

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

January 13, 2010

Trustees Attending:

Irene Gonzales
Kristin Hayden
Denny Heck
Dixon McReynolds
Keith Kessler
Anne Proffitt

Absent: Carver Gayton
Paul Winters

Staff Present:

Theresa Aragon, Academic Dean
Don Bantz, Academic Vice President and Provost
John Carmichael, Executive Assistant to the President
Laura Coghlan, Director of Institutional Research
Art Costantino, Vice President for Student Affairs
Kathleen Eamon, Member of the Faculty
Lee Hoemann, Vice President for College Advancement
John Hurley, Vice President for Finance and Administration
Scott Morgan, Office of Sustainability Coordinator
Nancy Murray, Academic Dean
Walter Niemiec, Associate Vice President for Academic Budget
Collin Orr, Director of Business Services
Nancy Parkes, Member of the Faculty
Aaron Powell, Director of Computing and Communications
Thomas L. Purce, President
Paul Smith, Director of Facilities
Todd Sprague, Director of Marketing, Communications and College Relations
Julie Suchanek, Director of Government Relations
Steve Trotter, Executive Director of Operational Planning and Budget

Others present:

Andrew Buchman, Faculty Representative to the Board
John McLain, Staff Representative to the Board
Colleen Warren, Senior Assistant Attorney General

Call to Order

Mr. Kessler called the meeting to order at 9:05. A quorum was present with Trustees Kessler, Gonzales, Hayden, Heck, McReynolds and Proffitt attending.

Modifying the President's Contract and Establishing a 401(a) Retirement Plan

Vice President for Finance and Administration John Hurley presented a proposed modification to the President's contract and a motion to establish a 401(a) retirement plan at the college. Dr. Hurley said that for many years, the President's contract has given Evergreen presidents the option of asking the college to invest a portion of the annual annuity payment in a tax-deferred plan. Because this option has never been exercised, the college does not actually have an appropriate tax deferred plan in place. After working with an attorney, the college is now ready to establish a 401(a) plan for this purpose. The President's contract will need to be modified to make use of the plan. Mr. Heck noted that the proposed contract describes the retention payment as a "bonus." He said that the word is inaccurate and should be struck from the contract presented to the Board for action.

Financial Management Reports

Vice President Hurley and Director of Business Services Collin Orr presented financial reports for the periods ending June 30 and September 30. Dr. Hurley noted that the college cut travel last year and left many positions unfilled in anticipation of future cost cutting. The year-end balances in many accounts reflect this restricted spending and will be necessary to address further anticipated reductions.

Mr. Orr reviewed the Statement of Net Assets, Statement of Revenue and Expenses, General Operating Fund by Division, Dedicated Local Funds, Capital Appropriations and Expenditures, and Auxiliary Funds. Mr. Orr discussed efforts by the college bookstore to increase traffic, improve sales and control costs. He said that audited financial statements for the college will soon be available for the Board. Dr. Hurley recognized Mr. Orr and his staff for their work to comply with the reporting requirements associated with the federal economic stimulus money received by the state.

Capital Projects Update

Vice President Hurley and Director of Facilities Paul Smith reviewed the status of major capital projects. Mr. Smith said that the college has begun work on all its major projects. The revision of the pre-design documents for the Com Building are complete and work has begun on schematic design, with users of the building involved. The design work for the renovation of the Lab Arts Annex is underway and will probably be ready for Board approval in March. The Sustainable Agriculture Lab and Greenhouse is being designed by students working in an academic program with an architect. That project could begin construction this summer. The CAB renovation is going well. The budget report for the CAB project shows few expenses, but bills are starting to come in at a greater pace now. The Longhouse expansion and renovation is in closeout, and the college expects to end the project with budget at zero.

Trustee Heck asked about follow-up on ADA issues raised at the November Board meeting. Mr. Smith described efforts to ensure that construction work on campus does not create access issues. The Project Manager for the CAB renovation project walks the site twice daily to check for issues.

