

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

March 15 and 16, 2005

Trustees Attending: Dyami Allen
Deborah Barnett
David Lamb
Merritt Long
Marilee Roloff (by phone)

Absent: Stanley Flemming
Claudia Kauffman RedMorningStar
Karen Lane

Representatives to the Board: John Perkins, Faculty Representative

Staff Present: Don Bantz, Assistant to the President/Recording Secretary to the Board of Trustees
Petra Carver, Director of Business Services
Art Costantino, Interim Vice President for Finance and Administration
Edie Harding, Director of Governmental Relations
Lee Hoemann, Executive Associate to the President
Steve Hunter, Associate Vice President for Enrollment Management
Mark Lacina, Assistant Director of Housing
Phyllis Lane, Interim Vice President for Student Affairs
John Lauer, Director of Housing
Frank McGovern, Vice President for College Advancement and Executive Director of the Evergreen State College Foundation
Chuck McKinney, Assistant Director of Housing
Collin Orr, Interim Director of Facilities
Thomas L. Purce, President
Brian Shirley, Director of Financial Aid
Fred Swift, Assistant Director of Housing
Steve Trotter, Executive Director of Operational Planning and Budget
Tom Womeldorff, Academic Dean and Member of the Faculty
Artee Young, Member of the Faculty

Others Attending: Howard Fischer, Senior Assistant Attorney General
See roster for others attending.

Tuesday, March 15, 2005

Vice Chair Deb Barnett called the meeting to order at 1:00 p.m. in Room 104 of The Evergreen State College's Tacoma campus at 1210 6th Avenue. Trustees David Lamb and Dyami Allen were also present.

Executive Session

Vice Chair Barnett announced that the board would move into executive session to discuss the possible sale of real estate and would return to an open meeting at approximately 1:30 p.m.

Tacoma Program update

Member of the Faculty Artee Young described work at the Tacoma campus for Winter quarter and introduced her teaching partner Dr. Zhang Er. Dr. Young described the courses taught in Tacoma during Winter quarter. Drs. Gilda Sheppard and Bracy Dangerfield taught "The Social Psychology of Persuasion and Propaganda." Drs. Willie Parson and Lowell Kuehn taught "Making a Difference: Public Policy and the Legislative Process." Professors Barbara Laners and Carl Waluconis taught "Studies in Theology,

Law and Literature: Who Makes the Rules?" Dr. Tyrus Smith taught "Quantifying Life Experiences." In addition, courses were offered in Excel and digital technologies. Dr. Young said that students had an opportunity during the quarter to spend a day with international fellows from the Western Institutional Review Board discussing biomedical ethics. Dr. Young introduced a group of students who presented their final project for the quarter, which studied the effectiveness and ethics of advertising for prescription drugs.

Financial Management update

Director of Business Services Petra Carver presented quarterly financial management reports as of December 31, 2004. Ms. Carver said that divisional spending was on target at the mid-point of the fiscal year. She reviewed summaries of capital projects by state appropriation and summarized dedicated local revenue accounts with balances of more than \$50,000.

Ms. Carver provided income statements and balance sheets for the Bookstore, Conference Services, Food Services and Housing. She noted that the Bookstore implemented a new Point of Sale system. Consequently, the Bookstore's physical inventory is not yet completed and the financial assessment of the Bookstore is tentative. She noted that Conference Services shows a profit, but lags behind last year. She said that this is partly due to the loss of space associated with renovation projects on campus. She noted that Housing and Food Services are in a better financial position than last year.

Ms. Carver presented audited financial statements for the college. The financial statements were prepared under GASB 34 and 35 guidelines and audited by the Office of the State Auditor. She said that the most notable change in the past year was an increase in net assets as a result of the completion of the Seminar II building. She said that the board would be asked to formally accept the financial statements at its March 16 meeting.

Financial Aid Update

Director of Financial Aid Brian Shirley reported on Financial Aid activity during the 2003-2004 academic year. Mr. Shirley said that applications for financial aid increased 8 percent in 2003-2004, reaching 7,100 applications. Sixty-six percent of the student body accepted and received some form of financial aid, which is typical for a public institution. The increased use of financial aid in 2003-2004 reflects a larger number of students using private, alternative loans and an increased use of tuition waivers as part of the college's recruitment efforts.

