

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

January 14, 2009

Trustees attending:

Carver Gayton
Kristin Hayden
Denny Heck
Keith Kessler
Brittany Newhouse
Anne Proffitt
Paul Winters

Representatives to the Board:

Stephen Beck, Faculty Representative
Alexandre Chateaubriand, Geoduck Student Union Representative
Jennifer Commodore, Alumni Association Representative

Staff present:

Don Bantz, Academic Vice President and Provost
John Carmichael, Executive Assistant to the President
Art Costantino, Vice President for Student Affairs
Clifford Frederickson, Accounting Manager
Lee Hoemann, Vice President for College Advancement
Azeem Hoosein, Assistant Director of Facilities
John Hurley, Vice President for Finance and Administration
Collin Orr, Director of Business Services
Thomas L. Purce, President
Paul Smith, Director of Facilities
Julie Suchanek, Director of Government Relations
Steve Trotter, Executive Director of Operational Planning and Budget

Others present:

Colleen Warren, Senior Assistant Attorney General

Trustee Paul Winters called the meeting to order at 10:05 a.m. in the Library Building, Room 3201, of The Evergreen State College. A quorum was present with Trustees Gayton, Hayden, Heck, Kessler, Newhouse, Proffitt and Winters attending. President Purce introduced Trustee Denny Heck to the Board.

Financial Reports

Vice President for Finance and Administration John Hurley introduced Director of Business Services Collin Orr and Accounting Manager Clifford Frederickson. Mr. Orr presented financial reports for the year ending June 30, 2008 and for the quarter ending September 30, 2008. Mr. Orr reviewed the statement of net assets, revenues and expenses, expenditures by division, capital appropriations and expenditures, and revenues and expenses in key auxiliary accounts. Vice President Hurley said that the Standard and Poors had updated the college's rating, giving an Evergreen an A minus rating, which he said is unusually good for a college of this size.

Capital Projects Update

Vice President for Finance and Administration John Hurley introduced Director of Facilities Paul Smith and College Engineer Rich Davis. Mr. Smith in turn introduced representatives from Puget Sound Energy, who presented the college with a check for \$137,000 to defray the cost of variable speed drives that reduce the energy used by the two chillers that provide chilled water for air conditioning at Evergreen.

Paul Smith reviewed the status of major capital projects. The Library renovation is nearing completion and remains on schedule and within budget. The Center for New Media project is on schedule for substantial completion in January. Construction documents for the CAB renovation are in process. The construction bids should be ready for Board review in May.

Vice President Hurley said that the cost of moving operations out of the CAB during construction will significantly exceed the original estimates. The original budget provided \$400,000 for the "surge." The actual costs for relocating food services, the radio station, the bookstore and other offices could be as high as \$1.9 million. Several variables might help close the budget shortfall. A good interest rate on the bond, a delay in the project, interest earnings, or some combination of these options could help the budget for the project. A contract for renovating the Library 4300 space to accommodate a temporary food services operation could come to the Board in March.

Tour of the renovated Library Building

Director of Facilities Paul Smith led the Board on a tour of the renovated A-Wing of the Library Building. Following the tour, the Board recessed and returned to the public meeting at 1:00 p.m.

Delegation of Authority for Longhouse Renovation

Vice President for Finance and Administration said that state law and board policy calls for staff to bring certain decisions related to capital projects to the Board for approval, including architectural and engineering contracts, building designs, project budgets and changes orders, depending on the size of the project.

Director of Facilities Paul Smith described the bidding process for the Longhouse renovation project. Twelve bids were received and evaluated. He recommended that the Board accept the lowest responsible bid for the contract, including four alternates.

Motion 2009-01

Ms. Proffitt made a motion to:

- a) Approve the project budget of \$1,700,000 for the Longhouse Building Renovation project which includes architect and engineering costs, construction cost, state sales tax, project management costs, and project contingency; and
- b) Authorize the award of the construction contract to renovate the Longhouse Building to Christensen, Inc. of Tumwater, Washington in an amount of \$915,546 including Washington State sales tax and authorize the President (or designee) to execute the contract; and
- c) Delegate authority to the President (or his designee) to approve change orders for the Longhouse Building Renovation project as long as the total cost for the project does not exceed the approved project budget of \$1,700,000 including a contingency of \$107,101.

The motion was seconded and passed on a voice vote.