Dr. Hurley noted that the state has asked for an accounting of the status of any funded capital projects that have not yet broken ground. As always, the college is moving to implement projects as promptly as possible given that the money was not received until July. The college plans to minimize the need to seek reappropriation of any unspent capital dollars into the next biennium.

College Reserve Fund

President Purce noted that the financial reports presented to Board showed that the college has been conservative in its expenditures, slowing down expenses in anticipation of budget reductions. This strategy is important to the future of the college. As a next step, he proposes a reserve policy to indicate the Board's intention of maintaining an emergency reserve fund and begin building a base operating reserve fund. This structure would provide a framework for annual reporting to the Board of college reserves, would provide transparency about the college's reserves, and would allow the divisions to continue managing within their overall budgets, while recognizing their responsibility to contribute to institutional reserves.

Steve Trotter, Executive Director of Operational Planning and Budget, presented the proposed policy. He said that the proposed policy attempts to codify current practices and clarify terminology, noting that emergency reserves should not be regarded as long-term or short-term savings. Emergency reserves would only be used with Board approval for contingencies that can not be planned for. The Operating Reserve Fund would be used for expenses such as those associated with the temporary relocation of staff during capital construction, the completion of the Center for Creative and Applied Media, the Banner Human Resources project, and other similar priorities. The goal for the Operating Budget Reserve would

be five percent of the annual operating budget. Combined with the emergency reserve, the policy would call for the college to hold 7-10 percent of its operating budget in reserve.

Trustee Heck asked for a clarification of the purpose of the emergency reserve. If the college faces especially severe budget cuts, does the policy intend to say that the Emergency Reserve fund is not available to help deal with those cuts? Mr. Trotter said that emergency reserve would not be intended for that purpose. Trustee Proffitt asked how the level of the reserve fund was determined. Mr. Trotter said that the policy attempts to strike a balance between maintaining a prudent reserve and the pressing need to provide direct service. The few benchmarks available suggest that a ten percent reserve fund would be customary, and this policy approaches that level. The Board could choose to revisit that level in the future.

Strategic Plan Work Session

The review of the 2007 Strategic Plan, which began at the Board's January meeting, resumed with a discussion of the section on sustainability. Executive Director for Operational Planning and Budget Steve Trotter was joined by Member of the Faculty Nancy Parkes and Office of Sustainability Coordinator Scott Morgan. Mr. Morgan said that the college has a history of leadership in sustainability, which Evergreen understands to encompass ecology and social justice. Nancy Parkes said that the Sustainability Council spent considerable time working on its definition of sustainability, developing a model in which everyone on campus is both a teacher and a learner. She recognized the work of Facilities and the Vice Presidents and said that faculty are working to form a new Sustainability and Justice Planning Unit. She noted that the external community increasingly looks to Evergreen for leadership on sustainability issues and depends on our students to work on projects related to sustainability. Mr. Trotter described the STARS framework for assessing and reporting on sustainability.

Vice President for Finance and Administration John Hurley and Director of Facilities Paul Smith discussed the section of the Strategic Plan on physical resources. Dr. Hurley noted that the Board hears regular reporting on capital projects. He said that the Campus Master Plan was completed in 2008 with considerable Board input. The Master Plan provides a framework for integrating the facilities program with the academic program. The design of a new sustainable agriculture greenhouse is a good example. The building is being designed as part of a two-quarter academic program.

Vice President Hurley and Director of Computing and Communications Aaron Powell discussed the technology section of the Strategic Plan. Mr. Powell noted that the college also has a more specific Information Technology (IT) Strategic Plan which guides his department's response to the campus-wide strategic plan. He said the strategic plans are used to prioritize the long list of desired IT projects. He noted work to make technology more available for academic program support using an open source package called Moodle. The system now has 4,000 registered users and 75 percent of the faculty are using the tool.