Mr. Shirley said that the Financial Aid Office continues to improve the processing of applications. The office made 28 percent more financial aid offers in 2003-2004 than in 2001-2002. Offers to students who applied by the priority deadline were mailed on April 2, which is the earliest date in memory. The office expects to mail offers by the same date this year.

Reviewing grant aid, Mr. Shirley noted a positive change in aid for low-income students. Due to increases in the Pell Grant and the State Need Grant, lower-income students received more than half of their aid as grants in 2003-2004.

Mr. Shirley noted the affect that differential tuition increases have had on the cost of attendance for resident and non-resident students. The cost of attendance rose in 2003-2004 for resident students by 6.5 percent and for non-resident students by 15.5 percent. For resident students, this increase was largely offset by increased financial aid. The financial need for resident students increased by less than one percent, while the financial need for non-resident students rose by 13.3 percent. For the first time the average financial need of non-resident students exceeded the average need of resident students.

Looking to the future, Mr. Shirley said that the college continues to monitor proposed funding changes for federal financial aid programs. These changes include the possible elimination of the Perkins Loan

program, a modest increase in the Pell Grant program, and continued declining support for federal work study programs.

Associate Vice President for Enrollment Management Steve Hunter discussed tuition discounting. Mr. Hunter said that the college had asked the consulting firm Noel-Levitz to review financial aid practices and make recommendations for improving the yield on applications from non-resident students. He said that, in recent years 20 to 22 percent of students have paid non-resident tuition. This group accounts for half of the college's tuition revenue. To meet the college's budget goals, the student body should include 25 percent non-resident students.

Mr. Hunter said that colleges attract students by offering financial aid packages that discount the tuition a student pays. Noel-Levitz found that Evergreen's discount rate for non-resident students is not competitive. The consultant also noted that much of the financial aid the college offers is only available for first-year students, which may affect retention of students entering their sophomore year. Noel-Levitz recommended that the college dedicate additional money to financial aid in order to increase the discount rate for non-resident students. The consultant also recommended the college refrain from further increases in non-resident tuition, increase scholarship funding, and streamline the process scholarship applications. In response to the consultant's recommendation, the president and vice presidents acted to direct an additional \$200,000 to financial aid offers for students applying for Fall 2005. In addition, the Financial Aid Office will direct approximately \$100,000 of its existing aid budget to improving financial aid offers for continuing students. Over the long term, staff are working to develop a more comprehensive financial model that takes into account tuition, the discount rate, retention, yield rates, the proportion of non-resident students, and associated impacts on Housing and Food Services budgets.

Delegation of authority

Executive Associate to the President Lee Hoemann discussed possible revisions to the Board's Delegation of Authority. She said that the college is reviewing policies in order to implement civil service reform. In that process, the college found an opinion from the Office of the Attorney General that suggests possible changes to the board's delegation of hiring authority. Currently the board delegates hiring authority to the president, who in turn delegates hiring authority for specific positions to other staff. The Personnel Appeals Board found that boards must be specific in their delegation of hiring authority for classified positions. Ms. Hoemann said that the Vice Presidents currently approve all hiring in the divisions. She recommended that the board amend its delegation to specifically give the vice presidents hiring authority for classified positions.

Ms. Hoemann said that staff also recommended that the board consider modifying its delegation of authority for approving inter-agency agreements. Currently the board reserves the authority to approve inter-agency agreements that are valued at more than \$50,000 annually *and* a duration of more than two years. Ms. Hoemann suggested that the board may wish to reserve the authority to approve any agreement of more than two year's duration and may wish to raise the dollar value in the delegation.

Ms. Hoemann also said that the naming of buildings, which is traditionally the prerogative of the Board is not mentioned in the Delegation. The staff will propose specific language for the board's consideration at the May meeting.

Vice Chair Barnett adjourned the meeting at 4:10 p.m.

Wednesday, March 16, 2005

Vice Chair Barnett called the meeting to order at 9:07 a.m. in the Board Room of The Evergreen State College. Trustees Allen, Lamb and Long were also present, with Chair Roloff attending by phone.

Legislative and Budget Update

Director of Government Relations Edie Harding described recent legislative activity. She said that the House of Representatives honored the men's soccer team. She said that Higher Education Day was successful. She noted that several Trustees have confirmation hearings scheduled. She said that Evergreen would participate in "Research Days" on March 24 and 25 to showcase research at the six public baccalaureate institutions.

