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

July 20, 2011

Trustees Attending:

Carver Gayton

Absent: Irene Gonzales Kristin Havden

Denny Heck Keith Kessler

Wilbert Piña

Anne Proffitt (by phone)

Paul Winters

Staff Present:

John Carmichael, Executive Assistant to the President

Art Costantino, Vice President for Student Affairs

John Hurley, Vice President for Finance and Administration

Tom Mercado, Director of Student Activities

Thomas L. Purce, President Paul Smith, Director of Facilities

Steve Trotter, Executive Director of Operational Planning and Budget Amanda Walker, Executive Director of Development and Alumni Programs

Others present:

Jonathan Lindsay, Staff Representative to the Board Joe Tougas, Faculty Representative to the Board Dorian Waller, Alumni Representative to the Board Colleen Warren, Senior Assistant Attorney General

Wednesday, July 20, 2011

Trustee Paul Winters called the meeting to order at 9:30 a.m. in the Board Room (Library 3201) of The Evergreen State College. A quorum was present with Trustees Gayton, Heck, Kessler, Piña and Winters attending. President Purce introduced Wilbert Piña as the newly appointed student Trustee.

Operating Budget Proposals

President Purce recalled that detailed operating budget recommendations were presented to the Board at previous meetings. Since then, staff developed a proposal for achieving the 3% compensation reduction required by the final legislative budget. This reduction would be achieved through salary savings associated with turnover and voluntary compensation reductions. The salary savings will be monitored quarterly to ensure that the college is meeting its salary savings goals.

Executive Director for Operational Planning and Budget Steve Trotter presented a biennial operating budget proposal for all college funds. He recalled that staff had previously presented tuition recommendations, proposed housing and dining rate adjustments, and health and counseling fee adjustments. He also noted that summer tuition rates would be linked to regular session rates going forward.

Other policy changes included basing the budget on a larger enrollment level and an assumed that 23% of students would pay non-resident tuition. He noted that the 3% compensation reduction is assumed in the legislative budget to be temporary for the biennium.

He also reviewed new proposed expenditures, including changes in state retirement programs, costs associated with higher enrollment levels, changes in information technology costs, positions previously funded out of one-time resources, and adjustments to improve funding for academic administration. Those proposed revenue and spending adjustments leave a 3.3% reduction to be made over the biennium, with most of the reduction in the first fiscal year. The proposal uses a combination of cuts and one-time resources to accomplish this reduction in the first year and leaves a hold-back contingency in the second year of the biennium if no additional cuts are imposed.

Mr. Trotter described the tuition and financial aid aspects of the proposal. The legislative budget assumed a 14% increase in resident undergraduate tuition in each year of the biennium and gave the Board the authority to raise tuition higher if certain financial aid conditions are met. Staff considered and rejected this option, recommending the legislative assumption of a 14% increase in resident undergraduate tuition each year.

Services and Activities Fee Proposals

Vice President for Student Affairs Art Costantino expressed support for the fee and spending proposal advanced by the Services and Activities (S&A) Fee Allocation Board. He thanked the S&A Board for supporting new initiatives to staff the information desk in the Campus Activities Building and to offer a more well-rounded set of programs in Recreation and Athletics.

Director of Student Activities Tom Mercado described the process for setting S&A fees set forth in state law. He noted that the proposal would increase S&A fees by 4% in the first year of the biennium and an additional 2% in the second year.

Capital Budget Propoals

Vice President for Finance and Administration John Hurley and Director of Facilities Paul Smith presented the 2011-13 Capital Spending Plan proposal. Mr. Smith reviewed the line items in the proposal, highlighting funding for pre-design of the Lecture Hall renovation and construction of the COM Building renovation. He noted that the COM building construction was funded at a level \$1.5 million below the estimated cost of the design. Staff worked to adjust the scope of the project in an effort to ensure that construction bids will fall within the budget available.

Executive Session

Trustee Paul Winters announced that the Board would move into executive session as allowed by RCW 42.30 to review the performance of a public employee and to discuss collective bargaining. He said that the Board would return to an open meeting at 1:00 p.m.. At that time, he announced that the executive session would extend to 1:15 p.m.. The Board returned to an open meeting at 1:15 p.m., when Trustee Anne Proffitt joined the meeting by phone.

