July 17-18, 2014 - Board of Trustees Meeting Minutes, Regular and Special Meetings

Central Washington University

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Board of Trustees Minutes
Annual Board Planning Retreat
July 17 and 18, 2014

Approved October 3, 2014

July 17, 2014
Rainer Club – Cutter Room

Present:

Board of Trustees
Mr. Sid Morrison, Chair
Mr. Keith Thompson, Vice Chair
Mr. Chris Liu
Mr. Ron Erickson
Mr. Dan Dixon
Mr. Glenn Johnson
Mr. Robert Moser

Absent:
Ms. Annette Sandberg

CWU Administrators:
Dr. James Gaudino, President
Dr. Marilyn Levine, Provost/Vice President for Academic and Student Life
Mr. George Clark, CFO/Vice President for Business and Financial Affairs
Mr. Stevan DeSoer, COO/Vice President for Operations
Ms. Linda Schactler, Chief of Staff/Executive Director for Public Affairs
Ms. Sandra Colson, Executive Assistant to the President and Board of Trustees
Mr. Scott Wade, Vice President for University Advancement
Ms. Ann Anderson, Director, Community and Government Relations
Dr. Kirk Johnson, Dean, College of the Sciences and Interim Dean, College of Arts and Humanities
Dr. Connie Lambert, Dean, College of Education and Professional Studies
Dr. Kathryn Martell, Dean, College of Business
Ms. Patricia Cutright, Dean, Libraries
Dr. Melody Madlem, Director, Strategic Planning
Dr. Tracy Pellett, Associate Provost
Mr. Steve DuPont, Assistant Director, Government Relations

Invited Guests:
Mr. David Schumacher, Director, Office of Financial Management
Ms. Ivana Trottman, CWU Alumni and Former Student Trustee
Ms. Elizabeth Tiffany, CWU Student
Dr. Dominic Klyve, Professor of Mathematics
Mr. Robert Nellams, CWU Foundation Board
Mr. Joe Adams, CWU Foundation Board
Mr. Kevin Malone, CWU Foundation Board
Ms. Pat Notter, CWU Foundation Board
Mr. Edward Duvall, CWU Foundation Board
Mr. John Delaney, CWU Foundation Board
Mr. Jeff Hensler, CWU Foundation Board
Mr. Greg LeClair, CWU Foundation Board
Mr. Arne “Skip” Haynes, CWU Foundation Board
Mr. Brayden Draggoo, CWU Foundation Board
Mr. Arnie Prentice, President’s Advisory Board
Mr. Phil Bussey, President’s Advisory Board
Mr. Lance Soliday, President’s Advisory Board
Ms. Katie Gaudino
Mr. Alan Smith, Assistant Attorney General

The Board’s annual planning retreat kicked off with a one-day CWU Leadership Retreat at the Rainer Club in Seattle. The meeting was called to order by Chair Morrison at 9:15 a.m. and each participant was introduced. The Chair noted that in bringing together these groups, trustees hoped to take advantage of the wonderful talents and intelligence each has to offer and to create a collaborative team of advocates
for the university. He stated that CWU has some big ideas and plans, and that President Gaudino has made an effort to put in place the people and systems we need to move forward. He said CWU needs everyone’s voice to advocate so that we may be heard above the competition to help us move public policy, to help secure state construction funds and to sustain our outstanding academic programs.

Chair Morrison also spoke of the need to protect the remarkable formula for human enrichment and cultural prosperity that is the model for baccalaureate education, specifically the comprehensive university. He said comprehensive universities teach young minds to see broadly, in time and across cultures. They help to mature thinking and to inspire curiosity. Due to state and federal disinvestment in higher education, the comprehensive university model is at risk and he asked everyone in the room to work together to ensure the uniqueness and values of CWU.

President Gaudino reinforced the Chair’s comments and stated that the day’s goal was to celebrate and preserve CWU’s way of educating student. He noted that students at CWU learn in small classes from faculty passionate about their work. Students “do” by gaining hands-on experience in the classroom, in the field and on stage. And CWU alumni lives are enriched by their experience at CWU and the degrees they earned at our university. To illustrate this, he introduced three presenters who shared their perspectives on the “CWU Experience.”