Ms. Harding said that a new revenue forecast will be published on March 17. The previous forecast showed a \$2.2 billion gap between revenues and anticipated expenditures. Several issues contribute to the gap, including the court-ordered refund of the estate tax, pay increases for home health care employees, cost-of-living increases for state employees, increases in pension contributions and the cost of health care. It is expected that the new revenue forecast will show an improvement in revenues.

Ms. Harding said that Governor Gregoire's budget proposal will be released on March 21. Ms. Harding discussed some of the options that the governor is likely to consider, including budget reductions and tax increases. Ms. Harding said that the governor's budget is likely to include some language on performance contracts for higher education institutions.

Ms. Harding discussed policy bills pending in the legislature. Increasing access for baccalaureate degrees is among the major issues. The state ranks 33rd in the production of baccalaureate degrees. The legislature has heard from several local communities who would like to be the home of a four-year institution. The branch campuses completed studies about becoming four-year institutions. The Higher Education Coordinating Board recommended that some of the branch campus plans be scaled back. The legislature may decide in this session on a timeline for the branch campuses at Tacoma and Vancouver to become four-year institutions. The legislature may also authorize some community colleges to conduct a small pilot program in offering baccalaureate degrees in applied technical fields. At the same time, the legislature is considering proposals to revise the process that the baccalaureate institutions used to develop a single prioritized list of capital projects.

Executive Director of Budget and Planning Steve Trotter discussed a governor's initiative to study ways to save money by consolidating purchasing for technology and printing. Higher education institutions are now participating in the process. Thirteen other states have carried out similar initiatives. Of those thirteen, only seven conducted projects that included higher education. Only one of the states (Arizona) required higher education institutions participate.

Mr. Trotter provided some preliminary scenarios for the college's 2005-2007 operating budget. Under some of these scenarios, the college may have money available to address core budget needs, such as providing funding for on-going activities that are currently funded from other sources, building back a prudent institutional financial reserve, providing the divisions with a reasonable level of budget flexibility, or attending to the college's most pressing infrastructure needs.

Mr. Trotter reviewed 2004-2005 tuition levels for the state's public four-year institutions. He said that staff will recommend that the board refrain from increasing non-resident and graduate tuition in 2005-2007. He noted several other pending proposals that may affect Evergreen's cost-of-attendance over the course of the biennium, including increases in Student Activities fees, increases in transit fees, the creation of a "clean energy" fee, a possible technology fee, a "campus life" fee, and other fee changes.

Enrollment Growth Update

Academic Dean Tom Womeldorff provided an update on the work of the Enrollment Growth Disappearing Task Force (DTF). The DTF met to review 42 proposals and worked to organize the proposals into seven clusters: science, expansion of the visual arts, sports studies, business, education, health, and environmental studies. The DTF is concentrating on a plan to grow the college by 200-300

FTE by attracting students who are not currently attracted to Evergreen. The next step will be to estimate the cost of the proposals. The DTF will meet again on April 4 and will provide another update to the Board in May. The DTF expects to produce a final recommendation to the Provost and President in May. The Provost and President expect to bring a recommendation to the Board in June.

Housing Update

Interim Vice President for Finance and Administration Art Costantino introduced members of the Housing staff and reviewed changes in Housing. Vice President Costantino said that the Residential Life program in Housing has improved over the years. In the past year, Housing assumed responsibility for campus Food Services. Housing is now giving attention to the need to refresh the physical plant, including carpeting, flooring, asbestos abatement and acquiring new furniture. Housing will retire a set of bonds in 2007 and another set in 2009. Occupancy rates average approximately 94 percent. Staff had previously considered proposing an expansion of Housing when the current bonds are retired. More recently, staff are developing plans to use the additional financing capacity to address the needs of the current facilities.

Vice President Costantino introduced Housing Director John Lauer and Assistant Directors Chuck McKinney, Mark Lacina and Fred Swift. Mr. McKinney discussed the Residential Life program. He said that themes in the Residential Life program are: first-year housing, community service, sustainability, substance-free housing, smoke-free housing and quiet housing. Mr. McKinney described the work of the Housing Arbitration Panel, which provides peer review of low-level rule infractions.

Mr. Lacina discussed the role of student workers in Housing. There are presently 84 student workers. The number of student workers will increase to 120 in summer. Students work as Resident Assistants and provide office support, technical support, and facilities maintenance. The program provides opportunities for leadership development.