Approval of Operating Budget Fee and Spending Plans for 2011-13

Motion 2011-25

Dr. Gayton made a motion to adopt Resolution 2011-10 (attached) establishing an operating budget spending plan and setting tuition and mandatory student fees for 2011-13 and delegating authority to the President. The motion was seconded. In discussion of the motion, Mr. Heck described the difficult choices facing the college, leading to painful decisions regarding tuition increases. He thanked staff for their work to adjust to extraordinarily challenging economic conditions. The motion passed on a voice vote.

Services and Activities Fees for 2011-13

Motion

Mr. Heck made a motion to:

2011-26

- a) Approve the 2011-2013 Services and Activities Fee biennial budget as developed by the Services and Activities Fee Allocation Board, totaling \$6,160,197 as presented;
- b) Approve an increase in the Services and Activities Fee of four percent for 2011-2012; and
- c) Approve an increase in the Services and Activities Fees of two percent for 2012-2013.

The motion was seconded and passed on a voice vote.

Capital Budget Spending Plan for 2011-13

Motion

Mr. Heck made a motion to:

2011-27

- a. Approve the 2011-2013 Capital Budget Spending Plan of \$22,105,000.
- b. Approve the 2009-2011 Capital Re-appropriation Spending Plan of \$7,600,000.

2011-2013 CAPITAL BUDGET SPENDING PLAN

2011-2013 Preservation Projects	
 Preventive Facility Maintenance and Building System Repairs 	760,000
 Preservation 	6,935,000
Sub-Total Preservation Projects	\$7,695,000
2011-2013 Program Projects -Major and Minor	
Lecture Hall Remodel Predesign	300,000
 Science Center- Lab I, 2nd Floor Renovation 	4,950,000
 Communications Laboratory Building Preservation & Renovation 	9,160,000
Sub-Total Program Projects	\$14,410,000
TOTAL NEW 2009-2011 CAPITAL APPROPRIATIONS	\$22,105,000
2009-2011 Re-appropriations	
Minor Works: Program	1,043,000
 Laboratory and Art Annex Building Renovation 	1,834,000
 Communications Laboratory Building Preservation and 	
Renovation (design)	1,291,000
 Infrastructure Preservation 	398,000
 Minor Works: Health, Safety & Code Comp. 	1,351,000
Minor Works: Preservation	1,683,000
TOTAL RE-APPROPRIATIONS AUTHORIZED	\$7,600,000
GRAND TOTAL SPENDING PLAN	\$29,705,000

The motion was seconded and passed on a voice vote.

Appointment of a Management Negotiating Team for Collective Bargaining

Vice President for Student Affairs Art Costantino presented a proposal to appoint a negotiating team to conduct collective bargaining with the newly formed Washington Federation of State Employees Student Affairs Exempt Staff bargaining unit. President Purce noted that the college is working to identify a lead negotiator for bargaining.

Motion 2011-28

Ms. Kessler made a motion to appoint the following staff to conduct collective bargaining with the Washington Federation of State Employees Student Affairs Exempt Staff bargaining unit:

Wendy Endress, Executive Associate to the Vice President for Student Affairs Sharon Goodman, Director of Residential and Dining Services Steve Hunter, Associate Vice President for Enrollment Management Sharon Storer, Associate Director of Human Resource Services

The motion was seconded and passed on a voice vote.

Annual Performance Evaluation of the President

Motion 2011-29

Mr. Heck moved that the Board adopt a positive evaluation of President Purce's performance and express confidence in his leadership based on a review of the evaluations received by the Board and on the Board's own assessment of the President's performance during the past year. The motion was seconded and passed on a voice vote.

President's Contract

Motion 2011-30

Mr. Heck made a motion to approve the amended presidential contract as presented. He read the amendments for the record:

- The term of appointment is extended through June 30, 2016.
- Section 4, "Compensation," is amended to say that the president is eligible to receive a \$25,000 retention payment on June 30, 2016 and that the college will continue to contribute \$45,000 to a 401(a) plan at the end of each fiscal while the contract is in effect. He noted that this language does not change the President's current compensation.
- Section 4 is also amended to say that the President may participate in any furlough or leave without pay programs that the college implements to achieve temporary compensation reductions for non-represented exempt staff.