**Student Success: The CWU Experience**

**Ivana Trottman** is a former student trustee and a 2012 graduate of CWU, where she earned a bachelor of arts in communication studies. While at CWU, she gained a reputation for her involvement and service to the campus community. In May of this year, she received her master of arts in student affairs administration from Michigan State University.

Ms. Trottman shared many stories from her academic career at CWU. Her experiences as part of the Residence Hall Association (RHA) were particularly significant in shaping her career plans and she shared her appreciation for the opportunity to attend both a RHA regional and national conference during her first two years at Central. She also attended regional and national conferences for Student Affairs Professionals in Higher Education (NAPSA) in 2010, 2011 and 2012, and participated in a cross-cultural leadership program in El Salvador in 2011 that delivered cooking stoves to rural families. Ms. Trottman
said that her experience at Central is the reason she chose to dedicate her career to supporting the access, retention, and graduation of college students.

Elizabeth “Liz” Tiffany is a student majoring in electrical engineering technology. She grew up on a small farm in Ellensburg and lost her father to cancer when she was nine years old. She enrolled at CWU in 2003 as a Running Start student, taking college-level classes at Ellensburg High School. She continued at CWU full time after graduation from high school, and graduated cum laude in 2009 with a bachelor’s degree in Law and Justice with specialization in Legal studies.

By 2012, she realized her future would not be in Law and Justice and sought career counseling and assessments in the CWU Career Services department, which identified her aptitude for engineering. Ms. Tiffany is a member of the Electrical Engineering club, and is helping to form a chapter of the Society of Women Engineers. She is also working as a lab assistant in the electrical engineering technology lab and last spring was one of two student ambassadors to represent CWU at the Electronic Distribution Show in Las Vegas.

Professor Dominic Klyve came to CWU in 2007 from Dartmouth University where he earned his Ph.D. in analytical number theory. The President noted that Dr. Klyve is a remarkable man in many ways, but his most remarkable skill is teaching. Dr. Klyve was awarded the Henry L. Alder Award for Distinguished Teaching from the Mathematical Association of America this year, the first winner from the state of Washington in the 18-year history of the award.

Professor Klyve began to transform his department as soon as he came to campus by starting a math honors program. He also has provided his students an opportunity to use their math skills in practical ways such as using a county health survey to correlate the ownership of freezers to the incidence of hunger and leading students on a research project that discovered the world’s largest “weird” number.

Dr. Klyve spoke about the faculty experience at CWU and noted that it excels at teaching top students. As a professor in the Douglas Honors College, he has worked with students on interdisciplinary projects that encompass topics from Shakespeare to Darwin. The work he does with students also involves community-based inquiry where students learn critical thinking through solving real-world problems. Professor Klyve spoke eloquently on the university’s support for undergraduate research, research of a
high enough quality to be published in scholarly journals such as *Shakespeare Quarterly* and the *International Journal of Undergraduate Research and Creative Activities*. CWU continues to provide teaching, service and research in an environment of small class sections and one-on-one interaction where faculty take the time to learn students’ names.

**State of the University**

President Gaudino shared the university’s goal to protect Central Washington University’s undergraduate experience. This will require professors who are passionate about teaching undergraduates, hands-on education that ignites curiosity and provides practical experience, unique programs, and innovative outreach to individuals at all stages of life in all Washington communities.

The President noted that state appropriations have fallen $60 million since 2009 and now account for just 13 percent of the university’s total budget. The state controls higher education policy, operating and capital funding, and regulations. Essentially a private institution four days a week, CWU is shifting budgeting and revenue development to private models such as responsibility-centered management. The university must also employ a new strategic focus to external relations, targeting marketing, sophisticated and analysis systems to inform initiatives, and a critical new focus on advocacy.

Dr. Gaudino explained that the leaders at the retreat could help CWU through their expertise in finance, experience and relationships in state and federal government, and connections to key corporations and foundations. They can invest in our student by providing mentorship and internship opportunities, and invest personal and corporate funds in CWU priorities. Most important, they can advocate on behalf of CWU through their access to key policymakers and board rooms in the areas of capital budget funding, operations funding and tuition policy and for University Advancement and the CWU Foundation. He noted that these are the three areas where the future of CWU will be determined, saying “their importance cannot be overstated.”

