

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

January 11, 2006

Trustees Attending: Stanley Flemming
Chris Hedrick
Jayne Kaszynski
Claudia Kauffman RedMorningStar
David Lamb
Marilee Roloff

Absent: Deborah Barnett
Karen Lane

Representatives to the Board: Laura Bergman, Staff Representative
Laurie Meeker, Faculty Representative

Staff Present: Don Bantz, Provost and Academic Vice President
John Carmichael, Administrative Assistant to the President/Recording Secretary
to the Board of Trustees
Art Costantino, Vice President for Student Affairs
Edie Harding, Director of Governmental Relations
Sharon Harrison, Advancement Operations Officer
Lee Hoemann, Executive Associate to the President
Ken Holstein, Associate Vice President for Human Resources
John Hurley, Vice President for Finance and Administration
Steve Hunter, Associate Vice President for Enrollment Management
John Lauer, Director of Housing and Food Services
Walter Niemiec, Associate Provost for Academic Budget
Collin Orr, Director of Business Services
Aaron Powell, Director of Computing and Communications
Thomas L. Purce, President
Paul Smith, Director of Facilities
Ken Tabbutt, Academic Dean
Steve Trotter, Executive Director of Operational Planning and Budget

Others Attending: Dan Galvin, Assistant Attorney General
Howard Fischer, Senior Assistant Attorney General
Susan Musselman, Housing Financial Counselor
Cynthia Weed, Preston Gates and Ellis

Chair Stan Flemming called the meeting to order at 10:05 a.m. in the board room of the Daniel J. Evans Building in Olympia. Trustees Flemming, Kaszynski, Lamb and Roloff were present when Dr. Flemming called the meeting to order. Trustees Hedrick and Kauffman RedMorningStar joined a short time later.

Summer School

Provost Don Bantz reported that the 2005 Summer Session was very successful. He said that responsibility for summer session has transferred from Dean Ken Tabbutt to Dean Theresa Aragon. Dean Tabbutt said that headcount and credits taken increased in 2005. He said that classes were fuller than last year and revenues increased, while expenses per credit hour remained the same. Net revenue for the year was nearly \$1 million. The revenue is directed to purchasing computers for the Academics Division, funding the start-up of Extended Education, and building the division's cash reserves.

HR Benchmark indicators

Vice President John Hurley said that the college has collected detailed data on staff turnover for two years. Associate Vice President for Human Resources Ken Holstein presented the data for 2005. In 2005, 11.3 percent of staff left the college, compared to 9.4 percent in 2004. Dr. Holstein said that it is reasonable to expect an average of 10 percent over time. He said that the rate at which employees with 5-10 years of experience left the college was higher than he would expect.

Dr. Holstein shared a projection of employee retirement. He said that between 2000 and 2004, 89 employees became eligible to retire. Of these, 35 retired. Another 220 employees will be eligible to retire by 2009. Based on past experience, 88 would be expected to retire. Executive Director for Operational Planning and Budget Steve Trotter said that the college is in the midst of a generational change that began several years ago. Dr. Holstein said that his estimate of cost per hire declined in the past year, largely because data collection has improved.

Legislative and Budget Update

Director of Government Relations Edie Harding said that the legislative session is scheduled to last from January 9 to March 9. She said that there were changes in the Republican leadership in the legislature and that the chair of the Higher Education Coordinating Board also changed. She said that she and President Purce are visiting legislators and hearing that higher education will not be a major focus of the legislative session. Ms. Harding said the college's legislative request for the supplemental budget seeks funding for increases in utility costs. Ms. Harding said that new enrollments in the current year were funded through the estate tax, the future of which is uncertain.

Mr. Trotter compared the budget requests from higher education institutions to the governor's budget proposal. The four-year institutions sought \$32.3 million, while the governor's budget recommends \$4 million, including several items that were not part of the institutions' requests.

The higher education sector requested a one-time appropriation of \$13 million to fund utility rate increases. The governor's budget recommends \$1.2 million for utility rate increases. The calculation for many of the governor's adjustments were based only on the State General Fund portion of the college's budget and disregarded the portion of the institutional budgets that is funded from tuition and fees.