Mr. Swift discussed the administrative operation of Housing. He said that there are 985 beds in housing, 854 are for student residents, 40 are set aside for families, 54 are set aside for live-in staff and 32 are used by the EF language program. Mr. Lauer noted that the staff beds, the family beds, and the EF beds provide some flexibility in the event that Housing needs to serve more students.

The Housing staff discussed their plans for the future. Mr. McKinney shared efforts to improve technology and to market Housing. Mr. Swift said that the staff is revising staffing patterns to save money and has developed a ten-year plan to address deferred maintenance issues. The plan depends on refinancing debt to provide cash and on the ability of the operation to re-build its reserves. Mr. Lacina discussed the facilities plans, which include new flooring, furniture replacement, painting, new lighting, and updated heat, water and elevator services. Some units also will need new roofs, windows and doors.

The Board took a tour of housing and recessed for lunch.

Report from the Faculty Representative

Vice Chair Barnett invited John Perkins to report to the Board as faculty representative. Dr. Perkins said that the faculty had passed a resolution defending academic freedom. The faculty have also expressed concern about the Patriot Act.

Dr. Perkins said that the faculty Agenda Committee had heard from Interim Vice President Phyllis Lane about plans to create a protocol for responding to incidents involving bias. Part of the impetus for the protocol was an incident in Housing during Fall quarter when a group of students of color were struck by pellets from a toy gun.

Dr. Perkins said that, as a faculty member and director of the Master of Environmental Studies Program, he was pleased to hear that the administration plans to recommend no increase in graduate tuition this year. He said that he was able to detect a loss of interest by prospective students after increases in recent years.

Summer Tuition

Academic Dean Ken Tabbutt presented a recommendation for setting summer school tuition. Tuition for resident students would increase by seven percent. Tuition for non-resident and graduate students would increase by nine percent. These increases are consistent with the increases that the Board approved for the regular academic year.

Motion #3-01-05

Mr. Lamb moved to increase tuition rates for summer school 2005 by 7% for resident undergraduates and 9% for resident graduate and non-resident students. The motion was seconded and passed on a voice vote.

Capital Projects Update

Vice President Art Costantino and Interim Director of Facilities Collin Orr provided an update on current capital projects. Mr. Orr reviewed the schedule for the Phase I renovation of the Evans Library building. Work will begin on March 21. The first stage of construction includes hazardous material removal and seismic improvements. The first stage is scheduled to conclude on September 28. From September 28 to October 15, construction will largely halt for offices and other areas to move into "surge" space. The second stage of construction is scheduled to last from October 15 to May 23, 2006.

Mr. Orr reviewed other facilities projects occurring the spring, including re-carpeting the Com Building, replacing seats in the Lecture Halls, and extending the roof of the College Activities Building.

Parkway Renovation Contract

Vice President Costantino reviewed the staff's recommendation to award a contract for renovation of the Evergreen Parkway. Mr. Orr said that bids were opened on March 10. The staff recommend awarding the contract to Rognlin's Inc.

Motion #3-02-05

Mr. Lamb made a motion to:

- Approve the award of a construction contract for the Evergreen Parkway Improvement Project to Rognlin's, Inc. for \$1,035,360.40 for the base bid plus alternative #1.
 - Approve a total project budget of \$1,638,462.40 which includes Architect and Engineering costs, construction contract, State sales tax, project management costs and project contingency.
 - Delegate to the President (or his designee) authority to approve change orders for the project until the cumulative total of change orders awarded reaches \$107,543.00.
- The motion was seconded by Mr. Allen and passed on a voice vote.

Strategic Planning

President Purce said that the Board had discussed strategic planning at its fall retreat. Five years have passed since the adoption of the current strategic plan. The board asked the staff to start work on an update to the strategic plan in the spring. President Purce said that he anticipates charging a committee, chaired by the Provost, to work on updating the strategic plan. He said that the update to the strategic plan would provide an opportunity to coordinate other planning activities currently underway. He said that long-range planning is the prerogative of the Board and asked for the Board's authorization to formally begin the process.

Motion Mr. Allen made a motion to direct the president to begin a formal planning process to produce an update to the college's Strategic Plan by Spring 2006. The motion was seconded by Mr. Long and passed on a voice vote.
#3-03-05

Acceptance of Audited Financial Statements

Vice Chair Barnett said that the Board had discussed the State Auditor's audit of the college at its January meeting. On March 15, the Board received from Director of Business Services Petra Carver the audited financial statements for the college for the 2004 fiscal year.