The motion was seconded and passed on a voice vote.

Professional Development Leave for the President

Motion 2011-31

Mr. Kessler made a motion to provide with up to two weeks of professional development related to either administrative or academic work. The motion was seconded and passed on a voice vote.

Approval of Minutes

Motion

Mr. Kessler made a motion to approve the minutes of the June 9 meeting as presented.

2011-32

The motion was seconded and passed on a voice vote.

Student Trustee Report

Mr. Winters invited Wilbert Piña to report as student Trustee. Mr. Piña described delays in processing financial aid for some students in the Tacoma program this summer. He suggested a letter of apology be sent to students affected.

President's Report

President Purce invited Joe Tougas to report as Faculty Representative to the Board. Dr. Tougas noted that the faculty-student ratio is an important number both for the college's budget and for planning the curriculum. He said that Evergreen's multiple-quarter programs present a particular challenge because it is impossible to know with confidence how enrollment in programs might change from quarter to quarter. Faculty are working to learn from students what attracts them to programs with long wait lists and discourages them from enrolling in programs with space available. This has led to improved program descriptions and thoughtful reflection about the choices made in designing new programs.

President Purce invited Jonathan Lindsay to report as Staff Representative to the Board. Mr. Lindsay discussed issues related to enrollment and retention. He said that, although it is good news that few staff were laid off than initially anticipated, vacancies created through attrition also put pressure on the remaining staff.

President Purce invited Dorian Waller to report as Alumni Representative to the Board. Mr. Waller described the Alumni Association's recent board retreat. He said that alumni are not as aware of the college's budget challenges as they might be. The Alumni Association is working to define its role in responding to the college's budget challenges. He introduced Tacoma chapter president Donna Griffin, who described the Tacoma Treasures sale that is taking place on August 20 to raise money for scholarships.

President Purce asked Amanda Walker, Executive Director of Development and Alumni Programs, to provide a fundraising report. Ms. Walker said that the Foundation raised \$1,752,000 last year, surpassing the annual goal and improving on the past two years. She highlighted the recent \$3 million grant from the Gates Foundation which will help support at-risk students and build fundraising capacity. She said that the Foundation will deliver a full, annual report to the Board in September.

President Purce summarized highlights from his summer schedule.

Mr. Winters adjourned the meeting at 2:02 p.m.

Paul Winters, Chair

Carver Gayton, Secretary

Attachment: Resolution 2011-10

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Resolution No. 2011-10 of the Board of Trustees of The Evergreen State College

Establishing an Operating Budget Spending Plan and Setting Tuition and Mandatory Student Fees for 2011-13 and Delegating Authority to the President

The Board of Trustees of The Evergreen State College resolves to:

Adopt an Operating Budget Spending Plan for 2011-13 as follows:

1. Approve the \$158,089,330 operating budget spending plan for all areas of the college

Adjust Student Tuition and Fees as follows:

- 2. Increase resident undergraduate tuition levels by 14% per year; and
- 3. Increase non-resident undergraduate and resident graduate tuition levels 5% per year (non-resident graduate tuition levels will remain un-changed); and
- 4. Set future summer session operating fees where the per-credit assessment charged during summer session will be identical to amounts charged during the previous Spring quarter.
- 5. Increase the TESC need grant fund from 3.5% to 4.0% of tuition collections; and
- 6. Increase the Student and Activities fee by 4% in 2011-12 and by 2% in 2012-13; and
- 7. Increase Housing Rates by an average of 3% per year; and
- 8. Increase Dining Plans by an average of 5% per year; and
- 9. Increase the Community Health and Counseling Fee by 3% per year; and

Adjust the College's base budget as follows:

- 10. Rebase the College's enrollment plan to a 4,500 (full-time equivalent) total student enrollment level with an expectation of a 23% non-resident mix to increase new net revenues by \$5,340,000, and;
- 11. Implement the legislative mandated temporary measures to reduce compensation levels through the 2011-13 biennium by \$1,920,000 (3% per year), and:
- 12. Add \$3,966,000 to the base operating budget to support on-going programs currently supported on a temporary basis and other 'must do' priorities; and
- 13. Implement a \$3,118,000 (3%) college wide budget reduction plan; and
- 14. Apply \$1,533,000 of college one-time reserves to bridge the larger cut levels in the first year of that biennium over the second year; and
- 15. Create a \$1,235,000 Hold-back Contingency for 2012-13; and

Delegating Authority to the President or his designee the authority to approve Higher Education Retirement Plan (HERP) documents that eliminate the supplemental benefit for all new employees that enter the plan after July 1, 2011 as required by ESHB 1981.