*Capital Budget:* CWU’s priority for capital funding is the Samuelson Technology, Education and Math (STEM) building. This $66-million project will convert an 85-year old building into a modern STEM building. However, we will be competing against several other high-profile capital requests.
Operating Budget: The challenges for state operating support include a slow economic recovery that produces little new revenue, combined with new demands on the state budget. Dr. Gaudino noted that funding for higher education is it linked to federal funding or required by state law. The perception that tuition is a “tax” that is too high at all state universities has led to consecutive tuition freezes and flat funding. He presented a graph that demonstrated that the research universities tuition increase between 2008 and 2014 was more than double the increases implemented at regional comprehensives. He also presented data that showed that full tuition for resident undergraduates is $7,941, excluding fees, out-of-pocket costs (after waivers, grant, and scholarships), but averages $3,753 for all students and $1,531 for financial aid students. It will be important to convince policymakers that the cost/finance models are not the same across all universities.

CWU Foundation: The President also noted that University Advancement and the CWU Foundation have been aggressive over the past four years in developing a sustained program of alumni and donor engagement and establishing a culture of philanthropy. He stressed the importance of investing time and energy in building our endowment with private, corporate and foundation support. University Advancement will undertake a capital campaign in the coming year.

Dr. Gaudino advocated for the leadership team to focus on these priorities to help insure CWU’s future.

The State of the State
The morning session concluded with a presentation by David Schumacher, Director of the State Office of Financial Management. Mr. Schumacher was asked to describe the state’s economic challenges and their impact on higher education.

It has taken more than five years to recover all the jobs lost during the Great Recession, 15 months longer than recovery during the 2000 recession. State revenue collections are rebounding, but at a much slower pace than after previous recessions, primarily due to a slow housing market. The projected real per capita revenue growth is relatively flat through 2017, which means that the 2015-2017 biennial budget may be more challenging than the current biennia. Mr. Schumacher noted that 2013-2015 budget shortfall was solved primarily by relying on solutions that will not be available in 2015-2017, such as redirecting $387 million in the capital budget to cover operating expenses, capturing savings by expanding Medicaid under the Affordable Care Act, and by temporarily extending the hospital safety net
assessment. The 2013 budget also benefitted from a positive June 2013 forecast that included $230 million in additional revenue and $229 million in caseload savings. There was also new revenue from the estate tax fix and telecom reform savings. In spite of these factors, the state was unable to provide teacher COLAs and state employee raises and fell short of a $1.5 billion target for meeting basic education as defined in the McCleary decision.

Mr. Schumacher reported that barring an unforeseen dramatic rise in economic activity and revenue collections, the state will face another sizable shortfall in the 2015-2017 budget, even though state revenue collections are expected to grow by more than $2.5 billion. The projected spending needs are estimated at $1.7 million; there are also costs associated with pensions, debt service, and employee health care. He estimates that there are budgetary considerations, such as COLA’s and policy enhancements for early learning, higher education, state and higher education employee salaries, etc. that would add another $1 billion to the budget. He also noted that fully implementing the McCleary decision will require an additional $1.2 to $2 billion. Since there is a gap between revenue projects and budget needs, and two-thirds of the budget is protected by constitutional and federal requirements, the state must look for savings and/or cuts in unprotected areas: higher education, corrections and some of the human services areas.

The state’s basic education obligation is expected to be $5.7 billion over the next two biennia. At the same time, revenue collections are at historically low levels when compared to the activity of the overall economy. Much of this is attributed to voter initiatives over the past decade and a half that have reduced state and local taxes. He noted that as of fiscal year 2011, the U.S. average tax per $1,000 of personal income was $108.31. In Washington, the average was $98.95, among the lowest in the country.

**Building an Advocacy Network**

Following the lunch break, the group reconvened in the Cutter Room. Dr. Gaudino began the afternoon session by stating that he expects the university’s leadership boards to give their time, connections and financial resources to help preserve what makes CWU a great undergraduate. CWU cannot rely on additional state funding to support its mission without ongoing advocacy by each group. The three priority areas for support are:

1) Capital budget process – Samuelson STEM building
2) Operating budget – The authority to manage tuition or additional general support to reverse the budgetary impact of continued state disinvestment in higher education.

