

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

July 20, 2011

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| Trustees Attending: | Carver Gayton Denny Heck Keith Kessler Wilbert Piña Anne Proffitt (by phone) Paul Winters | Absent: | Irene Gonzales Kristin Hayden |
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| Staff Present: | John Carmichael, Executive Assistant to the President Art Costantino, Vice President for Student Affairs John Hurley, Vice President for Finance and Administration Tom Mercado, Director of Student Activities Thomas L. Purce, President Paul Smith, Director of Facilities Steve Trotter, Executive Director of Operational Planning and Budget Amanda Walker, Executive Director of Development and Alumni Programs | | |
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| Others present: | Jonathan Lindsay, Staff Representative to the Board Joe Tougas, Faculty Representative to the Board Dorian Waller, Alumni Representative to the Board Colleen Warren, Senior Assistant Attorney General | | |

Wednesday, July 20, 2011

Trustee Paul Winters called the meeting to order at 9:30 a.m. in the Board Room (Library 3201) of The Evergreen State College. A quorum was present with Trustees Gayton, Heck, Kessler, Piña and Winters attending. President Purce introduced Wilbert Piña as the newly appointed student Trustee.

Operating Budget Proposals

President Purce recalled that detailed operating budget recommendations were presented to the Board at previous meetings. Since then, staff developed a proposal for achieving the 3% compensation reduction required by the final legislative budget. This reduction would be achieved through salary savings associated with turnover and voluntary compensation reductions. The salary savings will be monitored quarterly to ensure that the college is meeting its salary savings goals.

Executive Director for Operational Planning and Budget Steve Trotter presented a biennial operating budget proposal for all college funds. He recalled that staff had previously presented tuition recommendations, proposed housing and dining rate adjustments, and health and counseling fee adjustments. He also noted that summer tuition rates would be linked to regular session rates going forward.

Other policy changes included basing the budget on a larger enrollment level and an assumed that 23% of students would pay non-resident tuition. He noted that the 3% compensation reduction is assumed in the legislative budget to be temporary for the biennium.

He also reviewed new proposed expenditures, including changes in state retirement programs, costs associated with higher enrollment levels, changes in information technology costs, positions previously funded out of one-time resources, and adjustments to improve funding for academic administration. Those proposed revenue and spending adjustments leave a 3.3% reduction to be made over the biennium, with most of the reduction in the first fiscal year. The proposal uses a combination of cuts and one-time resources to accomplish this reduction in the first year and leaves a hold-back contingency in the second year of the biennium if no additional cuts are imposed.

Mr. Trotter described the tuition and financial aid aspects of the proposal. The legislative budget assumed a 14% increase in resident undergraduate tuition in each year of the biennium and gave the Board the authority to raise tuition higher if certain financial aid conditions are met. Staff considered and rejected this option, recommending the legislative assumption of a 14% increase in resident undergraduate tuition each year.

Services and Activities Fee Proposals

Vice President for Student Affairs Art Costantino expressed support for the fee and spending proposal advanced by the Services and Activities (S&A) Fee Allocation Board. He thanked the S&A Board for supporting new initiatives to staff the information desk in the Campus Activities Building and to offer a more well-rounded set of programs in Recreation and Athletics.

Director of Student Activities Tom Mercado described the process for setting S&A fees set forth in state law. He noted that the proposal would increase S&A fees by 4% in the first year of the biennium and an additional 2% in the second year.

Capital Budget Proposals

Vice President for Finance and Administration John Hurley and Director of Facilities Paul Smith presented the 2011-13 Capital Spending Plan proposal. Mr. Smith reviewed the line items in the proposal, highlighting funding for pre-design of the Lecture Hall renovation and construction of the COM Building renovation. He noted that the COM building construction was funded at a level \$1.5 million below the estimated cost of the design. Staff worked to adjust the scope of the project in an effort to ensure that construction bids will fall within the budget available.

Executive Session

Trustee Paul Winters announced that the Board would move into executive session as allowed by RCW 42.30 to review the performance of a public employee and to discuss collective bargaining. He said that the Board would return to an open meeting at 1:00 p.m.. At that time, he announced that the executive session would extend to 1:15 p.m.. The Board returned to an open meeting at 1:15 p.m., when Trustee Anne Proffitt joined the meeting by phone.

