

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

January 7-8, 2003

**Daniel J. Evans Library, Room 3112
Olympia, Washington 98505**

Trustees Attending:

Sandra Ayesh
Deborah Barnett (Jan. 7 only)
Stanley Flemming
Karen Lane
Marilee Roloff

Absent: Bill Frank, Jr
Merritt Long
David Lamb

Representatives to the Board:

Amy Cook, Faculty Representative
José Dominguez, Staff Representative
Bonnie Marie, Alumni Representative

Staff Present:

Kate Lykins Brown, College Advancement
John Carmichael, Administrative Assistant to the President/Recording Secretary
to the Board of Trustees
Jeannie Chandler, Administrative Assistant for the Provost
Art Costantino, Vice President for Student Affairs
Ann Daley, Vice President for Finance and Administration
Michel George, Director of Facilities Services
Edie Harding, Director of Governmental Relations
Lee Hoemann, Executive Associate to the President
Steve Hunter, Associate Vice President for Enrollment Management
Phyllis Lane, Dean of Student Academic and Support Services
John McCann, Academic Grants Program Manager
Frank McGovern, Vice President for College Advancement and Executive
Director of the Evergreen State College Foundation
David Marshall, Director of Institutional Research
Jenny Miner, Institutional Research
Collin Orr, Finance and Administration
Kitty Parker, Director of Academic Advising
Rita Pougiales, Academic Dean
Thomas L. Purce, President
Brian Price, Academic Dean
Dan Ralph, Office of the Provost
Enrique Riveros-Schäfer, Vice President for Academic Affairs and Provost
Brian Shirley, Assistant Director of Financial Aid
Marla Skelley, Director of Financial Aid
Barbara Leigh Smith, Co-Director, National Learning Communities Project
Steve Trotter, Executive Director of Operational Planning and Budget
Bill Zaugg, Administrative Assistant for Budget for Student Affairs

Others Attending:

Chester Allen
Ruthann Kurose

Tuesday, January 7, 2003

Chair Flemming called the meeting to order at 10:15 a.m.

Introductions, Determination of Quorum

Dr. Flemming introduced Ruthann Kurose. Dr. Flemming said that Governor Locke will be appointing Ms. Kurose to the Board of Trustees. Dr. Flemming described Ms. Kurose's record of public service and her professional and educational experience

Chair Flemming noted that a quorum was not present and said that the board would not take any action.

Project on the Future of Higher Education

President Purce said that the board's goals for the year include scheduling time for professional development during board meetings. To contribute toward this goal, President Purce invited Alan Guskin and Mary Marcy, co-directors of the Project on the Future of Higher Education, to lead a discussion about their research. President Purce said that former Evergreen Provost Barbara Smith is also working on the project.

Mary Marcy said that the Project brings together some of the leading thinkers in higher education to develop models for the undergraduate education for the future. The project's central question is "given what we know about likely future social, technological and economic realities, if we were creating a college or university today, what would it look like?" This leads to three basic assumptions about the future of undergraduate education:

- that preparing for the future requires that faculty vitality be maintained or increased,
- that the quality of student learning must also be maintained or increased, and
- that over the next decade there will be reduction of 15-20 percent in the real dollars available to support higher education.

The project has applied these assumptions to several case studies. Mary Marcy distributed a table projecting over the next decade an annual inflation increase of three percent, an annual revenue increase of one percent, a two-percent annual reduction in faculty, and no change in enrollment. Over ten years, this would lead to an 18 percent reduction in Evergreen's budget, adjusted for inflation.

Al Guskin said that institutions can respond to such scenarios in three basic ways. Institution may assume that the challenges are very short-term problems and decide to "stay the course." Institutions may assume that the trends are fairly short-term and decide to "muddle through" with incremental changes. Finally, institutions may decide that the trends are long-term and so decide to respond by developing long term strategies, re-thinking basic assumptions, and create strategies for fundamental reform. Board members and Evergreen staff discussed with Al Guskin and Mary Marcy the implications of Project's work for Evergreen.

Lunch and Tour of Campus Children's Center

The board recessed for lunch at 12:07 p.m. Chair Flemming stated that no business would be discussed over lunch. Following lunch, the board members toured the Campus Children's Center. The board reconvened at 2:30 p.m.

