July 17-19, 2013 - Board of Trustees Meeting Minutes, Annual Planning Retreat, Regular and Special Meetings

Board of Trustees, Central Washington University

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President and Mrs. Gaudino hosted a social dinner with Trustees Morrison, Thompson, Dixon, Liu and Erickson. After dinner, three Central Washington University students working at the restaurant joined the Board for an impromptu discussion on their experiences at Central. The students talked about ways to make the student experience easier logistically, the general education program more relevant, and the number of credits assigned to courses more realistic. The trustees remarked that this was an informative and valuable discussion and that they would like to hear more on these topics at a future meeting.

July 17, 2013

Special Meeting – Morning Session

Present:
Mr. Sid Morrison, Chair
Mr. Keith Thompson, Vice Chair
Mr. Dan Dixon
Mr. Ron Erickson
Mr. Chris Liu
Ms. Annette Sandberg

Absent:
Ms. Kate Reardon

Also present:
Dr. James Gaudino, President
Dr. Marilyn Levine, Provost/Vice President for Academic and Student Life
Ms. Sherer Holter, Chief of Staff/Secretary to the Board
Mr. Alan Smith, Assistant Attorney General
Ms. Sandy Colson, Executive Assistant
Honorable Larry Seaquist, 26th Legislative District
Honorable Bruce Tabb, Mayor of Ellensburg
Mr. Bill Yarwood, Director of Facilities Planning and Construction

Information – Facilities Master Plan
Ellensburg Mayor Bruce Tabb and Bill Yarwood reviewed the process used to develop the current version of the Campus Master Plan. The purpose of the plan is to guide the university’s physical development in support of the strategic plan, mission, vision and core values. The plan incorporates the 10 year capital plan – a long range facilities planning process that the State requires of all public baccalaureates. It also includes
assumptions for enrollment at both the Ellensburg campus as well as university centers and online. For the Ellensburg campus, the plan is organized around five neighborhoods: Central Campus, North Campus, East Campus, South Campus and West Campus. It also addresses issues of open space, circulation, learning modalities, student services, alumni outreach, energy conservation and sustainability, and property acquisitions.

As the current revision was developed, Mr. Yarwood met with various groups, both internal and external to the university, to solicit input. Beginning in January 2013 and over the course of the next six months, he met with over 20 different entities including the Ellensburg City Council, Historic Ellensburg, Ellensburg Downtown Association, Chamber of Commerce, Kittitas County Board of Commissioners, as well as the Faculty Senate, Academic Department Chairs Organization, Associated Students of Central Washington University Board of Directors executive and public meetings, Student Academic Senate, and other employee groups. The plan was also submitted for a State Environmental Protection Agency (SEPA) review which included a general public meeting.

Mayor Tabb expressed his appreciation for the inclusive process used to develop the plan and that it seeks to complement the goals and objectives of the Ellensburg Comprehensive Plan. The Ellensburg City Council voted to endorse the plan at their May meeting. The Board of Trustees will consider endorsing the plan during their July 19 business meeting.

Information – Responsibility Centered Management (RCM)
Representative Larry Seaquist joined the meeting during Dr. Gaudino’s presentation on responsibility centered management. The President explained that our current budget model relies on state allocations based on the number of full time enrollment (FTE). The allocation model is non-responsive to enrollment changes which discourages colleges to add courses or delivery sites in high demand programs because the added costs of doing so are not funded. The current model also centralizes budget decisions at the Cabinet rather than at the college/department level where the activity occurs. In responsibility centered management, revenue generated by units, minus overhead costs, is returned to the unit. This in turn gives colleges and departments the incentive to focus on retention, to reduce costs, to create new partnerships and to develop new revenue streams. Dr. Gaudino explained that the university cannot move to an RCM model overnight because we are too far out of alignment and it would hurt important programs. This fall, colleges will receive their current budget and a shadow budget that reflects the RCM model. Over the course of the next few years, we will work with them to narrow the gap between the two models. One step in this process will be an innovation fund to provide start-up money for programs that generate new student FTEs. The business and financial affairs area has set up a process to review proposals on the strength of their business plan and return on investment; curricular decisions will continue to be made through the current faculty senate processes.