Legislative and Budget Update

Director of Government Relations Julie Suchanek reviewed the Governor's budget recommendations for Higher Education. The Governor's proposal would reduce Evergreen's state appropriation by about 14 percent, authorize a seven percent tuition increase to make up for part of the reduction, and would give the college flexibility on how best to implement the reduction. The Governor's office is also working on a proposal to provide regulatory relief to higher education.

President Purce reviewed the college's budget process. The Board approved the college's operating and capital budget requests in the spring. Director of Government Relations Julie Suchanek and President Purce presented the college's budget requests to the Higher Education Coordinating Board in the Fall, emphasizing salaries as a key priority. Trustee Paul Winters and President Purce participated in a teleconference called by the Governor in December, where they expressed the importance of giving institutions flexibility in deciding how to make any required budget reductions. The Governor's budget proposal reflects that need. If the legislature completes its work on schedule, the college will have a sense of the final legislative budget in April. President Purce would then present draft recommendations to the Board in May for final Board approval in June.

Executive Director of Operational Planning and Budget Steve Trotter reviewed the budget and planning authority that the Board holds, including authority for approving tuition and mandatory fees and spending plans. Mr. Trotter reviewed the major elements of the college's operating budget request, including carry-forward funding, adjustments to maintenance level funding, and funding for performance changes. He compared the college's request to the Governor's budget proposal. After factoring in the proposed tuition increases, the Governor's budget produces 10.5 percent budget reduction over the biennium. The actual reduction in the second year of the biennium would be closer to 12 percent. Mr. Trotter noted that the college's highest priority capital projects were not fully funded in the Governor's budget proposal and that the Governor's proposal assumes no fee increases other than tuition.

Ms. Suchanek shared a list of legislative committee memberships and described plans for Higher Education Day at the legislature on February 17.

Report of Student Trustee

Mr. Winters invited Brittany Newhouse to report as student trustee. Ms. Newhouse said that students are very busy during this time of the quarter. She said that budget discussions are nerve-wracking for students.

Approval of minutes

Motion Ms. Proffitt made a motion to approve minutes to the November and December
2009-02 meetings, with corrections to reflect the attendance of Carver Gayton at the November meeting and to correct the spelling of Alexandre Chateaubriand's name. The motion was seconded and passed on a voice vote.

Nominating Committee

Trustee Winters noted that the resignation of Karen Lane from the Board makes it necessary to convene a Nominating Committee to appoint a new chair of the Board. Trustees Anne Proffitt, Kristin Hayden and Keith Kessler will form the Nominating Committee and report to the Board in March.

President's Report

President Purce invited Stephen Beck to report as Faculty Representative to the Board of Trustees. He reported that faculty are very interested in college budget planning. The January 28 faculty meeting will focus on the topic. The Agenda Committee is also moving forward with changes to the Faculty Handbook and is charging a Disappearing Task Force on faculty governance work.

President Purce invited Jennifer Commodore to report as Alumni Representative to the Board of Trustees. She noted that the Evergreen magazine is advertising T-shirts and sweatshirts available for sale at the bookstore. The Alumni Association gets ten percent of proceeds for scholarships. She also described "traveling seminars" for alumni to re-connect with Evergreen faculty. The Alumni Association will be part of legislative Higher Education Day.

President Purce invited Alexandre Chateaubriand to report as the Geoduck Student Union Representative. In follow-up to last meeting's report, the GSU voted to end relationship with WashPIRG and refund the fee collected Fall quarter. Mr. Chateaubriand said that he is working on a forum regarding a budget request from Police Services to purchase body armor and rifles for use in the event of an "active shooter" on campus. He also echoed Ms. Newhouse's comments on student concern about college budget planning. He said that Evergreen students are resilient, but students are increasingly stressed financially, forced to take fewer credits or select classes with shorter, less expensive booklists.

President Purce reviewed highlights from his schedule since the November meeting.

Public Comment

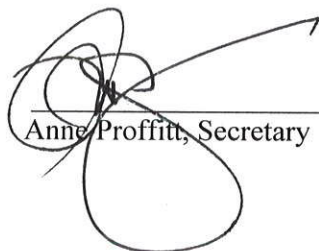
Mr. Winters invited public comment. Jennifer Commodore noted the Martin Luther King Day parade planned in Seattle.

Adjournment

Mr. Winters adjourned the meeting at 3:09 p.m.



Paul Winters, Chair



Anne Proffitt, Secretary