

SPECIAL  
MEETING OF THE BOARD OF TRUSTEES  
OF THE EVERGREEN STATE COLLEGE

Tuesday, February 13, 1979  
The Evergreen State College Campus  
Daniel J. Evans Library, Room 3112

Trustees Present: Wesley E. Berglund  
Robert J. Flowers  
Herbert D. Hadley  
Jane B. Sylvester

Absent: Halvor M. Halvorson

Representatives  
to the Board  
Present: Bill Hucks, Student  
Rudy Martin, Faculty  
Chris Meserve, Alum

Absent: Ed Reid, Staff

Staff Present: Judy Annis, Director of Information Services  
Dean Clabaugh, Administrative Vice President  
Daniel Evans, President  
Rita Grace, Recording Secretary  
Burt Guttman, Member of the Faculty  
Lowell Kuehn, Member of the Faculty & Acting  
Director of Institutional Research  
Mary Isabell, Affirmative Action Officer  
David Marr, Member of the Faculty  
Larry Stenberg, Dean of Enrollment Services  
Nancy Taylor, Member of the Faculty  
Stone Thomas, Director of Educational Support Services  
Byron Youtz, Vice President and Provost  
See permanent roster for others attending

Others Present: Ed Arnone, The Daily Olympian  
Richard Montecucco, Senior Assistant Attorney General  
John Stocks, Student  
Scot Medbury, Student  
Pam Thornhill, Student  
See permanent roster for others attending

CALL TO ORDER, INTRODUCTIONS AND APPROVAL OF MINUTES - Action

The meeting was called to order by Vice Chairman Flowers at 10:40 AM.  
Trustee Flowers introduced and welcomed Chris Meserve, President of the  
Alumni Association and person designated to attend Board meetings  
representing alums.

Mr. Berglund moved approval of the minutes of the January 11,  
1979 meeting as submitted. Seconded by Mrs. Sylvester and  
passed.

Motion  
79-8

SERVICES AND ACTIVITIES BOARD RECOMMENDATIONS: COLLEGE ACTIVITIES BUILDING,  
PHASE II - Action

Bill Hucks, S & A Coordinator, told the Trustees that this item and the organic farmhouse were related in that the S & A Board recommends the allocation from CAB II reserves to cover both projects.

In December the Trustees had expressed interest in having the recommendation for an interior designer come before the Board; the S & A Board recommended Max Knauss as design consultant.

Students Scott Medbury and Pam Thornhill from the CAB II student design team made a brief presentation regarding design schematic priorities for the College Activities Building, Phase II, in the following areas: street cafe, west mall, third floor west lounge, KAOS FM station, third floor bridge and east lounge, Cooper Point Journal and bookstore; with alternates being third floor west lounge fireplace, cafeteria, and TV lounge. The S & A Board hopes to bid the project by mid-April.

Bill Hucks responded to questions and pointed out an anticipated balance of \$26,195 in the CAB II reserves after allocations for CAB II and the organic farmhouse.

Bill told the Trustees that the S & A Board approves and forwards to the Trustees decisions of the Design Review Board, who in turn receives recommendations from the Student Design Team and that the design consultant had ultimate responsibility for preparation of bid documents.

Motion  
79-9

Mrs. Sylvester moved approval of the following allocations from the College Activities Building, Phase II reserves for remodeling of CAB II:

a. Construction budget of	\$40,000
Architecture and engineering	4,000
Sales tax	2,000
Contingency	2,000
	<u>\$48,000</u>

Plus expenses of a design festival  
held last December 1,600

Total allocations \$49,600

b. Appointment of Max Knauss as design consultant  
(interior designer).

Seconded by Mr. Berglund and passed.

ORGANIC FARMHOUSE - Action

Bill Hucks introduced James Roseman (Gomer), crew chief at the organic farmhouse project on Lewis Road. Gomer gave the Trustees a brief history of the funding of the organic farmhouse (originally funded in 1974 with \$20,000 of CAB II reserve money; \$5,000 received from

S & A Board in spring 1978; and are now requesting \$27,883) and described the location, the building (the only frame structure on campus), and the current and potential activities and uses. Bill Hucks added that one of the reasons for building the farmhouse was to provide caretaker space and that one of the intentions of the S & A Board was to complete unfinished projects (anticipated completion of this structure is June, 1979).