Motion Mr. Long made a motion to accept the audited financial statements for the 2004 fiscal year as presented. The motion was seconded by Mr. Allen and passed on a voice vote.
#3-04-05

Report from the Chair

Motion Ms Roloff made a motion to approve the minutes of the Board's January 12 and January 21 meetings. The motion was seconded by Mr. Long and passed on a voice vote.
#3-05-05

Vice Chair Barnett said that the board met in executive session on March 15 to discuss the possible sale of real estate. She said that the board would not take any immediate action as a result of that discussion, but she provided a public report for the record. She said that the board had discussed the President's Residence. When the Board hired the president, the Board required him to live in the residence for one year. The Board told him that when the year was up, the Board would be open to considering other arrangements, including providing the President with a housing allowance of equal value. The President has informed the Board that the location of the President's Residence is not suitable for his family's current needs, and that he will want to move sometime this spring or summer. The Board asked the staff to begin developing options for the president's residence, including other uses for the college, a lease arrangement, or possibly a sale. The Board will consider those options at a future meeting. President Purce said that he appreciated the Board's consideration. He said that at this point, his family needs to live closer to town.

Vice Chair Barnett asked President Purce to report on the work of the Joint Governing Boards. President Purce said that the governing boards met as part of Higher Education Day. Their meeting included a presentation by the staff of State Board of Community and Technical Colleges on projected demand for higher education. The group also heard from the Executive Director of the Higher Education Coordinating Board about that Board's assessment of plans to expand branch campuses. President Purce said that the Joint Governing Boards had expressed an interest in an additional assembly in the Spring to discuss policy issues. The scheduling of that meeting will depend on developments in the legislative session.

Vice Chair Barnett congratulated the Evergreen staff who worked on coordinating Higher Education Day.

Trustee Dyami Allen reported to the Board as the new Student Trustee. He said that he was born on the Navajo Reservation, grew up in Salt Lake City, and has spent four years at Evergreen. He plans to graduate in the Spring. He hopes to use his term as student trustee to provide a student perspective on long-term issues facing the college, especially on Housing, Food Services, security and privacy issues.

Report from the President

President Purce said that Debbie Johnson, the staff representative to the Board, was unable to attend the meeting because she is attending a professional conference. He read a brief written report that she had

provided. President Purce said that Bonnie Marie, the alumni representative to the Board, was unable to attend the meeting due to illness.

President Purce asked Vice President for College Advancement Frank McGovern to provide a report on fundraising. Mr. McGovern said that giving to the college is \$450,000 behind the level of giving during the 2003-2004 year when the college received \$500,000 from the Atlantic Philanthropies. He said that gifts to the Annual Fund are catching up to the level of giving last year. Vice Chair Barnett suggested that staff work on a report that shows the level of giving without major gifts included, since the addition or absence of a few large gifts can create a skewed impression of the state of fundraising.

President Purce summarized his recent activities, including participating in Higher Education Day, attending the governor's inaugural ball, attending the Blacks in Government Martin Luther King banquet, giving a speech to the Planned Parenthood Teen Council, and doing extensive work with the legislature. He said that he had also attended the annual meeting of the Association of American Colleges and Universities and will be serving on the Executive Committee of the organization's board.

President Purce asked Director of College Relations Jim Beaver to introduce Communications Manager Vicki Hanna. Mr. Beaver also thanked Anthony Sermonti for serving as the college's temporary Public Information Officer.

President Purce asked Michelle Aguilar-Wells and Jeff Antonelis-Lapp, the co-directors of the Reservation-Based Community-Determined program, to talk about plans for developing a bridge program for students entering through Grays Harbor College. Ms. Aguilar-Wells said that the program is also working on an extensive program review.

President Purce said that Director of Computing and Communications Anna Kircher will be leaving the college to accept a position at the University of Washington. He said that he is in the final stage of the search for a new Vice President for Finance and Administration. The search for a new Director of Facilities is also near completion.

Public Comment

Vice Chair Barnett invited comments from the public. No one came forward.

Adjournment

Ms. Barnett adjourned the meeting at 2:20 p.m.


Marilee K. Roloff, Chair


Stanley L.K. Flemming, D.O., M.A., Secretary