

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

November 12, 2008

Trustees attending: Carver Gayton
Kristin Hayden
Keith Kessler
Karen Lane
Brittany Newhouse
Paul Winters

Absent: Anne Proffitt

Representatives to the Board: Stephen Beck, Faculty Representative
Alexandre Chateaubriand, Geoduck Student Union Representative
Jennifer Commodore, Alumni Association Representative

Staff present: Theresa Aragon, Academic Dean
Don Bantz, Academic Vice President and Provost
John Carmichael, Executive Assistant to the President/Recording Secretary to the Board of Trustees
Ladonna Herigstad, Payroll and Benefits Manager
Lee Hoemann, Vice President for College Advancement
Azeem Hoosein, Assistant Director of Facilities
Steve Hunter, Associate Vice President for Enrollment Management
John Hurley, Vice President for Finance and Administration
Walter Niemiec, Associate Vice President for Academic Budget
Collin Orr, Director of Business Services
Thomas L. Purce, President
Julie Suchanek, Director of Government Relations
Steve Trotter, Executive Director of Operational Planning and Budget
Laurel Uznanski, Assistant Director, Human Resource Services
Patti Zimmerman, Facilities Manager

Others present: Julie Blume, Department of General Administration
Colleen Warren, Senior Assistant Attorney General
Rodney Younker, Summit Law Group

Trustee Karen Lane called the meeting to order at 9:05 a.m. in the Library Building, Room 3103, of The Evergreen State College. A quorum was present with Trustees Lane, Gayton, Hayden, Kessler, and Winters attending.

Executive Session

Ms. Lane announced that the Board would move into executive session to discuss collective bargaining as allowed by RCW.43.30.140. She said that the Board would return to an open meeting at 11:00 a.m. The board returned to an open public meeting at 11:00 a.m. Trustee Newhouse joined the meeting.

The Evergreen State College

Vice President for College Advancement Lee Hoemann provided an update on fundraising. She said that the Foundation, like many charitable organizations, has experienced a significant decrease in giving this year. Gifts to the Annual Fund are 54 percent behind last year. She said that the Foundation's investments through the University of Washington are also experiencing significant losses. The Foundation Board of Governors is meeting to consider actions in response to the economic downturn.

Police Services Social Security

Vice President for Finance and Administration John Hurley and Assistant Director of Human Resource Services Laurel Uznanski discussed a proposed Board resolution authorizing the college to conduct a vote that would allow current campus police officers to participate in the Social Security program. Dr. Hurley said that during collective bargaining earlier in the fall, the college had agreed to allow the vote. College staff have worked with the state's Social Security administrator at the Department of Employment Security in arriving at this agreement.

Changes to College Retirement Programs

Vice President John Hurley discussed changes to the college's retirement program that would require Board action at a future meeting. Changes to Internal Revenue Service rules require that the college update its retirement plan documents. The college and the state's other public baccalaureate institutions have worked with legal counsel from Ropes and Gray to revise the documents. The change will result in separate plan documents for the college's 403(b) retirement plan, the 401(a) supplemental plan, and the 403(b) voluntary investment plan.

In addition to change required by the IRS, the college proposes changes to improve the administration of the plan. The current plan gives new employees the option to defer enrolling in the retirement plan for up to two years. This option would be eliminated for new employees under the new plan. The current plan gives employees the option to increase employer-matched contributions to 10 percent of salary at 50 years of age. This increase would be mandatory under the new plan. The current plan also gives employees the option of making post-tax contributions to the retirement plan. This option would be eliminated in the new plan.

Lunch

The Trustees had lunch with members of the Foundation Board of Governors. Following lunch, President Purce introduced Geoduck Student Union Representative Alexandre Chateaubriand and Alumni Association Representative Jennifer Commodore.

Approving Collective Bargaining Agreement with the United Faculty of Evergreen

Trustee Lane said that the Board had been briefed on the proposed collective bargaining agreement and understood that the union had ratified the agreement. President Purce said that the negotiating teams had spent extraordinary amount of time over the past year and a half to produce an agreement that reflected the character of Evergreen.