3) Foundation – Preparing for a capital campaign focused on technology, lab facilities and other aspects of our new science building, overhaul of north campus athletics facilities and building our endowment through the establishment of new endowed scholarships, professorships, chairs, programs and schools.

Participants broke into stations which rotated every forty-five minutes. There was one station for each of the three priorities outlined above staff led a discussion of development strategies and how everyone’s networks and connections might provide advocacy for the university in the coming legislative session. A fourth station consisted of CWU administrators and deans who discussed how to repeat the exercise with their own advisory boards and with faculty and staff.

Chair Morrison provided closing remarks, thanking everyone for spending their valuable time to help understand the vision for Central Washington University and for their commitment to share their connections, ideas, and financial resources.

Meeting adjourned at 3 p.m.

July 18, 2014
CWU Westlake

Executive Session

Present:
Mr. Sid Morrison, Chair
Mr. Keith Thompson, Vice Chair
Mr. Dan Dixon
Mr. Ron Erickson
Mr. Glenn Johnson
Mr. Chris Liu
Ms. Linda Schactler, Chief of Staff
Mr. Stevan DeSoer, Chief Human Resources Officer
Mr. Alan Smith, Assistant Attorney General

An executive session was held for the purpose of reviewing the performance of a public employee under RCW 42.30.110(1)(g). The meeting was convened at 8:05 a.m. and adjourned at 9:05 a.m.

**Business Meeting**

The regularly scheduled business meeting was called to order at 9:10 a.m.

**Present:**

Mr. Sid Morrison, Chair
Mr. Keith Thompson, Vice Chair
Mr. Dan Dixon
Mr. Ron Erickson
Mr. Glenn Johnson
Mr. Chris Liu
Mr. Robert Moser

Dr. James L. Gaudino, President
Dr. Marilyn Levine, Provost/Vice President for Academic and Student Life
Mr. George Clark, CFO/Vice President for Business and Financial Affairs
Mr. Stevan DeSoer, COO/Vice President for Operations
Ms. Linda Schactler, Chief of Staff/Exec. Director of Public Affairs
Ms. Sandra Colson, Executive Assistant to the President and Board of Trustees
Mr. Alan Smith, Assistant Attorney General

**Approval of the Agenda**

**Motion 14-36:** A motion to approve the agenda of July 18, 2014 was presented by Mr. Liu and seconded by Mr. Dixon. The motion was approved.

**Approval of the Minutes of the Special and Regular Meetings of June 12 and 13, 2014**
**Motion 14-37:** A motion that the Board of Trustees of Central Washington University hereby approves the minutes of the special and regular meetings of June 12 and 13, 2014 was presented by Mr. Johnson and seconded by Mr. Dixon. The motion was approved.

**Public Comment**
Chair Morrison noted that there were no sign-ups for public comment and moved to the next agenda item.

**Chair Report**
Chair Morrison stated that he appreciated the tone of the previous day’s meeting and hoped that we would be able to measure the impact of the discussions and of the leadership’s advocacy efforts as we move into the upcoming legislative session. He welcomed Glenn Johnson, one of our two new trustees, to his first in-person meeting. Mr. Johnson has been the Executive Vice President of Alaska Air Group, Inc. since November 2012. During his thirty years with Alaska, his responsibilities have included customer service, finance, strategy, project management, maintenance and engineering, information technology, and corporate real estate. Chair Morrison noted that Mr. Johnson’s financial expertise, business experience commitment to education and knowledge of the state’s political world will be a great asset to the Board.

Chair Morrison also introduced the new student trustee, Robert Moser, saying that the Board was particularly excited to have a student trustee with them at the retreat for the first time. Mr. Moser majoring in three subjects: History, Philosophy, with an emphasis on Religious Studies, and Russian. He has served as a student representative to the University Student Conduct Council, University Board of Academic Appeals and Academic Standing Committee and the Student Academic Senate. He was also vice chair and student representative to the Services and Activities Committee last year. Chair Morrison noted that the Board fully supports the role of the student trustee and the service they bring to the group. Mr. Alan Smith, Assistant Attorney General added that that he will provide training on the Open Public Meetings Act during the meeting and would like to see this subject added to all new trustee orientations.