Done on this 20th day of July, 2011, in open meeting by the Board of Trustees. Paul Winters, Chair Carver Gayton, Secretary Thomas L. Purce, President

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PRESIDENTIAL CONTRACT THE EVERGREEN STATE COLLEGE

I. Preamble

This contract of employment is executed by and between The Evergreen State College (hereinafter referred to as the "College") and its President. It is executed with the mutual understanding that the Board of Trustees of the College (hereinafter referred to as the "Board") develops, formulates and adopts policies of the institution, and the President, as the chief executive officer, carries out these policies. Both parties recognize that there must be a close working relationship not only administratively but philosophically concerning the operation of the institution and that the Board and the President will expend their best efforts to see that this is accomplished for the benefit of the students, the College and its officers, employees and constituents.

II. Appointment

The Board hereby appoints Thomas L. Purce to be the President and chief executive officer of the college. This appointment shall run from July 1, 2011 through June 30, 2016, subject to extension as provided herein.

III. Duties

It shall be the duty of the President to act as chief executive officer of the College and to be responsible for the performance of duties by all subordinate personnel. The President shall be responsible for carrying out such duties and responsibilities required by state law. The President shall also perform such duties and responsibilities as may be assigned or delegated by the Board or as may be set forth in the administrative policy or directives of the institution concerning duties of the President.

The President shall at all times keep the Board fully informed of all activities at the college, especially those activities or issues which cause apprehension regarding: the functioning of personnel; budgetary problems; and over-or-under-enrollment of students; and shall

provide to the Board whatever special reports, requests for information or other items of information requested.

The Chair of the Board shall be the individual to whom the President reports informally between Board meetings, but any written material shall be distributed to all members of the Board.

The Board reserves the right to assign or reassign the duties the President will perform as the Board in its discretion may determine.

The President agrees to perform at all times, faithfully and industriously and to the best of the President's ability, experience and talents, all of the duties that may be required pursuant to the express and implicit terms hereof to the reasonable satisfaction of the Board.

The President agrees to respect and obey all laws, rules and regulations of the State of Washington and behave at all times in a thoroughly professional manner so as not to bring discredit upon the President or injure the reputation of the College.

IV. Compensation

The President shall receive fiscal year compensation that includes a salary of One Hundred Seventy-Five Thousand, Eight Hundred Fifty Seven Dollars (\$175,857.00), except that the President shall participate in any required furlough or leave without pay program that the College implements to achieve temporary salary reductions for all non-represented exempt staff. The salary shall be paid in accordance with the state's scheduled payroll dates. So long as permitted by law, the President shall also receive a retention payment for each fiscal year, payable on the last day of the fiscal year, provided the President remains employed as President of the College through that payment date. The retention payment shall be Twenty-Five Thousand Dollars (\$25,000) for each of the fiscal years ending in 2012, 2013, 2014, 2015, and 2016.

The College will also contribute Forty-five Thousand Dollars (\$45,000) to a college qualified and approved 401(a) deferred compensation plan on each June 30, or on the nearest convenient business day, for the duration of this contract or until termination of the President's appointment.