Mr. Hadley recalled previous plans to have materials and labor donated. Mr. Clabaugh responded that this had not happened to the extent planned. Gomer indicated that the 2600 square-foot building would cost about \$20 to \$21/square foot.

Motion  
79-10

Mr. Hadley moved approval of a \$27,883 allocation from the College Activities Building, Phase II, reserves for completion of the organic farmhouse structure, plumbing and electrical contracts, carpentry, appliances for a community kitchen and caretaker's quarters, and fire alert systems. Seconded by Mr. Berglund and passed.

#### TESC INVESTMENT POLICY - Action

Trustee Flowers reported that the investment committee (Hadley, Clabaugh and Flowers) met last week to review the investment policy; he outlined the three changes they recommended from the draft mailed to the Trustees. The investment committee established their regular monthly meeting time as 3:00 PM on the Thursday preceding Board meetings.

Mrs. Sylvester suggested that the committee review books prior to accepting reports. Trustee Fowers indicated that would happen.

Mr. Thomas expressed concern about human rights issues; the policy contains such a provision.

Motion  
79-11

Mr. Berglund moved approval of the attached investment policy, objectives and procedures for The Evergreen State College; which policy has been reviewed by the attorney general's office. Seconded by Mr. Hadley and passed.

#### DEFERMENT OF AGENDA ITEM

Agenda item 9, intercollegiate athletics task force progress report, was deferred to the March meeting when the final report was expected to be complete.

#### PRESIDENT'S REPORT

##### Report on Current Publications and Mailings (Annis)

Responding to Trustee request, Judy Annis reported on the major publications designated for outside (off campus) audiences and provided handouts giving details of per-unit costs, excluding postage. These

publications included: Viewbook, Catalog, Catalog Supplement, This is Evergreen, Speaker's Bureau, Conference and Convention brochure, Calendar of Events, Swingshift (part-time offerings), and the Off-Campus Newsletter. Routine on-campus publications include the Campus Newsletter and Happenings. Ms. Annis also mentioned news releases and radio programs.

Mr. Eldridge responded to Trustee Hadley's concern regarding discontinuation of Precis. President Evans added he felt it was important to review audiences, the graphics and the coordination of these publications.

Mrs. Sylvester asked about other publications of the college; Mr. Clabaugh mentioned other areas, such as financial aid, leisure education, and cooperative education, which also produce their own brochures.

#### Tenth Day Enrollment Report (Evans)

President Evans handed out and discussed fall/winter comparisons for the last three years and retention trends 1972-73 to present. Questions asked in Mr. Allen's absence will be answered by mail.

#### Admissions Statistical Report (Evans)

President Evans discussed the admissions statistical report for spring and fall, indicating that the supplemental application form is no longer required for acceptance but will be used as an advising tool. This change has resulted in a large increase in numbers admitted.

Mrs. Sylvester asked that the admissions staff and counselors attend the next meeting and explain the admissions process to the Board. President Evans mentioned the admissions staff can also explain the contemplated changes.

#### Monthly Budget Summary (Clabaugh)

Mr. Clabaugh discussed the summary report of budget, expenditures and variances of budgeted operating programs, July 1, 1978 through January 31, 1979, and responded to questions.

#### Legislative Hearings Update (Evans)

President Evans discussed recent and upcoming legislative hearings regarding the Council for Postsecondary Education study of Evergreen, Evergreen's operating and capital budgets, and Evergreen's master's degree proposal and indicated a considerable amount of legislative interest in the enrollment task force report.

Mr. Eldridge discussed the probable salary increases being proposed by the House Appropriations Committee.

## DESIGN FOR ENROLLMENT TASK FORCE RECOMMENDATIONS - Discussion

In introducing Larry Stenberg, President Evans mentioned he had not seen a harder working task force in his time at Evergreen and indicated DTF recommendations, if followed successfully, will respond to Evergreen's enrollment concerns and the CPE study.

Mr. Stenberg reviewed the underlying philosophy and committee assumptions. The basic structure of the college should be protected. The best of the college should be retained and new ways developed to promote these quality features. The committee did not redesign the college or markedly change the marketing position. Mr. Stenberg emphasized that meeting enrollment targets can only be accomplished by decisive leadership, college-wide effort and cooperation directed toward improving public relations efforts, recruitment systems, academic programs, campus services and environment.