Chair Morrison announced that Annette Sandberg will be leaving the Board at the end of her term and was saddened at not being able to express his appreciation for her service in person. Ms. Sandberg has
been an outstanding leader in the field of transportation safety and is very highly thought of both in
Olympia and in Washington, DC. Trustees Dixon, Erickson, Thompson and Liu also expressed their
gratitude for her service and her friendship.

**Motion 14-38:** A motion that the Board of Trustees of Central Washington University hereby approves
[Resolution 14-11] honoring Trustee Annette Sandberg was presented by Mr. Dixon and seconded by
Mr. Erickson. The motion was approved.

Ms. Colson was asked to send a copy of the resolution and an appropriate gift to Ms. Sandberg on behalf
of the Board.

**Information – McGladrey Risk Management Overview**

McGladrey is a leading provider of assurance, tax and consulting services. Central Washington University
contracted with McGladrey to conduct an enterprise-wide risk analysis. They began their process by
meeting with the Risk Management Steering Committee, which included George Clark, Andreas
Bohman, Linda Schactler, Stevan DeSoer, Tracy Pellett, and Joel Klucking. McGladrey also obtained
current departmental risk surveys which were analyzed to identify commonalities and risk intersections.

McGladrey prepared an initial risk matrix that included metrics for compliance, management and
administration, strategic, finance and accounting, operations and technology. To obtain statistically
accurate results, they held meetings with over 50 participants from colleges and departments. They also
conducted three facilitated voting sessions to quantify risks in terms of impact and likelihood. The top
ten risks identified through this process are:

1. Additional and increasing cuts through government sequestrations;
2. State policy and budget decisions that adversely affect CWU’s ability to conduct business;
3. Inadequate efforts expended to maintain the morale of faculty, staff and students;
4. A reduction in government, tuition-based or research funding, or a reduction in funding derived
   through fundraising activities (or both);
5. Insufficient staff to meet instructional demand, compliance requirements and other business
   operations;
6. Failure to increase enrollment through effective student recruitment; and once enrolled, failure to retain existing students;
7. Lack of budget to provide sufficient faculty resources to meet current enrollment levels and course demand;
8. CWU is unable to retain students at the retention ratio goal;
9. Reduction in state-designated funding for regional universities to deliver academic programs at off-site campus locations similar to the branch campus;
10. Lack of training for staff, administrators, department chairs and faculty to perform their defined roles and responsibilities.

These risk factors can be characterized under three risk themes: operations, management and administration, and strategic. McGladrey recommended that the university agree on top risk response strategy so that a roadmap or audit plan can be developed to address control measures already in place, develop strategies to address the risks when control measures are not in place and develop a gap remediation to shrink and eliminate any gaps between the current control environment and best practices.

Building from the risks identified, the following projects have been identified for fiscal year 2015:

1. Forecasting and benchmarking for budget and enrollment
2. An assessment of enrollment management/marketing/branding/price elasticity and optimization
3. Course fee audit
4. Security audit and business continuity planning

The Board discussed how the shift to lean management and/or responsibility-centered management that is happening now on campus is also occurring at other government agencies. The shift to this model involves more risk. The Board believes that we need to have an actuarial model for revenue at the college level and that the Foundation needs to be part of our risk mitigation strategy even though it will require brand development and huge cultural change. Trustee Johnson also asked about risked that were not identified in the McGladrey analysis. The President noted that one of our greatest risks is losing data or the Data Center. We have mitigated some of the risk by having a redundant internet connection (both the west and the east) but until we are able to build the new Samuelson STEM building
which will house the data center, our current center is susceptible to earthquake or other natural-disaster damage.

Chair Morrison further commented on the first meeting of all three leadership boards and the importance of each understanding the university’s budget situation. Keith Thompson is a prior member and now represents the Trustees on the CWU Foundation Board. He remarked that there has been great progress with the Foundation and that it now has goals and aspirations that are dramatically different than 15 years ago.