Mr. Trotter said that the Smartbuy project, led by the Department of General Administration, seeks to save money through improved goods and services contracts. The state's biennial budget was built on the premise that the Smartbuy project would yield savings of \$8 million in this fiscal year and \$17 million in the next fiscal year. Agency budgets were reduced to reflect this assumption. For the higher education sector, the reduction was based only on the general fund portion of institutional budgets. The project has not yielded the assumed level of savings. The governor's budget proposal reduces the impact of Smartbuy from \$8 million to \$4 million in the current year. However, the savings expectations for the second year of the biennium are increased by a corresponding amount. Mr. Trotter said that at the beginning of the Smartbuy project, it was assumed that Evergreen spent \$15.8 million on goods and services affected by the project. Because of the exhaustive work of college staff Kathleen Haskett and Marshall Robinson, it is now agreed that \$800,000 of the college's budget is affected by Smartbuy, yielding an expected budget savings (and budget reduction) of \$49,000.

Mr. Trotter said that for the 2007-2009 biennium, the four-year higher education institutions will again be expected to develop a single prioritized list of capital projects. The criteria for the prioritization this year may make it more difficult for the institutions to reach agreement. The institutional boards will hear reports on the prioritization and be asked to approve or reject a prioritized list in the March-May time frame.

Washington Learns

Ann Daley, Executive Director of Washington Learns, distributed copies of the Washington Learns interim report. She said that the Washington Learns project is an ambitious effort to review the entire education system in a very short time frame and to augment the state's early learning efforts. The vision is to raise the overall level educational attainment in the state to better compete in a global economy. The governor chairs the steering committee, with 85 people working in various advisory committees. Although the interim report includes some recommendations, they are minimal for higher education. Ms. Roloff asked how the committee was thinking about the effect of the Washington Assessment of Student Learning. Ms. Daley said that the legislature is very interested in the question. Mr. Lamb suggested that Evergreen should consider how to serve students who fail the WASL.

Report from the Faculty Representative

Dr. Flemming invited Laurie Meeker to report as the faculty representative to the board. She said that the faculty will be involved in discussions this year about long-range curriculum planning, the structure for curriculum planning, and enrollment growth. After last year's work on enrollment growth, the faculty wanted to be more involved in this discussion. The faculty Agenda Committee and the Provost are working with the faculty as a "DTF of the whole" to conduct these discussions.

President Purce summarized his interactions with a group of faculty who are interested in forming a faculty union. The group asked President Purce to meet with a staff member of the United Faculty of Washington State, which is associated with the Washington Education Association. President Purce said that the meeting is scheduled for next week. He said that the faculty group is currently working to collect union cards.

Center for Community-Based Learning and Action

Provost Don Bantz said that he and Dean Russ Fox reported to the board in September on the Center for Community-Based Learning and Action. Dr. Bantz asked the board to recognize the Center as one of the college's Public Service Centers. Dr. Flemming said that the board would consider the action later in the day.

Quorum

After a lunch break, the board reconvened at 1:03 p.m. A quorum was present, with Trustees Flemming, Hedrick, Kauffman RedMorningStar, Kaszynski, Lamb and Roloff present.

Introductions

Vice President John Hurley introduced the new Director of Computing and Communications, Aaron Powell. Dr. Hurley also reported that he appointed Collin Orr as Director of Business Services.

Campus Life Update

Vice President for Student Affairs Art Costantino reported on the work of the Campus Life Study Group. He said that the group's major recommendations include redesigning the College Activities Building (CAB), establishing an information center, creating spaces connected to the outdoors, addressing specific needs of the Tacoma and Reservation-Based programs, and providing increased access to amenities. Dr. Costantino said that preliminary work is underway on the redesign of the CAB. A part of the CAB project would be funded by a student fee, which students would be asked to vote on in Spring.

Executive Session

At 1:10 p.m., Dr. Flemming announced that the board would move into executive session for 10 minutes to consult with legal counsel on potential litigation. At 1:25 p.m., the board returned to an open public meeting.

Delegation of Authority for Library Phase I Renovation

Vice President John Hurley said that the staff are asking the board for authority to spend the full contingency budget approved for the Phase I renovation of the Daniel J. Evans Library in order to avoid delays or special board meetings in the final months of the project. Director of Facilities Paul Smith described some of the change orders approved to date on the project.