Mr. Stenberg handed out and discussed (1) a summary of specific recruitment plans and the routine admissions activities by month, and (2) a chart outlining conceptual recommendations of the DTF. Key to the proposal is the academic program, which impacts a marketing campaign, a recruiting campaign, and retention efforts. The DTF recommends the immediate hiring of a marketing consultant and the appointment of a facilitator to coordinate and insure that recommendations supported by the president and executive staff are implemented.

The Trustees discussed and questioned all aspects of the report and explored alternatives. Mr. Stenberg was asked to suggest an organizational chart showing how proposed positions fit into the current organization. President Evans emphasized changes would be temporary; should permanent reorganization benefit the college, specific proposals would be made later.

President Evans is to meet later in the week with the Vice Presidents, Mr. Stenberg, and the subcommittee heads to review a budget and to deal with the immediate appointment of a facilitator and a marketing consultant.

The Trustees commended the DTF for its work. They agreed no action was required but understood that actions scheduled for February would be implemented and reported on at the next meeting. President Evans indicated he would continue to give regular reports to the Board.

## OTHER BUSINESS AND ANNOUNCEMENTS

Johno Stocks, student representing the committee for the review of the CPE recommendations, addressed a statement to the Trustees, Dan Evans and Byron Youtz (attached) informing them of the development of a student committee concerned with the CPE study of Evergreen. Johno expressed the group's desire to cooperate and work with all areas involved in a review of the CPE recommendations. The group is concerned about student involvement in academic policy.



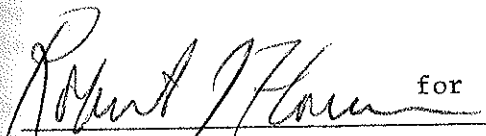
In response, Mr. Youtz commented that a number of students, including ones from this group, have discussed with him how to get student involvement in the CPE study. Mr. Youtz indicated support of this effort and suggested the formation of parallel student committees to work in conjunction and meet with faculty committees.

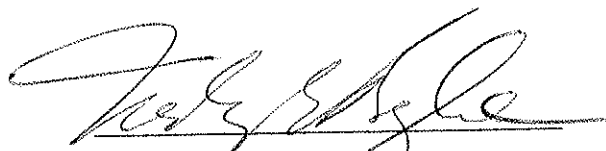
Richard Montecucco told the Trustees that Judge McGovern had ruled in favor of Evergreen in the VA lawsuit. Mr. Montecucco thought the VA would appeal but that the appeal may not be heard for two years. Mr. Montecucco also indicated he thought he would be able to stop the VA from issuing the letter they had been sending to Evergreen veterans.

DATE OF NEXT MEETING, EXECUTIVE SESSION AND ADJOURNMENT

The date of the next Board meeting was set for Thursday, March 8.

The Board recessed at 1:30 PM for an executive session and returned at 3:00 PM to adjourn.

  
Halvor M. Halvorson, Chairman

  
Wesley E. Berglund, Secretary

Attachments

THE EVERGREEN STATE COLLEGE

STATEMENT OF INVESTMENT POLICY, OBJECTIVES AND PROCEDURES

The Board of Trustees of The Evergreen State College is invested by statute with responsibility for the management of the properties of the College, including its Endowment and other College funds. The primary objective governing the investment of College Funds is the maximization of financial return based upon a minimum of risk.

I. Endowment Funds

A. Purposes and Goals

The following two statements establish the goals for the Endowment Fund for the guidance of the Business Manager and others:

1. To provide growth in the unit value which, over a three to five year period, will maintain the Fund's purchasing power as measured by the Seattle area consumer price index.
2. To provide increasing amounts of income commensurate with the growth in principal, with the objective that the rate of income being earned on the principal from time to time should compare favorably with the rate of interest then being paid on deposits by mutual savings banks in the Seattle area.

While these two fiscal goals are of central importance, due consideration shall be given to the degree of corporate responsibility exercised by the companies in which investments may be or have been made.

The Board of Trustees will participate as a corporate shareholder to enunciate what it believes to be the prudent and responsible position on issues involving the actions of a corporation as they affect issues of human rights.

The Board of Trustees has delegated to its Finance Committee the responsibility for overseeing its investment program within the general principles enumerated herein.

B. Investment Authority and Procedures

The following investment authority and procedures are authorized, subject to review, change, and/or exceptions at any time at the option of the Finance Committee:

1. The Business Manager shall from time to time review the securities held in the fund and submit to the Finance Committee of the Board his/her recommendations as to sale or other disposition of such securities or other assets, the investment of principal cash on hand and any other appropriate actions in the proper management of the fund, and shall receive the approval of the Finance Committee of the Board before taking any such action with respect thereto.