The trustees also spoke about the state budget information shared the previous day by Mr. Schumacher. All felt the need to help faculty, students and staff understand that the current crisis is not imaginary. Trustee Liu is sharing information with his staff at the Department of Enterprise Service on a constant, uniform basis. He believes that this helps to mitigate morale risk and that the more you involve staff, the better they understand the process. He recommended that the university talk about the budget process every day, and that we find a way to bring Mr. Schumacher to campus for a presentation.

Board Training – Open Public Meetings Act

AAG Alan Smith reported that the Open Public Meetings Act (OPMA) amendments went into effect on July 1, 2014. The amendments require all trustees and supporting staff, including the President and his cabinet officers, to receive training on the act. There are three basic rules for open meetings: 1) all meetings of the governing body shall be public and open to all persons, 2) no governing body shall take any action except in an open public meeting, and 3) no governing body at any meeting required to be open to the public shall vote by secret ballot.

The AAG also discussed executive sessions, appropriate purposes and what personnel may participate in the sessions. A detailed version of this training is available on the State Attorney General’s website (http://www.atg.wa.gov/OpenGovernmentTraining.aspx#.U-pCU_IdV8E).

President’s Report and Budget Update

At the June 2014 meeting, the President stated that the university would begin preparing for a worst-case budget scenario by formalizing strategies to reduce costs and enhance revenues.
He reviewed the 2010 “flight” plan assumptions and compared them to new economic realities. The original flight planned assumed modest tuition growth and continuous investment in people and facilities. However, due to legislative action, tuition growth has been frozen while expenses have continued to grow, in part due to collective bargaining agreements negotiated prior to 2012 and the compounding effect of salary actions.

The university has begun to address the deficit by reducing costs through a soft hiring freeze, suspending a planned exempt salary increase, reducing overhead and resizing and targeting academic offerings. We are also looking at ways to enhance revenue by funding innovation, expanding high-demand programs, growing online programs, including Running State, and redoubling our legislative efforts.

It has also fully implanted responsibility-centered management (RCM). RCM decentralizes decision making authority to the colleges. It allows units to keep the revenue they earn but requires them to pay for the support services (overhead) they use. RCM promotes entrepreneurial behavior, innovation, and lean operations. The three colleges, CAH, CEPS and COTs will realize additional funding with this model. However, since the College of Business is the smallest college, has the most expensive faculty, and has traditionally accepted only upperclassmen into their programs, their cost allocation model shows a $2.02 million deficit.

The university will use a multi-prong approach to revenue enhancement by using data-based recruitment strategies, exploring a per-credit tuition model, addressing legislative bias with degree access initiatives, expanding community college partnerships and by investing in innovation.

The President suggested that a per-credit approach to tuition may create more flexibility to address student mix and budgetary needs. While CWU will request general fund support in the upcoming legislative session, it is likely that any such support will be linked to specific outcomes – similar to the $1 million that we received last year for computer science enrollments.

There are additional challenges even before the legislative session begins. The Office of Financial Management has directed all agencies to describe the impact of a 15-percent cut and must submit
maintenance requests below the current levels. OFM has also assumed a $250,000 cut due to LEAN strategies. As presented the previous day by David Schumacher, the states 2015-2017 operating budget outlook is not optimistic, in spite of an expected $2.4 billion in additional revenue.

George Clark estimates that there will be $1-$3 million in carryover from fiscal year 2014 which will help to reduce the gap in fiscal year 2015. These, along with an estimated $5.5 million in reserve funds will help to bridge the current budgetary gap of $6.5 million. This assumes that there are no additional general fund reductions. We continue to plan for possible cuts of five to fifteen percent based on state projections.

There is an expected budget gap of $9.2 million in fiscal year 2016 and $10.5 in fiscal year 2017. The university is aggressively addressing this through cuts, including an exempt salary freeze and revenue generation through degree program growth in high demand areas.

Communications
The President noted that there was one communication to the Board, a letter from Professor Robert Hickey concerning budget planning, which was included in the meeting materials.