V. Benefits

In addition to the compensation described in Section IV above, the President shall receive the following benefits to the full extent authorized by state law and College policy as now or hereafter amended:

1. State of Washington employee insurance benefits as authorized by chapter 41.05 RCW.

- 2. Sick leave with full salary that shall accrue in accordance with institutional policy. Such sick leave shall be compensable as provided by state law.
- 3. Vacation leave with full salary in the amount of twenty-four (24) days per year. Such annual leave shall accumulate to a maximum of thirty (30) days in accordance with RCW 43.01.040 and RCW 43.01.044 unless the Board defers the President's request for leave. Vacation shall be taken at the convenience of the Board and may be paid as terminal leave in accordance with state law. In addition, the President may take one personal holiday each calendar year and one personal leave day each fiscal year.
- 4. Retirement benefits shall be provided in accordance with the College's retirement plan documents.
- 5. Life insurance coverage shall be provided by the state in accordance with state law for any nonscheduled airline flights taken in accordance with the duties and responsibilities of the President pursuant to RCW 43.01.120.
- 6. Moving expenses as necessitated by this appointment, as authorized by RCW 43.03.120 and regulations of the Office of Financial Management.
- 7. Such other fringe benefits as may be incidental to this appointment or as may be required hereafter by state law.

VI. Expenses

The President shall be reimbursed for expenses incurred in the performance of the duties set forth in this contract and shall receive travel and per diem allowance in accordance with RCW 43.03.050 and RCW 43.03.060 and the regulations of the Office of Financial Management.

In addition, the College will provide the President a housing allowance of \$5,000.00 per month, payable in semi-monthly installments. The Board expects that the President's home will be used for events and entertaining that advance the interests of the College and that the President will select a residence that meets these needs. To support these events, the College will provide housecleaning services and will require use of kitchen facilities in the President's home. In addition, the College may choose to store tables, chairs and other equipment needed for entertaining in the President's home.

VII. Evaluation

During the summer of each year, the Board shall evaluate in writing the performance of the President and in so doing, shall also consider the extension of the duration of this contract. In the sole discretion of the Board, the evaluation may however, occur at any time. At the time of the evaluation, the Board may, in its discretion, extend this five (5) year appointment for an additional one (1) year, or the Board may simply perform the

written evaluation and so advise the President of his performance evaluation without any extension to the contract. Should the Board decide not to extend this appointment after the annual evaluation, such inaction shall constitute notice to the President that the contract terminal date remains the same as it was before the evaluation.

VIII. Contract Extension

Extensions of this contract must be contained in a written agreement signed by the President and the Board and adopted at a meeting open to the public.

Should the Board decide during the evaluation not to extend the President's appointment, such inaction shall constitute notice to the President that the contract's terminal date remains the same as it was before the evaluation.

IX. Termination for Cause

In the event the President violates any of the terms of this agreement or fails to perform the duties assigned by the Board, the Board may terminate this agreement upon written notice. In the event of termination pursuant to this provision, the President shall be entitled to an informal hearing before the Board: Provided, however, that the President must submit a written request for this informal hearing within seven (7) days of receiving written notice of termination by the Board, or the right to an informal hearing shall be deemed waived. During any such proceeding, the President's duties may be reassigned and the President may be given such other assignments as the Board deems appropriate, but the salary may not be diminished during the period of the seven (7) day notice period for requesting a hearing or, in the event of an informal hearing, pending completion of the hearing and a decision by the Board. The decision of the Board shall be final.

X. Work Products

All correspondence, papers, documents, reports, files, films, work products and all copies thereof received or prepared by the President in the course of performing, or as an incident to the President's duties and responsibilities hereunder shall immediately upon such receipt and preparation become the exclusive property of the College for any and all purposes. All items described above shall be provided to and left with the College upon termination of this appointment except as otherwise agreed by the Board.

XI. Modification

The terms and conditions of appointment set forth herein may be amended, modified or extended by the Board only pursuant to a written agreement signed by the President and the Board and adopted at a meeting open to the public.

XIII. Verbal Agreements

No alteration or variation of the terms and conditions of appointment set forth herein shall be binding unless made in writing and signed by the Board and the President. No oral understandings or agreements not incorporated herein shall be binding unless made in writing between the Board and the President.

IN WITNESS THEREOF, The Board and the President have executed this agreement by the signatures affixed hereto.

Done in an open public meeting the 20th day of John, 2011.

TERMS AND CONDITIONS of this appointment are hereby accepted by:

Paul Winters

Chair, Board of Trustees

The Evergreen State College

Date: July 20 2011

Thomas L. Purce

President

The Evergreen State College

Date

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