The trustees were highly supportive of this process and asked for steps they could take to support its implementation.

Special Meeting –Afternoon Session
Following lunch where the Board was joined by Deans Cutright, Johnson, Lambert, Morgan, and Martell, members of the President’s Advisory Board, Linda Schactler, Scott Wade, and Melody Madlem as well as invited panelists, the meeting reconvened for a panel discussion on the landscape of higher education at the national and state level. The panelists included:
• Representative Larry Seaquist, 26th district, Vice Chair of the House Appropriations Committee on Health and Human Services, member of the Ways and Means Committee, the Early Learning and
Children’s Services Committee, Select Committee on Pension Policy and the Legislative Evaluation and Accountability Committee;

- Jay Reich, Pacifica Law Group, former deputy chief of staff to Commerce Secretary Gary Locke, former member of the Washington State Student Achievement Council and trustee of CWU from 1999-2005;
- Dr. John Cavanaugh, President and CEO of the Consortium of Universities of the Washington Metropolitan Area, former Chancellor of the Pennsylvania State System of Higher Education and a nationally recognized leader in higher education policy and innovation;
- Dr. Dan Hurley, Director of State Relations and Policy Analysis for the American Association of State Colleges and Universities (AASCU).

The focus of the panel discussion were the broad range of issues related to the mission of CWU and its role in our state’s goal of increasing degree production. Representative Seaquist opened the discussion stating that society needs to recover our capacity for upward mobility and that CWU is well positioned to respond to this need. He noted that for Washington State to survive we need an educated citizenry. The key will be to mobilize a public hunger for a college education because right now there appears to be apathy for that goal – 25 year olds in our state are now less educated than those in their 50’s. Washington businesses must now import workers with needed academic credentials. Representative Seaquist would like to see the state build a higher education mandate similar to that for basic education.

While there are a number of societal challenges to addressing the “apathy” issue, such as the need for parent education, more early childhood education, expanded school breakfast and lunch programs, reading and library programs, Mr. Reich cautioned that higher education cannot solve all issues. There is not enough money to do everything and so institutions must carefully consider their priorities. Dr. Cavanaugh agreed and said our goal should be to educate more people. He added that this is not the first time that higher education has been at a crossroads and that in meeting the demand for degree production, CWU must understand the “core of our institution, what we would never outsource.” He also recommended that we allow each university to focus in its unique character and brand. Dr. Cavanaugh discussed the impact of online institutions such as the Western Governor’s University (WGU) and massive open online courses (MOOC) and noted that the completion rate for MOOC courses is only 2%.

In an overview on the national trend to evaluate college and university performance, Dr. Cavanaugh stated that performance measures should be appropriate to segmented markets – economic, cultural and educational. The Washington legislature is considering a performance metric that uses the number of students who enter the university system as freshmen and go on to graduate. It was noted, however, that half of the students who enroll at CWU are community college transfers. Therefore, transfer student graduation rates would be a more appropriate performance measurement for CWU.

Dr. Dan Hurley discussed national trends and noted that he has seen increases in state appropriations and a slowing of tuition rate increases this year. He referenced the AASCU July 2013 State Outlook report, and provided a copy to each audience member. He commended the Washington State legislature for being one of three states with the largest gains in state support for higher education this year. The report also notes the trend toward boosting institutional productivity. Many states are also making changes to their student grant aid programs. He cited both Kentucky and Tennessee as states with progressive policies to make it easier for students to complete their degrees. These states provide a per-student premium for students 25 years old or older, or for Pell students. He finished by discussing AASCU’s task force on making public higher education a
state priority. The report, “Creating a New Compact between State and Higher Education,” was also provided to the audience.

The meeting adjourned at 4:45 p.m.