Business, Finance and Audit – Keith Thompson

Action – Tuition Policy
Vice President George Clark’s tuition policy overview began with a review of the university’s “flight plan” which, when implemented in 2011, had assumed tuition growth and infrastructure investments. Due to legislative action over the past three years, the original revenue project by fiscal year 2017 has dropped from $122 million to $111.5 million, a $9.5 million shortfall. One option for mitigating this shortfall is to garner support for a 7 percent tuition increase in fiscal year 2016. Another option is to adopt a per-credit tuition model to allow greater flexibility in mitigating the effect of tuition increases. A per-credit tuition model has been established in Washington State’s community college system and the baccalaureate universities calculate tuition on a per credit basis. For example, CWU charges $265 per credit up to ten credits with no additional charge for credits eleven through seventeen. We then redistribute approximately 15 percent of tuition revenue through waivers. Any general increase to this model, 7 percent for example, must be authorized by the legislature. The proposed model would
provide greater flexibility by charging for some number of credits up to seventeen, but using waivers and discounts to redistribute the revenue. This would have no disproportionate effect on low-income students and maintains the current per credit charge of $265 per credit hour.

An analysis of our enrollment showed that 84 percent of our resident undergraduate student take between 11 and 18 credits; 72 percent take between 13 and 18 credits. If the university established a per-credit tuition model, no charge would be realized in revenue immediately. Such a model would require an annual discount policy and the number of credits to discount would not be set until state funding and tuition policy is set. As previously mentioned, discounting be used to affect student mix and to recruit specific audiences.

Such a model does present challenges. It would be difficult to identify a single “tuition” price for financial aid and reporting, since this model creates multiple price points. We would also need to define the tuition redistributed or not collected as either waivers, which are defined in statute, or discounts, which are not. A third issue to resolve is how tuition policy changes effect competitiveness and price elasticity.

The recommendation to the Board was that they adopt a tuition policy to authorize, but not implement charging for each credit through 17 for all CWU students. Staff would be required to develop a tuition discount policy annually to accommodate state tuition and general fund actions and enrollment level. The Board was also asked to endorse an aspirational budget goal for fiscal year 2015 basing the target on state allocation, tuition discounting and enrollment.

**Motion 14-39:** A motion that the Board of Trustees of Central Washington University hereby adopts tuition policy that authorizes the collection of tuition fees for each credit hour but determines the actual collection of fees with a discount policy, set annually, to accommodate state policy and budget decisions and to achieve student-mix and enrollment goals was presented by Mr. Thompson and seconded by Mr. Erickson. The motion was approved.

**Action – Investment Resolution**

The CWU Investment Resolution identifies the university officers who are authorized to execute transactions involving the university’s investment portfolio with the corporate treasury division of U.S.
Bank. Board Resolution 14-10 supersedes Resolution 14-02, approved in February 2014, to update the list of approved officers to reflect recent personnel changes.

**Motion 14-40:** A motion that the Board of Trustees of Central Washington University approves [Resolution 14-10] authorizing any two of the following officers: George Clark, CFO/Vice President for Business and Financial Affairs, Joel Klucking, Interim Associate Vice President for Finance and Business Auxiliaries, and Chris Huss, Director of Financial Services, to execute transactions involving the university’s investment portfolio was presented by Mr. Thompson and seconded by Mr. Liu. The motion was approved.

Chair Morrison passed the gavel to Trustee Erickson for following action items.

**Action – Election of Chair**

**Motion 14-41:** A motion that the Board of Trustees of Central Washington University hereby elects Sid Morrison board chair for the 2014-2015 year was presented by Mr. Dixon and seconded by Mr. Johnson. The motion was approved.

**Action – Election of Vice Chair**

**Motion 14-41:** A motion that the Board of Trustees of Central Washington University hereby elects Keith Thompson board vice chair for the 2014-2015 year was presented by Mr. Dixon and seconded by Mr. Liu. The motion was approved.

Mr. Erickson returned the gavel to Chair Morrison.

**Information – Committee Assignments**

Chair Morrison announced the following committee assignments for the 2014-2015 year:

Academic and Student Life: Ron Erickson and Robert Moser

Business and Finance: Keith Thompson and Glenn Johnson

Operations: Chris Liu and Dan Dixon
Chair Morrison announced that the next special and regular meetings of the Board will be October 2 and 3, 2014 in Ellensburg.

The meeting was adjourned at 12:20 p.m.

Linda Schactler, Secretary to the Board of Trustees
Central Washington University

Sid Morrison, Chair
Board of Trustees
Central Washington University