State Budget Outlook and Legislative Strategy

Director of Governmental Relations, Edie Harding, reviewed the overall state budget outlook. Ms. Harding said that the state faces a budget deficit of approximately 2.6 billion dollars over the biennium, approximately 10 percent of the state's operating budget. Factors contributing to the decline in state revenues include increased unemployment, tax reduction measures, and voter-approved ballot measures. At the same time, expenditures have increased due to higher caseloads, increased health care costs, and voter-approved ballot measures that mandate additional expenditures. To maintain the current level of services in the next biennium, the general fund budget would have to increase by 1.8 billion dollars.

Eddie Harding reviewed the Governor's budget proposal. The governor's proposal includes several items to improve the state's revenue outlook, including the suspension of Initiative 728, which would reduce K-12 class sizes. Ms. Harding briefly reviewed the governor's proposed increases and reductions in K-12 and higher education. Ms. Harding also briefly described the Governor's capital budget proposal, which would provide 2.4 billion dollars in new appropriations. Many of Evergreen's priority requests, including the first phase of renovation for the Evans Library building, are included in the 26 million dollars that the Governor's proposal would provide for Evergreen.

Executive Director for Operational Planning and Budget, Steve Trotter, compared the college's budget requests to the governor's proposals. The governor's proposal would provide a small amount for employee recruitment and retention. The proposal would also re-base the college's general fund budget at approximately 4 million dollars less than in the current biennium. The governor's proposal would allow higher education governing boards to set tuition levels provided that increases in resident undergraduate tuition do not exceed 9 percent per year. Such a tuition increase would offset the governor's re-basing reduction. In addition, the governor's proposal assumes a further reduction of 751,000 dollars realized through efficiencies. Finally, the governor's proposal would increase both the state and employee contributions to health care costs. Overall, the governor's proposal amounts to a 7.5 percent reduction in the college's general fund support.

Mr. Trotter reviewed the effect of a 9 percent tuition increase. Resident undergraduate tuition would increase from 3,029 dollars to 3,302 dollars in 2003-2004 and to 3,599 dollars in 2004-2005. The state's subsidy of resident undergraduate costs would decrease from 60.8 percent to 53.9 percent. Mr. Trotter also described the changes in employee health care costs included in the governor's proposal. Over the biennium, cost of employee health benefits is expected to increase from 561 dollars per employee to 758 dollars per employee. Employees are currently responsible for 14 percent of the cost of health care benefits. Under the governor's proposal, the contribution of both the state and employees would increase, and employees would be responsible for 20 percent of the cost.

Mr. Trotter discussed the governor's proposal to fund additional "high demand" enrollments. In the past, the high demand enrollments have been focused on specific employment sectors. The definition of "high demand" in the current proposal is broadened to include regional student and employer demand.

Mr. Trotter described the college's budget planning process. He said that the college management team spent considerable time discussing the budget process. The process focuses on providing timely and accurate information to the campus on budgeting, on diversifying the college's revenue stream, and on identifying innovative efficiencies.

Ms. Harding displayed PowerPoint presentations summarizing the college's operating and capital budget request. She described the legislative budget process and discussed the college's legislative strategy and the involvement of Trustees in communicating with the legislators.

Wednesday, January 8, 2003

Chair Flemming called the meeting to order at 9:03 a.m. Trustees Flemming, Lane, Roloff and Ayesh were in attendance.

Capital Projects Update

Campus Children's Center. Vice President for Finance and Administration, Ann Daley, described plans to renovate and expand the Children's Center, doubling the center's capacity and adding infant care. Director of Facilities, Michel George, described the project schedule. Vice President Daley said that the estimated cost of the project is 1.6 million dollars, including all funding. She said that the Board would

be asked to approve the award of a construction contract and to approve the request that the college will make to the state Treasurer's office to issue debt in the form of a Certificate of Participation (COP). The state Treasurer's office would then act as the issuer of bonds on behalf of the college. Some funds have already been spent or set aside. The total financed would be one million dollars for five years at approximately 3.4 percent.

Seminar II. Ms. Daley said that the Seminar II project is on schedule and within budget. Chair Flemming expressed appreciation for the work of Michel George and the Facilities team in managing the project. Mr. George acknowledged the intensive day-to-day work of Nancy Johns and Bob Pasquariello in overseeing the construction.