Provost Don Bantz and Director of Marketing, Communications and College Relations Todd Sprague, discussed the section of the Strategic Plan on partnerships. Mr. Sprague described a recent campus survey designed to ascertain the types of community engagement going on at Evergreen. Types of involvement included teaching, internships, research, guest speakers, and campus events. Topics included sustainability, climate change, city planning, K-12 improvement, diversity, prisons, incarcerated youth, academic research, and math and science education. Partners in the community included 25 schools in 5 districts, Puget Sound Energy, the City of Olympia, the Thurston County Climate Action Team, Fort Lewis, the Department of Corrections, the United Way, Chambers of Commerce, the Legislature, Intercity Transit, the Department of Fish and Wildlife, and many more. Dr. Bantz said that the college has a three-pronged mission, which includes teaching, public service and research. At Evergreen, teaching is a primary focus. Public service at Evergreen occurs in the context of the college's

teaching focus. He briefly described the work of the public service centers and said that he encourages the public service centers to be closely connected with the curriculum.

Vice President for College Advancement Lee Hoemann led a discussion of the section of the Strategic Plan on diversifying revenue streams. She noted that this strategic direction includes more than fundraising. She and Provost Bantz described the process of setting academic fundraising priorities. Academic Grant Manager John McLain described the volume and variety of academic grants received by the college. Ms. Hoemann said that Director of Government Relations Julie Suchanek is coordinating the college's first efforts to receive congressional earmarks. Funding has been received for Member of the Faculty Jean MacGregor's Curriculum for the Bioregion project. Executive Director for Operational Planning and Budget Steve Trotter described the efficiency efforts the college has made over the past several years.

Legislative and Budget Outlook

Director of Government Relations Julie Suchanek described the "all cuts" supplemental budget proposal that the Governor released in December. She said that the Governor's "Book 2" budget seeks to restore some of the programs cut in the December proposal through revenue increases. The "Book 2" budget would restore funding for the State Need Grant program, but would not restore appropriations to the institutions that were cut in the December proposal. Dr. Suchanek described policy bills introduced in the legislature, including a bill that would give institutions more tuition-setting authority with certain limits and conditions. She also described bills dealing with performance agreements, system design, authorization for applied baccalaureate degrees, and tuition waivers. She said that she is working with stakeholders on campus to establish lines of communication with faculty, staff, students and alumni to improve communication during the legislative session.

Lunch/Executive Session

Mr. Kessler announced that the Board would meet over lunch in executive session to review the performance of a public employee. He said that the Board would return to an open public meeting at 1:00 p.m. The Board returned to an open public meeting as scheduled.

Public Comment

Mr. Kessler invited public comment. There was none.

Re-Modeling Teaching and Learning at Evergreen

Provost Don Bantz said that the college's accreditors want to see evidence that Evergreen is meeting its general education goals. The college has developed a set of tools to assess the evidence that would show that students are receiving a general education, including a method of reviewing transcripts for evidence that students are meeting the six expectations of an Evergreen Graduate. Director of Institutional Research Laura Coghlan described the transcript review tool. Academic Dean Nancy Murray described the work of a group that met over the summer to read transcripts using the tool and reach conclusions. That group's work informed the agenda of the Fall Faculty Retreat. The group concluded that Evergreen's transcripts could be improved, that the curriculum can be improved, and that the college can provide better advising to students. The Re-Modeling Teaching and Learning Disappearing Task Force (DTF) was charged to continue that work and make more specific recommendations. Member of the Faculty Kathleen Eamon said that the DTF is examining six specific proposals and that sub-groups have been formed to work on proposals for a student academic portfolio, streamlining the public transcript, and improving faculty advising. She invited the Board to look at the DTF's website for more information.

Summer Tuition

Provost Bantz and Academic Dean Theresa Aragon reported on Summer Session 2009. Student tuition pays for summer session, and little financial aid is available for summer. Net revenue and net profits

increased in 2009, although enrollment was almost unchanged from the previous year. Associate Vice President for Academic Budget Walter Niemiec presented a draft recommendation for summer tuition in 2010. He recommended an increase of 14 percent for all categories of students. It has been the general practice in most years to increase summer tuition by the same increment that tuition was increased in the previous academic year. This proposal would somewhat exceed that level, in that summer tuition for non-residents would increase by 14 percent, although their tuition increase for the regular academic year was held to five percent. Mr. Niemiec said that the current budget climate made the need for this additional revenue particularly acute and that tuition rates in summer will still compare favorably to the rates for the following academic year. Ms. Aragon provided a comparison of summer tuition rates at Evergreen with rates at similar institutions.