Approval of Operating Budget Fee and Spending Plans for 2011-13

Motion Dr. Gayton made a motion to adopt Resolution 2011-10 (attached) establishing an
2011-25 operating budget spending plan and setting tuition and mandatory student fees for 2011-13 and delegating authority to the President. The motion was seconded. In discussion of the motion, Mr. Heck described the difficult choices facing the college, leading to painful decisions regarding tuition increases. He thanked staff for their work to adjust to extraordinarily challenging economic conditions. The motion passed on a voice vote.

Services and Activities Fees for 2011-13

Motion Mr. Heck made a motion to:
2011-26

- a) Approve the 2011-2013 Services and Activities Fee biennial budget as developed by the Services and Activities Fee Allocation Board, totaling \$6,160,197 as presented;
- b) Approve an increase in the Services and Activities Fee of four percent for 2011-2012; and
- c) Approve an increase in the Services and Activities Fees of two percent for 2012- 2013.

The motion was seconded and passed on a voice vote.

Capital Budget Spending Plan for 2011-13

Motion Mr. Heck made a motion to:
2011-27

- a. Approve the 2011-2013 Capital Budget Spending Plan of \$22,105,000.
- b. Approve the 2009-2011 Capital Re-appropriation Spending Plan of \$7,600,000.

2011- 2013 CAPITAL BUDGET SPENDING PLAN

2011-2013 Preservation Projects

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| • Preventive Facility Maintenance and Building System Repairs | 760,000 |
| • Preservation | 6,935,000 |
| Sub-Total Preservation Projects | \$7,695,000 |

2011-2013 Program Projects -Major and Minor

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| • Lecture Hall Remodel Predesign | 300,000 |
| • Science Center- Lab I, 2 nd Floor Renovation | 4,950,000 |
| • Communications Laboratory Building Preservation & Renovation | 9,160,000 |

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| Sub-Total Program Projects | \$14,410,000 |
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| <u>TOTAL NEW 2009-2011 CAPITAL APPROPRIATIONS</u> | <u>\$22,105,000</u> |
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2009-2011 Re-appropriations

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| • Minor Works: Program | 1,043,000 |
| • Laboratory and Art Annex Building Renovation | 1,834,000 |
| • Communications Laboratory Building Preservation and Renovation (design) | 1,291,000 |
| • Infrastructure Preservation | 398,000 |
| • Minor Works: Health, Safety & Code Comp. | 1,351,000 |
| • Minor Works: Preservation | 1,683,000 |

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| <u>TOTAL RE-APPROPRIATIONS AUTHORIZED</u> | <u>\$7,600,000</u> |
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| GRAND TOTAL SPENDING PLAN | \$29,705,000 |
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The motion was seconded and passed on a voice vote.

Appointment of a Management Negotiating Team for Collective Bargaining

Vice President for Student Affairs Art Costantino presented a proposal to appoint a negotiating team to conduct collective bargaining with the newly formed Washington Federation of State Employees Student Affairs Exempt Staff bargaining unit. President Purce noted that the college is working to identify a lead negotiator for bargaining.

Motion Ms. Kessler made a motion to appoint the following staff to conduct collective
2011-28 bargaining with the Washington Federation of State Employees Student Affairs Exempt Staff bargaining unit:

Wendy Endress, Executive Associate to the Vice President for Student Affairs
Sharon Goodman, Director of Residential and Dining Services
Steve Hunter, Associate Vice President for Enrollment Management
Sharon Storer, Associate Director of Human Resource Services

The motion was seconded and passed on a voice vote.

Annual Performance Evaluation of the President

Motion Mr. Heck moved that the Board adopt a positive evaluation of President Purce's
2011-29 performance and express confidence in his leadership based on a review of the evaluations received by the Board and on the Board's own assessment of the President's performance during the past year. The motion was seconded and passed on a voice vote.

President's Contract

Motion Mr. Heck made a motion to approve the amended presidential contract as presented. He
2011-30 read the amendments for the record:

- The term of appointment is extended through June 30, 2016.
- Section 4, "Compensation," is amended to say that the president is eligible to receive a \$25,000 retention payment on June 30, 2016 and that the college will continue to contribute \$45,000 to a 401(a) plan at the end of each fiscal while the contract is in effect. He noted that this language does not change the President's current compensation.
- Section 4 is also amended to say that the President may participate in any furlough or leave without pay programs that the college implements to achieve temporary compensation reductions for non-represented exempt staff.

The motion was seconded and passed on a voice vote.

Professional Development Leave for the President

Motion Mr. Kessler made a motion to provide with up to two weeks of professional
2011-31 development related to either administrative or academic work. The motion was seconded and passed on a voice vote.