Student Retention

Vice President for Student Affairs, Art Costantino, said that the most recent measure of undergraduate retention from fall 2002 to fall 2003 was 80 percent. Freshmen retention for the same period was at 71 percent, a relatively high rate in Evergreen's experience. Retention rates for students of color are generally equal to or greater than retention rates for students in general, which is unusual for predominately white institutions. Vice President Costantino said that responsibility for student retention is shared by many individuals and offices throughout the institution. He introduced Dean of Student and Academic Support Services, Phyllis Lane, who is responsible for coordinating student retention efforts.

Director of Institutional Research, David Marshall, discussed research on student retention at Evergreen. Dr. Marshall discussed his examination of data in the *U. S. News* rankings, which suggests that factors associated with higher student retention rates include greater selectivity in admissions, lower student-faculty ratios and a school's reputation. The model developed from the *U. S. News* data, would predict a lower retention rate for Evergreen than college's actual rate. Dr. Marshall said that the college plans to undertake a comprehensive survey of new and continuing students at Evergreen, which would collect information relevant to retention.

Dr. Lane described some of Evergreen's programs designed to improve the retention of first-year and at-risk students. The college has worked to strengthen the academic component of the fall orientation program for new students. Academic Dean Brian Price described the Beginning the Journey program, which was part of this year's fall orientation program. The Beginning the Journey program started during orientation week and continued two hours per week for the first five weeks of the quarter. Students completing the program earned two credits. The goal of the program was to familiarize students with resources available, important campus policies, and the range of opportunities that students have to learn in various modes. The program also provided students with an additional opportunity to find a social support network. Dr. Lane described additional programs designed to support the retention of students of color, first-generation students, low-income students and students with disabilities.

Associate Vice President for Enrollment Management, Steve Hunter, discussed the college's efforts to improve the match between Evergreen and new students admitted to the college. To improve the match, the Admissions office is providing clearer, more timely and more frequent communications to prospective students, both in hard copy and on the Web site. As the number of applications for admissions increases, the college will have to consider what selection criteria will produce the best match between students and the college.

In response to questions from Trustee Flemming, Dr. Lane discussed work to provide retention support for the Tacoma program. Trustee Roloff asked whether the college has a specific goal for retention. Vice President Costantino said that retention goals for institutions vary according to their missions. He said that a freshman retention rate above 70 percent is reasonably successful, given Evergreen's mission.

Financial Aid

Director of Financial Aid, Marla Skelley, said that the proportion of students receiving financial aid has remained steady, between 58 and 60 percent, for the past several years. She said that the Financial Aid office noted a slight increase in the number of fully needy students in 2001-2002. Ms. Skelley said that financial aid forms can now be submitted electronically. The process is quicker and more convenient for students, but it can be difficult for the Financial Aid staff to keep up. Mr. Hunter said that the timing of financial aid packages is an important competitive issue in student recruitment. When tuition is not set until early summer, the Financial Aid office may have to announce tentative awards based on tuition estimates. Ms. Skelley said that increases in the federal Pell grant and the State Need Grant programs have kept up with tuition increases in recent years. Ms. Skelley said that Financial Aid staff have noted with concern the increasing use of a new credit-based alternative loan program with no interest rate cap. The college's neediest students borrow an average of \$5,000 each year.

Assistant Director of Financial Aid, Brian Shirley, compared financial aid for resident students to aid for non-resident students. Seventy-one percent of resident students received aid in 2001-2002, compared to 48 percent for non-resident students. Mr. Shirley said that the average loan borrowed by resident student decreased in 2001-2002 compared to 2000-2001. However, the average loan borrowed by resident students in fall 2002 is 5.6 percent higher than the average resident student loan in fall 2001. For non-resident students, the average loan borrowed in fall 2002 is 15.7 percent higher than in fall 2001. Ms. Skelley reviewed tuition waiver awards over the past three years. Beginning in fall 2001, following the recommendations of a Disappearing Task Force, the college used a portion of tuition waivers for students who did not demonstrate need.

Late Evaluations

Enrique Riveros-Schafer introduced Academic Dean Brian Price and Program Coordinator Amy Betz, who are responsible for tracking late evaluations. Ms. Betz reported that as of December 2002, there were 368 evaluations with credit not posted. This number includes "incompletes," which occur when a student and faculty member have agreed to postpone the completion of their work. Very few of the "late" evaluations are due to inaction by the faculty. Dean Price said that Ms. Betz has conducted a survey of the evaluation process and is in the process of developing recommendations for improving and streamlining the process, which currently takes 42 days on average. Dean Price said that the addition of 18- and 20-credit options has increased the average number of evaluations from 14,000 annually to 18,000.