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If, however, in the proper management of the fund, the Business Manager shall deem it appropriate to take prompt action before the approval of the Finance Committee can reasonably be obtained, he/she may act with the written approval or direction of the Chairman of the Board of Trustees, the Administrative Vice President, or such other person or persons as may be so authorized by the Board of Trustees.

2. The Business Manager is authorized to sell, at any time, subject to the concurrence of the Chairman of the Board of Trustees, the Administrative Vice President, or such other person as may be designated by the Finance Committee, a security, which in his/her opinion, does not meet the standards that are acceptable to or dictated by the Board of Trustees or deemed prudent judgment.

3. Bonds should have a rating by S & P or Moodys of A or better, and stocks, a rating of B+ or better. However, if the Business Manager shall recommend purchase of a security of a lower rating because of some unusual circumstances, future prospects or other compelling reason, the Business Manager shall fully document his/her research in support of such recommendation in the subsequent quarterly report to the Finance Committee. Other securities may be certificates, notes or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States.

4. Any security in the portfolio which suffers a reduction in rating below the minimum set forth above shall be analyzed by the Business Manager, and if not sold under the authority of paragraph 2 above, shall be reported to the Finance Committee not later than the next scheduled meeting with recommendations as to its sale or retention.

5. Securities which are not rated may be recommended for purchase by the Business Manager when, in his/her opinion, the stature, maturity and financial condition of the company indicates a quality equal to that of a security with an eligible rating.

6. The Finance Committee recognized the desirability of an aggressive investment policy but does not endorse active trading based on attempts to capture the benefits of short savings in the market. This is not intended to deny recognition of definite economic and financial trends.

7. Each concluded purchase, exchange or sale of any security by the Business Manager shall be promptly reported in writing to the Finance Committee.

## II. Other College Funds

The Board of Trustees has delegated to its Finance Committee the responsibility for overseeing its investment of other College funds. Such investments, exchange or sales of securities shall be under the authority of and have the approval of the Business Manager, or such other person designated by the Finance Committee.



Other College funds will be managed in a manner that provides for a pooling of all investable funds to maximize the rates of return and minimize investment service costs. Investment procedures should permit all free cash resources in excess of compensating balances, of every fund to be equally and continuously invested to a maximum extent.

Investment of any and all other funds not included in the Endowment Fund shall be limited to investment instruments that conform to the Public Deposit Protection's Act of 1969, provided, however, that as a goal College investments in any financial institution shall not exceed one percent of the liquid assets of that institution unless guaranteed by United States Treasury issues or United States Agency issues as outlined below:

- U.S. Treasury Bonds
- U.S. Treasury Notes
- U.S. Treasury Certificates
- U.S. Treasury Bills, and/or obligations of the United States or its agencies as follows:
  - Federal Land Bank (FLB)
  - Federal Home Loan Bank (FHLB)
  - Bank for Cooperatives (COOP)
  - Federal National Mortgage Association (FNMA)
  - Federal Intermediate Credit Bank (FICB)
  - Export Import Bank (E/I)
  - Farm Credit Bank (FCB)
  - Federal Funds Bank Repurchase Agreements collateralized by any of the above securities or by securities of the Government National Mortgage Association (GNMA)
  - Farmers Home Development Administration (FHDA)

Deposits in savings accounts in commercial or mutual savings banks in the State of Washington (maximum balance per account to be dictated by amounts insured by the Federal Depository Insurance Corporation),

Deposits in savings and loan associations in the State of Washington (maximum balance per account to be dictated by amounts insured by the Federal Savings and Loan Insurance Corporation),

Time Certificates of Deposit or Repurchase Agreements issued by major commercial or mutual savings banks which are qualified depositories of the State of Washington,

Time Certificates of Deposit or Repurchase Agreements issued by savings and loan associations which are qualified depositories of the State of Washington.

Interest on investments will be distributed proratably each quarter to the various funds contributing to the pooled investments in the proportions that their average weekly cash balances bear to the average weekly cash balance of the total cash. Distributions to restricted accounts within a fund will be made in the proportions that their average monthly balances bear to the total average monthly cash balance in the fund.