Motion Mr. Winters made a motion to approve the proposed collective bargaining agreement
2008-42 with the United Faculty of Evergreen. The motion was seconded and passed on a voice vote.

Ms. Lane recognized the work of the negotiating teams: Chuck Pailthorp, Laurie Meeker, Jeanne Hahn, Rebecca Sunderman, Jose Gomez, Zahid Shariff, Brian Walter, Gary Gerst, Allen Standbear Jenkins and Gary McNeil for the union; and Walter Niemiec, Steve Trotter, Laurel Uznanski, and Rod Younker for the college. United Faculty of Evergreen President Laurie Meeker said that the collective bargaining negotiation broke new ground for the college and that the implementation of the agreement would do the same.

Authorizing Vote on Police Services Social Security Participation

Motion Ms. Newhouse made a motion to approve the Resolution 2008-11 authorizing a vote on
2008-43 Social Security participation by Police Services staff (attached). The motion was seconded and passed on a voice vote.

Extended Education

Provost Don Bantz said that the college decided to offer an extended education program on a trial basis in an effort to generate additional revenue. The college has now evaluated the first three years of the program. Academic Dean Theresa Aragon said that new program did not use all the initial money authorized. In the programs third year, the program produced a modest amount of revenue. She said that the key to producing more significant revenue is offering more classes for credit.

Enrollment Update

Associate Vice President for Enrollment Management Steve Hunter reported on enrollment for Fall quarter. He said that fall enrollment was strong, leading him to estimate an increase in annual enrollment of approximately three percent or 150 FTE. Enrollment increases were particularly notable among non-resident students. The new Master in Education program is fully enrolled. Mr. Hunter said that he will looking more closely at resident high school enrollment, which declined slightly. He also said that the college noted a decline in enrollment of students of color at the Olympia campus and is developing plans to respond to that data. Mr. Hunter discussed the detail of enrollment by students of color, noting an increase in enrollment of African American students and declines in other racial and ethnic groups.

Legislative Update

Director of Government Relations Julie Suchanek said that during the fall, the college had submitted the biennial budget request approved by the Board in June to the Governor's office and to the Higher Education Coordinating (HEC) Board. The HEC Board evaluates the college's request in light of the state's master planning goals and makes recommendations to the legislature. The HEC Board's priorities included maintaining current services, increasing access by building enrollment and providing financial aid, and creating programs that support the state's economic development. The college responded to the HEC Board's preliminary recommendations, asking for stronger language about fully funding current programs, asking for increased waiver authority, and emphasizing the college's proposals for capital projects that would pioneer clean energy programs.

Ms. Suchanek reported that the Governor is expected to announce an economic stimulus package. A second stimulus package is expected in January. The fall revenue forecast is expected to show a decrease in state revenues which will constrain the Governor's budget recommendations. She reviewed the college's goals for the upcoming legislative session, including working with legislators and staff to understand the college's budget needs, continue building relationships, and create a better dialogue between the college and state policy makers. Ms. Suchanek urged the Trustees to consider participating in Higher Education Day on February 17.

Capital Projects Update

Vice President for Finance and Administration John Hurley discussed the lease for the college's Tacoma Program. He said that current lease expires in 2010. He introduced Facilities Manager Patti Zimmerman and Julie Blume with the Department of General Administration, who worked to negotiate a new lease with the building owner. They have negotiated a new lease for \$860,000 per year for 5 years, with the option for extending the agreement for another five years. Ms. Blume said that the negotiated rate represents a 30 percent increase over the current lease, which reflects general market trends. The Board will be asked to approve the lease before the college signs the agreement.

Azeem Hoosein reviewed the status of major capital projects. The renovation of the Library Building is ahead of schedule and within budget. The college will begin moving staff into the building on December 8. The Center for Creative and Applied Media construction is also on schedule and within budget. Lab I and Lab II roofing is complete. One leak was discovered and is being repaired. The design development of the Longhouse expansion took longer than expected. The construction contract should be ready for

Board approval in January. The design for the renovation of the College Activities Building underwent value engineering to bring the plans within budget. The construction contract should be ready for Board approval in March. The college has explored several options for relocating services from the CAB during construction. The cafeteria will be relocated to the 4th floor of the Library building during construction, which will require renovation of that space. The budget for relocating services from the CAB will be a challenge.