**July 19, 2013**

**Executive Session**
The executive session was called to order in room Owens B at 8:30 a.m.

**Present:**
Mr. Sid Morrison, Chair
Mr. Keith Thompson, Vice Chair
Mr. Ron Erickson
Mr. Dan Dixon
Mr. Chris Liu
Ms. Annette Sandberg

**Absent:**
Ms. Kate Reardon

**Also present:**
Dr. James Gaudino, President
Ms. Sherer Holter, Chief of Staff/Secretary to the Board
Mr. Alan Smith, Assistant Attorney General

Executive session was adjourned at 9:40 a.m.

**BUSINESS MEETING**
The business meeting in room Owens B was called to order at 10 a.m.

**Present:**
Mr. Sid Morrison, Chair
Mr. Keith Thompson, Vice Chair
Mr. Ron Erickson
Mr. Dan Dixon
Mr. Chris Liu
Ms. Annette Sandberg

**Absent:**
Ms. Kate Reardon

**Also present:**
Dr. James Gaudino, President
Dr. Marilyn Levine, Provost/Vice President for Academic and Student Life
Ms. Sherer Holter, Chief of Staff/Secretary to the Board
Mr. Alan Smith, Assistant Attorney General
Ms. Sandra Colson, Executive Assistant to the President and Board of Trustees
Ms. Connie Williams, Associate Vice President for Finance and Business Auxiliaries
Mr. Bill Yarwood, Director of Facilities Planning and Construction
Mr. Scott Wade, Executive Director of University Advancement and CWU Foundation

Changes to the Agenda
Chair Morrison announced there were no changes and asked for a motion to approve the agenda.

Approval of the Agenda
Motion 13-30: A motion that the Board of Trustees of Central Washington University hereby approves the agenda of the meeting of July 19, 2013 was presented by Mr. Dixon and seconded by Mr. Liu. Motion approved.

Approval of Minutes
Motion 13-31: A motion that the Board of Trustees of Central Washington University hereby approves the minutes of the special and regular meetings of June 6 and 7, 2013 was presented by Ms. Sandberg and seconded by Mr. Dixon. Motion approved.

Chair Report
Chair Morrison began his report by stating that he was impressed by the depth and breadth of information on the state and national higher education issues shared by the panel and invited guests.

Mr. Morrison stated for the record that the Board had just completed an executive session where they fulfilled their duty to review the President’s goals and performance. He stated that the Board is completely supportive of the President and the direction he is moving the university. Mr. Dixon added that the record should show the trustees’ appreciation of Sherer Holter and the work she has done. He noted that everyone who worked with the Chief of Staff was very fortunate and thanked her for her leadership as the university moves forward in a way that is sustainable for our students. Mr. Morrison added that the Board does not evaluate the Chief of Staff position but they all concur with Mr. Dixon’s remarks.

PUBLIC COMMENT
Mr. Morrison noted that there were no sign ups for public comment and moved to the next agenda item.

Information – University Advancement
Scott Wade, Executive Director of University Advancement, began his presentation by reviewing where the department was when he joined the university eighteen months ago. At that point, university advancement was understaffed and overall gifts were less than should be expected given the number of CWU alumni. He showed the Foundation’s ten year revenue trend, noting that giving has stayed fairly flat over that time period whereas investments have recovered since the losses of fiscal year 2009. He also compared fiscal year 2012-2013 gifts, pledge payment, and collected matches which improved by $441,966.

Mr. Wade reviewed the areas where they have been able to make significant progress over the past year. He has hired nine new staff that brings an influx of experience and expertise to the department as well as accountability and development for alumni and donor relations. They have completed a build out of a new Call Center and met the goal of 100% giving participation for the CWU Foundation Board. They are making regular solicitations to the full database and completed a successful IMPACT challenge in June, achieving the goal of 300 donors in 30 days and securing $30,000 in matching funds. He feels that there is momentum going into 2013-2014 when the call center and direct mail solicitations will work in concert with one another. There has
also been increased engagement with our alumni through focus groups, regular alumni events, collaboration with academic colleges and donors such as the Distinguished Alumni Program during homecoming, a new format for commencement, career networking receptions and workshop and the SOURCE/IMPACT Challenge Kickoff at EMP in Seattle.