Approval of Minutes

Motion Mr. Kessler made a motion to approve the minutes of the June 9 meeting as presented.
2011-32 The motion was seconded and passed on a voice vote.

Student Trustee Report

Mr. Winters invited Wilbert Piña to report as student Trustee. Mr. Piña described delays in processing financial aid for some students in the Tacoma program this summer. He suggested a letter of apology be sent to students affected.

President's Report

President Purce invited Joe Tougas to report as Faculty Representative to the Board. Dr. Tougas noted that the faculty-student ratio is an important number both for the college's budget and for planning the curriculum. He said that Evergreen's multiple-quarter programs present a particular challenge because it is impossible to know with confidence how enrollment in programs might change from quarter to quarter. Faculty are working to learn from students what attracts them to programs with long wait lists and discourages them from enrolling in programs with space available. This has led to improved program descriptions and thoughtful reflection about the choices made in designing new programs.

President Purce invited Jonathan Lindsay to report as Staff Representative to the Board. Mr. Lindsay discussed issues related to enrollment and retention. He said that, although it is good news that few staff were laid off than initially anticipated, vacancies created through attrition also put pressure on the remaining staff.

President Purce invited Dorian Waller to report as Alumni Representative to the Board. Mr. Waller described the Alumni Association's recent board retreat. He said that alumni are not as aware of the college's budget challenges as they might be. The Alumni Association is working to define its role in responding to the college's budget challenges. He introduced Tacoma chapter president Donna Griffin, who described the Tacoma Treasures sale that is taking place on August 20 to raise money for scholarships.

President Purce asked Amanda Walker, Executive Director of Development and Alumni Programs, to provide a fundraising report. Ms. Walker said that the Foundation raised \$1,752,000 last year, surpassing the annual goal and improving on the past two years. She highlighted the recent \$3 million grant from the Gates Foundation which will help support at-risk students and build fundraising capacity. She said that the Foundation will deliver a full, annual report to the Board in September.

President Purce summarized highlights from his summer schedule.

Mr. Winters adjourned the meeting at 2:02 p.m.

Paul Winters, Chair

Carver Gayton, Secretary

***Resolution No. 2011-10
of the Board of Trustees
of The Evergreen State College***

***Establishing an Operating Budget Spending Plan and Setting Tuition and Mandatory
Student Fees for 2011-13 and Delegating Authority to the President***

The Board of Trustees of The Evergreen State College resolves to:

Adopt an Operating Budget Spending Plan for 2011-13 as follows:

1. Approve the \$158,089,330 operating budget spending plan for all areas of the college

Adjust Student Tuition and Fees as follows:

2. Increase resident undergraduate tuition levels by 14% per year; and
3. Increase non-resident undergraduate and resident graduate tuition levels 5% per year (non-resident graduate tuition levels will remain un-changed); and
4. Set future summer session operating fees where the per-credit assessment charged during summer session will be identical to amounts charged during the previous Spring quarter.
5. Increase the TESC need grant fund from 3.5% to 4.0% of tuition collections; and
6. Increase the Student and Activities fee by 4% in 2011-12 and by 2% in 2012-13; and
7. Increase Housing Rates by an average of 3% per year; and
8. Increase Dining Plans by an average of 5% per year; and
9. Increase the Community Health and Counseling Fee by 3% per year; and

Adjust the College's base budget as follows:

10. Rebase the College's enrollment plan to a 4,500 (full-time equivalent) total student enrollment level with an expectation of a 23% non-resident mix to increase new net revenues by \$5,340,000, and;
11. Implement the legislative mandated temporary measures to reduce compensation levels through the 2011-13 biennium by \$1,920,000 (3% per year), and;
12. Add \$3,966,000 to the base operating budget to support on-going programs currently supported on a temporary basis and other 'must do' priorities; and
13. Implement a \$3,118,000 (3%) college wide budget reduction plan; and
14. Apply \$1,533,000 of college one-time reserves to bridge the larger cut levels in the first year of that biennium over the second year; and
15. Create a \$1,235,000 Hold-back Contingency for 2012-13; and

Delegating Authority to the President or his designee the authority to approve Higher Education Retirement Plan (HERP) documents that eliminate the supplemental benefit for all new employees that enter the plan after July 1, 2011 as required by ESHB 1981.

Done on this 20th day of July, 2011, in open meeting by the Board of Trustees.

Paul Winters, Chair

Carver Gayton, Secretary

Thomas L. Purce, President