Updating the President's contract

Motion Mr. Heck made a motion to amend and re-state the President's contract and authorize the
2010-1 chair to execute the contract, to incorporate the proposed 401(a) retirement plan. The motion was seconded and passed on a voice vote.

Establishing Emergency and Operating Fund Reserves

Motion Dr. Gonzales made a motion to adopt Resolution 2010-01 establishing a permanent
2010-2 emergency fund and an operating reserve fund. The motion was seconded and passed on a voice vote.

Establishing a 401(a) deferred compensation plan Heck moves 401a plan. Seconded and adopted.

Motion Mr. Heck made a motion to approve the proposed 401(a) retirement plan for the college.
2010-3 The motion was seconded and passed on a voice vote.

Chair's report

Motion Ms. Proffitt made a motion to approve the minutes of the November meeting as
2010-4 presented. The motion was seconded and passed on a voice vote.

The Nominating Committee (Ms. Proffitt, Mr. Kessler and Dr. Gonzales) proposed a new slate of Board officers to complete the current term. The committee nominated Dr. Gayton as Chair, Mr. Kessler as Vice-Chair and Ms. Proffitt as Secretary. They also said that Dr. Gayton and Mr. Heck would represent the Board on the state-wide Governing Boards Association and that Dr. Gayton and Mr. Heck would form the Board's Audit Committee.

Motion Mr. Heck made a motion to approve the slate of officers proposed by the Nominating
2010-5 Committee: Dr. Gayton as Chair, Mr. Kessler as Vice Chair and Ms. Proffitt as Secretary. The motion was seconded and passed on a voice vote.

Mr. Kessler invited Dixon McReynolds to report as student trustee. Mr. McReynolds said that he appreciated the work that the President and Vice Presidents do to manage the college. He said that he has spent much of his life concerned with issues of poverty. When the Governor's all-cuts budget proposal was released, he began a campaign to educate students and wrote an article for the campus newspaper. He said that it is not enough to have a representative from the Washington Student Association testify before the legislature when other constituencies are filling hearing rooms with their supporters. He said that he had met with the student board members of the other baccalaureate institutions in a day-long meeting to discuss how they could be effective and involved. They recognized that the six institutions have differing views of tuition policy, so decided to focus their efforts primarily on the State Need Grant. He said that he held a town hall meeting for Evergreen students and encouraged them to get involved through face-to-face communication and testimony.

Mr. Kessler thanked outgoing Provost Bantz and said that the Board will miss his leadership and thoughtfulness.

President's Report

President Purce invited Andrew Buchman to report as Faculty Representative to the Board. In follow-up to previous discussions about student retention, he noted that the quarter had gotten off to a smooth start, in part because there were not a very large number of students on wait lists. This reflects the work of the Academic Deans, who pressed faculty to drop signature requirements in some cases, and also reflects that the curriculum is deliberately overbuilt. This means that there are empty seats in some programs, which may not be optimally efficient, but it also means that students are more likely in their first-choice programs and so are less likely to drop out. Dr. Buchman thanked Provost Bantz for his service and said that President Purce is working closely with the Agenda Committee and the Faculty Chair to prepare the search for a new Provost. The President has asked the faculty to think carefully about what qualities we should seek in the next Provost.

President Purce asked John McLain to report as staff representative to the Board. Mr. McLain said that he wanted to highlight the work of staff who do not usually get to present to the Board. He said that staff report that work is very intense, with the college carrying 400 more students than the state has provided funding for and several positions eliminated or vacant. He said that the Library lost half their student employees to budget reductions but are working to avoid cutting back the hours of operation. The Health Center was busy dealing with the flu season. Advising reports challenges helping students to find the right fit in the curriculum. The Quantitative Reasoning Center reports 1,000 student visits in the quarter, but says that the good news is that students are seeking assistance earlier in the quarter this year. Mr. McLain described the planned Day of Absence/Day of Presence events. He also shared the program for "Money's Value/Soul's Worth," an academic program that incorporates a speaker's series featuring Evergreen alumni discussing entrepreneurship.