Mr. Wade reviewed the major gift program and noted that major gift officers now have a set of performance and accountability measures. He and President Gaudino are on the road each week, increasing visibility and building trust with our donors. These measures have already resulted in several important gifts: a $100,000 endowment in physical education; a $65,000 commitment for the safety and health management program, and a gift of $307,000 for the renovation of the Tennis Facility.

University advancement is also increasing their communication efforts through alumni focus groups, reinvention of the Alumni Magazine, Athletics and Alumni eNewsletters, social media, new endowment reports for donors and increased invitations, solicitations and personal visits with individuals and small groups. There is a new memorandum of understanding with the Alumni Board as well as new board members and new committees within that Board. The CWU Foundation Board has recruited new members, reestablished working committees, reworked the investment and spending policy, established a new endowment minimum threshold and secured leadership for the next four years. He also has worked with President Gaudino to establish a President’s Advisory Board consisting of CEO-level leaders from around the Pacific Northwest who can help expand CWU’s influence, and make connections to new donors.

Mr. Wade completed his presentation by discussing ways in which they are preparing for the next major capital campaign. By 2017, the goal is to have a $4-5 million dollar program with $40 million in CWU Foundation assets. He expects that there will be a well-established life cycle of alumni and friend engagement starting when a high school student expresses interest in CWU through the day she or he graduates and joins the Alumni Association.

Trustee Thompson commended the amazing work done by Mr. Wade and his team. Mr. Thompson is the trustee representative on the CWU Foundation Board and shared that board’s support for the development plan. Trustee Dixon also commended Mr. Wade and reiterated his willingness to arrange a meeting with the Swedish Foundation staff. The Swedish Foundation recently completed a campaign and he believes that CWU could benefit from their experience.

Information – iCAT Project (Improving CWU Applications and Technology)
Sherer Holter reviewed the goals of the iCAT program and the project timeline. iCAT will establish full functionality of the Peoplesoft system, provide consistent and accurate information, increase staff efficiency, streamline processes and provide better reporting capability. The project began in January 2013 and is expected to be completed by June 2015. The schedule was expanded a year in order to implement a chart of accounts project. The online travel authorization, online purchase requisition and cAPPs projects have gone live. cAPPs is a management tool for employee compensation and payment. In the second half of 2013, the project team is expected to complete upgrades to the human resources and financial management systems, and complete the split of the campus solutions / human resources databases. They will also complete a new faculty workload database and the MyCWU portal.

The iCAT consulting budget was increased by approximately $1.7 million, which includes funding for the chart of accounts module. The decision to implement the chart of accounts project was made to enhance reporting and budgeting capabilities at various levels, standardize financial transaction coding and provide greater transparency and easier access to financial information.
Ms. Holter also discussed the use of change management to enhance communication, training and acceptance by university stockholders in these changes. The university has integrated all information departments – Information Technology, Information Security, iCAT, and University Projects – under her administrative reporting line to improve communication and accountability among these groups. They also have begun work to assess collaboration tools, email systems, document imaging, business continuity, disaster recovery and security.

**Action – Approval of Allowable Tuition Increases and Fiscal Year 2014 Operating Budget**

Trustee Thompson asked that Connie Williams be allowed to brief the Board on the budget first then move ahead on the other action items. She discussed the recent legislative decisions which provided an additional $7.8 million above maintenance level and restored funding related to salary cuts of the previous year which the university absorbed last year. She noted that CWU received capital funds in the amount of $61 million for Science II and $6 million for combined facilities. We also received preservation and minor works funds.