Budget Update

Director of Operational Planning and Budget Steve Trotter said that the college has provided the Governor's office with a list of capital projects that the college could carry out as part of her economic stimulus effort.

Mr. Trotter said that the state's current revenue forecast suggests that the state will be 9 percent short of the money needed to continue current services for the next two years. He also noted that approximately half of the state's general fund budget is protected against budget reductions. The remaining half of the budget, which includes higher education, must bear the burden of any budget reductions. He said that a new revenue forecast is expected later in the week, which is expected to show a greater revenue shortfall. The Governor's budget proposal will be built to reflect this new revenue forecast.

Mr. Trotter summarized the size of the college's four budgets: operating (funded by the state general fund and tuition collections), the capital budget (funding by the state, normal school trust funds, and a student fee), the grants and aid budget (which is largely pass-through money for the college, and the auxiliary budget (which represents self-supporting activities such as Housing, Dining, and Parking).

Mr. Trotter discussed the scale of the budget shortfall that the college might expect based on current state revenue projections. After tuition collections are taken into account, current projections would lead to a ten percent reduction or \$5.2 million. The shortfall is likely to grow when the new revenue forecast is released. Mr. Trotter provided some hypothetical scenarios to illustrate the scale of ten percent reduction. Eighty-four percent of the college's spending is on personnel. If a ten percent budget reduction were taken entirely in Human Resources expenditures, it would represent a twelve percent reduction in the workforce. If tuition were increased by 7 percent for most students, and the college held back 20 percent of this increase in revenue for financial aid, the college would realize \$2.2 million in new revenue.

Mr. Trotter said that the college's budget planning will begin in earnest after the Governor's budget proposal is published in mid-December. After the legislature concludes its work in the Spring, college staff will finalized a budget proposal for the President, which will be presented for Board approval in the last spring or early summer.

Approval of Meeting Minutes

Motion Mr. Winters made a motion to approve the minutes of the September meeting. The
2008-44 motion was seconded and passed on a voice vote.

Adoption of Meeting Schedule

Motion Mr. Winters made a motion to approve the minutes of the July meeting. The motion
2008-45 was seconded and passed on a voice vote.

Chair's Report

Ms. Lane invited Ms. Newhouse to report as Student Trustee. Ms. Newhouse said that students are aware of the economic condition of the state and beginning to feel the effects of declining economy. She asked Geoduck Student Union (GSU) Representative Alexandre Chateaubriand to provide an update. He said that the GSU is working to form itself and is concerned about student quality of life.

President's Report

President Purce invited Stephen Beck to report as Faculty Representative to the Board of Trustees. Stephen Beck said that the faculty put a great deal of effort and attention to the collective bargaining agreement. The Agenda Committee is now turning its attention to revising the Faculty Handbook to reflect the new agreement. They are also continuing work on Curricular Visions. The faculty held its annual retreat in early November to plan the curriculum for the next few years. He said that he would like to invite Trustees to attend Evergreen programs over the course of the year. He also reported that the faculty is again participating with the Council of Faculty Representatives.

President Purce invited Jennifer Commodore to report as Alumni Representative to the Board of Trustees. She said that the Alumni Association continues to support scholarships for undergraduate and graduate scholarships. The alumni board has established a new committee and leadership structure. She noted Alumni Association activity in California, Portland and Eastern Washington.

President Purce invited Alexandre Chateaubriand to report as Geoduck Student Union Representative. He provided an update on the college's relationship with WashPIRG. He said that WashPIRG had not signed the contract that the Board of Trustees authorized in the spring, had not assigned a coordinator to the campus, and had not responded to inquiries from college staff. Consequently, the Geoduck Student Union is examining the future of that relationship.

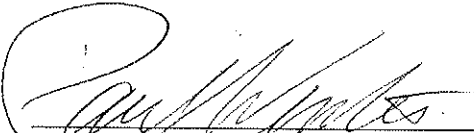
President Purce reviewed highlights from his schedule since the September meeting.


Public Comment

Ms. Lane invited public comment. There was none.