Motion Ms. Roloff made a motion to delegate to the president or his designee the authority to approve change orders for the Daniel J. Evans Library Modernization (Phase 1) until the cumulative total of change orders for the project reaches \$1,349,286. The motion was seconded and passed on a voice vote.
#1-01-06

Authorization of Housing System Revenue and Refunding Bonds

Vice President Art Costantino introduced financial advisor Susan Musselman and bond counsel Cynthia Weed. Director of Housing John Lauer said that the proposed resolution has been posted on the trustees' web site and offered to provide hard copies of the resolution. He asked Ms. Musselman to describe the proposed resolution in detail. Ms. Musselman said that the resolution would delegate to the president or his designee the authority to issue up to \$8.5 million in bonds and establishes parameters for that delegation. She said that the estimated bond issuance is \$7.625 million. Additional authority is included in anticipation of two contingencies. It is possible that it would be more desirable for the college to finance \$790,000 more to fund a cash reserve rather than buy a surety. It is also possible that the college would choose to finance \$85,000 more if a bidder offers a bigger discount in exchange for lower rates.

Motion Ms. Roloff made a motion to adopt Board Resolution 2006-01 authorizing Housing System Revenue and Refunding Bonds and delegating to the president or his designee the authority for the sale of the bonds for the purpose of restructuring existing housing debt and securing additional funds for backlog maintenance projects, furniture replacement, seismic work, and the possible construction of a new housing administrative and support facility. The motion was seconded and passed on a voice vote.
#1-02-06

Center for Community-Based Learning and Action

Motion Ms. Roloff made a motion to adopt Board Resolution #2006-02 designating the Center for Community-Based Learning and Action as a Public Service Center. The motion was seconded and passed on a voice vote.
#1-03-06

Chair's Report

Motion Ms. Roloff made a motion to approve the minutes of the November 2005 meeting. The motion was seconded and passed on a voice vote.
#7-01-03

Dr. Flemming said that he attended an exit conference with the state auditor, President Purce and Vice President Hurley. The auditor's report will include one finding and three recommendations. The finding is related to the college's process for approving change orders on capital projects. Dr. Flemming emphasized that the auditors continue to note improvements in college systems and that the college has hired an internal auditor.

Dr. Flemming invited Ms. Kaszynski to report as the student trustee. Ms. Kaszynski distributed copies of the proposed constitution for a student government. She said that the proposed constitution is very

simple, calling for 21 representatives elected at large. A vote on the constitution will be held later in the year. The organizers hope to meet the same standard as used for the WashPIRG vote, which requires a majority of votes with at least 25 percent of eligible voters participating.

President's Report

President Purce invited Laura Bergman to report as Staff Representative to the Board. Ms. Bergman said that she had heard no specific staff issues to share with the board since the last meeting.

President Purce asked Sharon Harrison to present a fundraising update. Ms. Harrison said that the Annual Fund has received \$220,000 as of December 31. Overall gifts are above \$1.7 million. President Purce reported on the search for a new Vice President for College Advancement. A search consultant has been hired to work closely with the search committee.

President Purce wished alumni representative Bonnie Marie a speedy recovery. He said that the college held a very successful alumni event in Seattle and plans events in Los Angeles, Austin, San Francisco, San Diego and other locations.

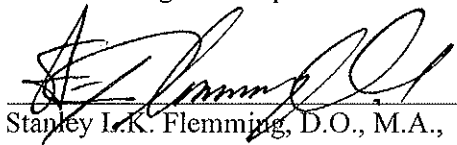
President Purce reported that an Olympia-area business person and friend of the college has offered space to the college to develop a presence in downtown Olympia. A number of private institutions have expressed an interest in locating in downtown Olympia. President Purce said that the college is in the process of assessing the costs and considering programs that might occupy the space, including classroom space and gallery space. He said that he will provide the board with updates as more information becomes available.

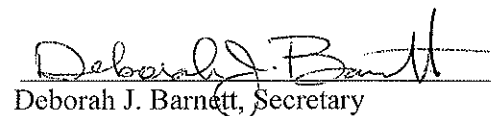
President Purce said that Senior Assistant Attorney General Howard Fischer has accepted a new position leading the Attorney General's Torts Division. He presented Mr. Fischer with a gift in recognition of his service to the college.

President Purce described his activities since the November board meeting. He said that he participated in a President's Summit hosted by the U.S. Departments of State and Education. The secretaries discussed with the presidents their interest in language education. The presidents shared their concerns about the availability of visas for international students and the availability of student aid for students interested in international study.

Public Comment/Adjournment

Dr. Flemming invited public comment. There was none. He adjourned the meeting at 2:30 p.m.


Stanley I.K. Flemming, D.O., M.A., Chair


Deborah J. Barnett, Secretary