Any fund operating with a negative cash balance will be charged interest and the interest will be distributed on a prorata basis to the funds contributing to the pool. Federal, state and local grants and contracts will be included in the current general local fund for investment management purposes. Agency accounts, other than the Greater Evergreen College Fund and the Evergreen State College Foundation, will be included in the current General Local Fund for investment management purposes.

### III. Investment Reports

The Business Manager will prepare a quarterly report on all investment activity in the endowment and pooled investment funds. The report will be submitted to the Finance Committee for transmittal to the Board of Trustees.

### IV. Gifts to be considered for Immediate Resale by Finance Committee

From time to time, the College receives gifts and bequests of securities. Unless otherwise instructed by the donor, such securities will be considered for immediate sale by the Finance Committee. It is the intent of the College to preserve the value at time of receipt of such contributions with minimal amount of risk as possible. The initial authority to accept such gifts remains within the province of the Board of Trustees subject to such principles as they may establish from time to time.

### V. Proxy Voting and Corporate Responsibility

The Finance Committee of the Board of Trustees will be responsible for reviewing all corporate investments and will have primary responsibility for exercising the College's right to vote as a shareholder on corporate stock proxies. Such votes shall be cast in a manner consistent with the purposes and goals enunciated in this Policy. The Finance Committee, at its discretion, may seek advice from each persons or groups as it deems necessary to make proxy determinations. The Finance Committee may also request the action of the entire Board on proxy matters.

The Finance Committee of the Board of Trustees is also delegated the responsibility for making the recommendations that the Board of Trustees, as a shareholder, initiate appropriate resolutions or engage in appropriate corporate contacts to encourage corporate responsibility on the part of companies in which investments are held. The Board of Trustees directly or through the Finance Committee, may solicit from companies information concerning corporate activities which may involve violations of human rights. The Board shall determine whether such activities indicate further action by the Board.

February

1979

RECEIVED

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T.E.S.C.  
OFFICE OF THE PRESIDENT

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To: Board of Trustees, Dan Evans and Byron Youtz

From: Committee for the Review of the CPE recommendations

On February 12, 1979, at a general meeting of the colloquium of programs (programs responsible for initiating the recent changes in the Cab Mall), a presentation was made on the Council for Postsecondary Education's "Evergreen Study" by John Stocks (Satsop Study Group), Steve Francis (Student Advisor to the Council) and Pam Dusenberry (Cooper Point Journal Staff). The presentation reviewed the history of the report, the twenty final recommendations and the present actions being taken by Evergreen to address these recommendations.

Out of this meeting, a group of students formed a committee to address these concerns: 1) that the present student population is not aware of the report and its final recommendations, 2) that student involvement has not been sought in the review of academic policy and 3) that interested students do not have access to study groups that are examining the recommendations concerning academic and curriculum policy.

The above mentioned student committee formed around these goals: 1) the committee will initially address the CPE recommendations that deal with Evergreen's academic policy (i.e. degrees, freshman requirements, curriculum development and policy, teacher certification and graduate programs), 2) the committee will solicit active participation from the Evergreen community in its review of the CPE recommendations and 3) the committee wishes to be recognized by the Board of Trustees, the administration and the faculty as a source of student input into the review of the CPE recommendations.

#### Concluding Notes.

As a preface to its twenty recommendations the report staff issues the following statement:

"While these recommendations are premised on the assumption that Evergreen can respond, if the response is less than enthusiastic it cannot be certain the goals assumed will be achieved. For the past ten years the College has treated the development of its curriculum as a college-wide imperative. A similar imperative will have to operate in this case as well. Anything less can lead to failure."<sup>1</sup>

This student group has organized around the strong belief that this ten year old tradition should continue. It raises a strong concern over the lack of student involvement surrounding the College's review of the CPE recommendations (particularly those addressing academic policy and curriculum development). As students we are interested in assisting any persons or group of persons in their review of the CPE recommendations.

<sup>1</sup>) Report body, Section 7: Findings and Conclusions p. 193.

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List of Students on Committee

Jerry Dierker-Decentralization  
Barbara Dragul-Decentralization  
Pam Eusenberry-Cooper Point Journal  
Jim Felton-Environmental Design  
Steve Francis-Student Advisor to CPE  
Sego Jackson-Decentralization  
Sandra Piechocki-Decentralization  
Rick Simmons-Applied Environmental Studies  
Deanna Smith-Decentralization  
John Stocks-Satsop Study Group

3/8/79

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