Adjournment

Ms. Lane adjourned the meeting at 3:48 p.m.



Paul Winters, Vice Chair

Anne Proffitt, Secretary

Attachment: Resolution 2008-11, Authorizing a vote on Police Services Social Security

**THE EVERGREEN STATE COLLEGE
RESOLUTION NO. 2008-11**

Resolution of the Board of Trustees of
The Evergreen State College

A RESOLUTION APPROVING A PLAN BY THE)
LAW ENFORCEMENT OFFICERS AND FIRE)
FIGHTERS PLAN 2 RETIREMENT SYSTEM)
EXTENDING FEDERAL OLD AGE AND)
SURVIVORS INSURANCE BENEFITS TO)
EMPLOYEES OF THE EVERGREEN STATE)
COLLEGE TO BE EFFECTIVE AS OF JULY 1, 2009)
OR THE DATE REQUIRED BY THE SOCIAL)
SECURITY REFERENDUM POLICIES AND)
PROCEDURES, WHICHEVER COMES LATEST,)
PROVIDING FUNDS THEREFORE AND)
REQUESTING A REFERENDUM THEREON)

WHEREAS, by Public Law 761 of the Second Session, 83rd Congress, and Chapter 4, Laws of the Extra-Ordinary Session of 1955, Congress and the Legislature of the State of Washington have expressed their intent that the benefits of the Federal Old Age and Survivors Insurance program may be made available at their option to members of the Public Employees Retirement System in addition to and without impairment of the present system; and

WHEREAS, the Public Employees Retirement Board by resolution dated August 1, 1955 submitted to the Governor of the State of Washington and the Governor has approved a plan for extending said benefits to members Law Enforcement Officers and Fire Fighters Plan 2 Retirement System, and

WHEREAS, it is necessary that said plan have the approval of the governing body of The Evergreen State College and of its employees by referendum in the manner provided by law so as to be bound by and consent to the terms and conditions of said plan in consideration for the extension of the agreement between the Commissioner of the Social Security Administration and the Governor, making said Federal Old Age and Survivors Insurance available to such employees.

NOW, THEREFORE, be it resolved by Board of Trustees that such plan of the Law Enforcement Officers and Fire Fighters Plan 2 Retirement System, which has been approved by the Governor of the State of Washington for extending Federal Old Age and

Survivors Insurance to employees of The Evergreen State College be and the same is hereby accepted and approved in its entirety and incorporated herein by reference as if fully set forth.

BE IT RESOLVED that The Evergreen State College Payroll and Benefits Manager is hereby designated as the officer to administer such accounting, reporting and other functions as will be required for the effective operation of said plan under the supervision of the Commissioner of Employment Security, or such other officer as the Governor may designate.

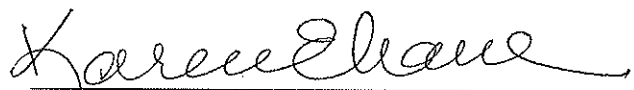
BE IT RESOLVED, subject to approval of a majority of the eligible employees of The Evergreen State College at a referendum held and conducted in the manner provided by law, that the 1st day of July, 2009 or the date required by the Social Security referendum policies and procedures, whichever comes latest, be the effective day of Federal Old Age Survivors Insurance for eligible employees of The Evergreen State College.

BE IT RESOLVED that the 2009 budget and the budget for subsequent years carry items for employer contributions in the amount of 6.2 per centum of the taxable payroll, and an item of one dollar per year for each employee for administrative costs and that necessary levies be made to provide said funds.

BE IT RESOLVED that by copy of this resolution, the Governor of the State of Washington is respectfully requested to authorize a referendum of all eligible employees of The Evergreen State College and to designate an agency or individual to supervise its conduct in the manner, form and time, and upon such notice as is provided by law, and other regulations and directives of the Governor or his authorized representative on the question of whether or not said employees desire to be included in or excluded from said plan.

BE IT FURTHER RESOLVED that on or after April 20, 1983 no coverage in effect on that date or thereafter can be terminated for any reason.

DONE IN REGULAR SESSION this 12th day of November, 2008.



Karen E. Lane, Chair
Board of Trustees
The Evergreen State College