Vice President for College Advancement Lee Hoemann provided an update on fundraising, highlighting a \$250,000 binding pledge that is accompanied by an intent to give an additional \$250,000 gift.


President Purce discussed the work of the newly formed Governing Board Organization. He distributed the draft "priority ask" that the group has developed to guide discussions with legislators. He noted that the University of Washington's position on tuition has moved toward Evergreen's in many respects. The latest version of the tuition bill includes some caps on tuition, describes performance agreements that are better aligned with accountability measures routinely in place, and attempts to address the need to provide financial aid. He said there continues to be considerable legislative interest in finding a tuition policy that all six institutions can accept.

President Purce said he had been approached by Rick Bender, President of the Washington State Labor Council. The Labor Council has assessed the needs of labor, and is interested in providing more support for labor education in the Seattle/Tacoma area. He proposed moving Evergreen's Labor Education Center to South Seattle Community College, where many of the regional apprenticeship programs are concentrated. President Purce responded that he was open to the proposal. The Labor Council is now discussing the proposal with South Seattle Community College. If all are agreeable to the move, a legislative budget proviso would be necessary to effect the transfer.

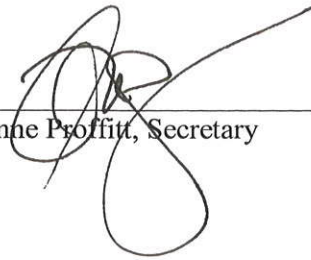
President Purce thanked Provost Bantz for his service. He said that he is consulting with Deans, the Faculty Agenda Committee, and many others as he prepares to appoint an interim provost and a search committee. He expects that the search committee will begin work in the spring and be ready to screen applicants in the fall.

Adjournment

Mr. Kessler adjourned the meeting at 2:55 p.m.



Carver Gayton, Chair



Anne Proffitt, Secretary

EVERGREEN

The Evergreen State College Board of Trustees

Resolution 2010-01

Whereas:

The Board of Trustees holds fiduciary responsibility for ensuring both the short-term and the long-term financial health of The Evergreen State College, and

The Board finds that the combination of both an emergency fund and an operating reserve will help to ensure the College's fiscal stability, and

Through a separate delegation of authority, the Board has delegated to the President responsibility for managing the College's budget.

Therefore, be it resolved:

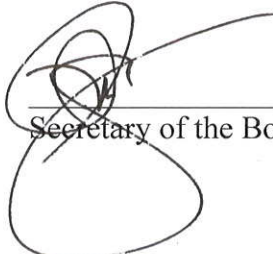
A **Permanent Emergency Fund** of \$5 million is created, approximately equal to 10% of the College's annual operating budget. The Emergency Fund is a dedicated fund, accounted for separately from other on-going operating accounts, and may only be used in the event of an emergency, as determined by the Board of Trustees and the President. The Board intends the Emergency Fund to be used in the event of unforeseen changes such as an unanticipated emergency, a natural disaster, or a major decline in revenues associated with student enrollments.

In addition to the Emergency Fund, an **Operating Reserve Fund** is established, approximately equal to 5% of the College's annual operating budget. This Operating Reserve Fund is to be managed by the President and Vice Presidents for necessary one-time expenses to support the mission of the college, that are not part of the Board-approved biennial spending plan, but that fall within the President's delegated authority. This fund will be accounted for as an on-going regular operating account, with the goal of replenishing the account each year to the extent possible given the overall economic conditions.

Done in open meeting by the Board this 13th day of January, 2010.

BOARD OF TRUSTEES
The Evergreen State College

By: 
Vice-chair of the Board


Secretary of the Board