Athletics

Vice President Art Costantino described three goals for the athletics program. The college would like to have competitive athletic programs that offer students a chance of success. The college would like student-athletes to meet their obligations as students. Finally, the college would like student-athletes to be active members of the community.

Director of Athletics and Recreation, Dave Weber, described recent competitive successes. The men's basketball team finished last season ranked sixth in the nation. This year, the soccer programs showed dramatic improvement. The women's soccer team finished 11-5 in the conference and the men's team made the conference playoffs for the first time since the late 1980s. Mr. Weber said that the college has increased the number of youth sports camps over the past year. Mr. Costantino said that the campus community has shown increasing interest in Athletics, with crowds of 200 people attending soccer games.

Strategic Indicators

President Purce discussed the work of staff to support the board's goal of conducting regular reviews of institutional strategic indicators. He distributed a list of strategic areas, examples of possible indicators, and a schedule for review. The staff propose to begin developing regular reports according to this schedule. For the March meeting, the staff would prepare reports on strategic indicators related to

Financial Affairs. The range of financial reporting possible will increase as the Banner financial conversion is completed.

Report from the Chair

Trustee Flemming reported that the Joint Governing Boards had not met over the holidays. A meeting is expected in January or February.

Report from the Student Trustee

Trustee Ayesh reported that Winter quarter was underway. Ms. Ayesh reported that a student from the Tacoma program had been hired as a legislative aide.

Report from the President

President Purce invited Bonnie Marie to report as representative from the alumni association. Ms. Marie reported that the first student member had joined the Alumni Association board. Following the departure of Alumni Director Jackie Barry, the duties of the position are being shared by Heather Ervin, Sharon Harrison, Carrie Stephens and Mary Ann Steele. Ms. Steele is planning alumni events in Spokane, New York and in the Seattle area. A group of Alumni board members met with President Purce and Vice President McGovern to discuss future directions for the Alumni Association and the search for a new Alumni Director.

President Purce invited José Dominguez to report as staff representative. Mr. Dominguez said the first week of the quarter is a busy time for staff. Mr. Dominguez said that members of the staff had shared with him interest in the budget planning process and concerns about food service finances. Mr. Dominguez said that he had been honored to serve as staff representative to the board.

President Purce asked Sharon Harrison to report on fundraising. Ms. Harrison said that as of December 31, the mid-point of the fiscal year, the Foundation had collected 842,742 dollars, or 70 percent of its 1.2 million dollar goal for the year. Overall giving as of December 31 was 44 percent above the level at the same point last year. The Foundation had collected 186,109 dollars, 62 percent of the 300,000 dollar annual fund goal. Annual fund giving as of December 31 was 33 percent above giving at the same point last year.

President Purce asked Vice President Ann Daley to provide a brief update on collective bargaining. Ms. Daley said the board will eventually be asked to make decisions about the college's collective bargaining. Governor Locke has appointed Gary Moore to lead the state's bargaining effort. Until Mr. Moore assumes his new duties, it will not be possible to fully evaluate the college's options. Ms. Daley said that, regardless of the choice the college makes for bargaining, much work will be required to implement the classification and rule changes called for in the civil service reform law.

President Purce reported on several events. The Council of Presidents met to discuss a common legislative agenda. He said that he had also met with the editorial boards of the *Seattle Times*, the *Tacoma News Tribune*, and the *Olympian*. The college was involved in Philanthropy Day events in Seattle and hosted a high school jazz band festival organized by the local Rotary clubs. Several groups of legislators will join the President for dinner at the President's residence in January.

In closing, President Purce reported that the faculty, Senior Staff and managers of the college had shown extraordinary commitment in contributing the college's budget planning process. Staff and faculty across the campus have displayed a willingness to focus on the college's mission and to think creatively about taking control of the college's future.

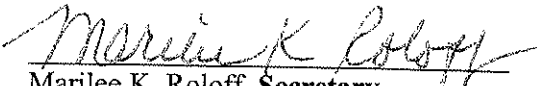
Public Comment

Chair Flemming opened the meeting to public comment. No one came forward to offer comment.

Adjournment

Chair Flemming adjourned the meeting at approximately 2:35 p.m.


Stanley L.K. Flemming, D.O, M.A., **Chair**


Marilee K. Roloff, **Secretary**