS, By resolution of July 12, 1969, the Board of Trustees of the College established a Grant in Aid: Scholarships and Fellowships Fund for the receipt, processing, and depositing of such contributions:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Trustees of The Evergreen State College gratefully accepts the sum of \$1,945.71 in cash, plus the value of one share of common stock in the Transamerica Corporation, representing gifts for a scholarship fund memorializing Roger F. Camp, late trustee of the College; and

BE IT FURTHER RESOLVED, That the \$1,945.71 plus the Transamerica Corporation share be paid into the Grant in Aid: Scholarships and Fellowships Fund to become, with accrued earnings and supplementation, a separate account known as the "Roger F. Camp Memorial Scholarship Fund."

RESOLUTION 69-5

WHEREAS, Chapter 36, Laws of 1969, 1st Ex. Sess. (the State Higher Education Personnel Law) provides for exemption of certain categories of employees from the classified service; and

WHEREAS, The Board of Trustees of The Evergreen State College on November 20, 1968, established a retirement plan providing for participation in Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) by "regular members of the instructional staff, the professional library staff, and such administrative officers as the Board of Trustees may designate...":

NOW, THEREFORE, BE IT RESOLVED, That the following general criteria be, and hereby are, established for designation of categories of employees exempt from the classified service:

- Responsibility for determining College policy
- Responsibility for academic instruction
- Responsibility for student counseling
- Responsibility for professional research
- Service as principal assistant to a senior College official
- Part-time or temporary employment
- Consultative employment under contract
- Student employment;

and

BE IT FURTHER RESOLVED, That employees in positions listed below be, and hereby are, exempted from the classified service; and

BE IT FURTHER RESOLVED, That employees in positions of Part A of the list below be, and hereby are, designated as eligible for participation in TIAA-CREF; and

BE IT FINALLY RESOLVED, That intent, rather than the precise title of any position, shall govern in any interpretation of this resolution:

Part A

Exempt Positions Eligible for Participation in TIAA-CREF

1. President
2. Vice President:
 - a. Vice President and Provost
 - b. Executive Vice President
 - c. Vice President for Business
3. Deans and directors responsible for instructional programs
4. Members of the instructional faculty: Professors, associate professors, instructors, lecturers, and visiting professors

5. Student service and counseling positions:
 - a. Dean of students, dean of men, and dean of women
 - b. Director of evaluation, testing and counseling, and professionals involved principally and directly in student evaluation, testing and counseling under such director
 - c. Director of financial aids
 - d. Director of health services
 - e. Director of admissions
 - f. Registrar
 - g. Director of placement
6. Library and audio-visual positions:
 - a. Dean of library services
 - b. Head librarian
 - c. Director of audio-visual services
 - d. Professional librarians
7. Director of facilities planning
8. Computing positions:
 - a. Director of computer facilities
 - b. Manager of computer operations
 - c. Manager of academic computer services
 - d. Manager of administrative computer services
9. Research positions:
 - a. Director of institutional research
 - b. Grant and project directors, principal investigators, or other positions responsible for administering research grants and contracts
 - c. Professional persons engaged in research who by virtue of such function are not considered members of the instructional faculty
10. Development and public relations positions:
 - a. Director of college relations
 - b. Administrator of public relations
 - c. administrator of development
 - d. Administrator of alumni activities
11. Business and financial affairs positions:
 - a. Director of buildings and grounds
 - b. Chief of safety and security
 - c. Director of classified personnel
 - d. Controller
 - e. Internal auditor
 - f. Director of business services
 - g. Director of financial planning
 - h. Director of retirement and insurance
 - i. Director of food services
 - j. Director of housing

- k. Manager of bookstore
- l. Director of student activities
- 12. Principal assistants to executive heads of major academic or administrative units:
 - a. Principal assistants to the president and vice presidents
 - b. Assistant deans and assistant directors for instructional, student service and counseling, library and audio-visual, and research programs
 - c. Assistant directors for facilities planning, computing, development and public relations, and business and financial affairs programs

Part B

Exempt Positions Not Eligible for Participation in TIAA - CREF

- 1. Members of the Board of Trustees
- 2. Confidential secretaries and personal assistants to the Board of Trustees, president, and vice presidents
- 3. Graduate teaching and research assistants
- 4. Continuing studies instructors who are not considered members of the instructional faculty under Part A, above
- 5. Consultants, and persons providing services under contract other than as agents of the College
- 6. Part-time and temporary employees
- 7. Student employees

by Mr. Schmidt and carried.

Mr. Hadley moved adoption of exempt position staff salaries as

follows: present.

McCann	\$32,500
Barry	27,000
Clabaugh	23,000
Schillinger	21,000
Holly	19,000
Parry	18,000
Brodin	16,846
Carnahan	15,600
Winkley	14,388
Nichols	10,914
Brackenbush	7,800
Stamey	7,752
Withrow-Whitney-Baugh	3.50/hour

Motion was seconded by Mr. Schmidt and carried.

Mrs. Tourtellotte nominated Trustee Hadley as Chairman; seconded by Mr. Schmidt. Mr. Saunders nominated Mr. Schmidt as Vice Chairman; seconded by Mr. Hadley. Mrs. Tourtellotte was nominated as secretary by Mr. Schmidt; Mr. Hadley seconded. The secretary was instructed to cast a unanimous ballot for the new officers as nominated.

The next meeting will be held on August 14 at 2 PM in the College office in Olympia.

Chairman Hadley accepted the gavel and expressed the Board's appreciation of Mr. Saunder's chairmanship.

The meeting was adjourned by Chairman Hadley at 6:50 PM.

Adopted at the July 12, 1969 Board meeting

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