The fiscal year 2014 and 2014 budgets were developed based on several key assumptions. The first, mandated by the legislature, is that there will be no increase in tuition for resident undergraduates in 2014 and we will maintain enrollment of 9800 full time equivalent (FTE) or 10,225 headcount as well as maintain the required 6% reserve fund. The fiscal year 2015 budget includes an estimated increase of resident undergraduate tuition of 5-7% if tuition setting authority returns under HB 1795. Student FTE and headcount is also expected to increase slightly. CWU will make investments in FY 2014 in student success and retention, increased degree production, marketing, Centers and the dual admission program, information security, institutional research, as well as those areas previously outlined by Mr. Wade. The total budget for state/tuition and local funds for fiscal year 2014 is therefore $108 million, with all funding sources at $282 million.

**Motion 11-32:** A motion that the Board of Trustees of Central Washington hereby approves a 5% tuition rate increase for non-resident undergraduate, resident graduate and non-resident graduate tuition for academic year 2013-2014, a fiscal year 2014 $108 million operating budget for ledger 1 and a total budget of $282 million, based on 9800 FTE, 10,225 headcount and the required 6% reserve fund was presented by Mr. Thompson and seconded by Mr. Liu. Motion approved.

**Action – Approval of Services and Activities Fee Supplemental Budget Request**

Mr. Thompson reported that the Services and Activities (S&A) Fee Committee and the Budget and Finance Committee voted to recommend the use of $125,000 of the supplemental and reserve allocation S&A funds to contribute to the funding for outdoor lighting of the tennis courts as part of the refurbishing project. The total refurbishing cost is estimated to be $907,000, with the majority of the funding coming from the $307,000 donation mentioned by Mr. Wade and other capital funds.

**Motion 11-33:** The Board of Trustees of Central Washington University hereby approves the use of $125,000 from the Services and Activities Fees supplemental and reserved funds for the addition of outdoor lighting for the tennis courts was presented by Mr. Thompson and seconded by Mr. Dixon. Motion approved.

**Action – Endorsement of the Campus Facilities Master Plan**

Since last January, the Central Washington University Campus Development Committee has been conducting a public review and related State Environmental Protection Agency (SEPA) review of the 2013 update to the Facilities Master Plan. The updated plan will guide the future physical development of the university in support of the institutional mission, strategic plan, and ten year capital budget plan. The update process has involved meetings with university, city, county, and community groups to solicit feedback and coordinate joint planning.
issues. Mr. Dixon expressed his thanks to Bill Yarwood and the committee on the work done and its alignment with the strategic plan. He noted that this is a wonderful example of coordination and fostering of community relations.

**Motion 11-34:** A motion that the Board of Trustees of Central Washington University endorses the Facilities Master Plan dated July 2013 was presented by Mr. Thompson and seconded by Mr. Erickson. Motion approved.

**Action - Election of Chair and Vice Chair**
Ms. Sandberg called the question on election of the chair and vice chair and opened the floor to nominations. Mr. Dixon stated that it was his great pleasure to recommend that the Board extend the terms of Sid Morrison as Chair and Keith Thompson as Vice Chair for the coming year, and that it was his understanding that they were willing to serve again. He stated that each gentleman brings a wealth of institutional history and public service to the board that is vital as the Board assists the university in moving forward.

**Motion 11-35:** A motion that the Board of Trustees of Central Washington University elects Sid Morrison as Chair and Keith Thompson as Vice Chair for the coming year was presented by Mr. Dixon and seconded by Mr. Erickson. Motion approved.

**Information – Committee Assignments**
Chair Morrison announced the following committee assignments for the coming academic year:
- Academic and Student Life – Chris Liu, Kate Reardon and the student trustee
- Business and Financial Affairs – Keith Thompson and Annette Sandberg
- Administrative – Dan Dixon and Ron Erickson

**Next Meeting:**
Chair Morrison announced that the next special and regular meetings of the Board of Trustees will be October 3 and 4, 2013 in Ellensburg. Meeting adjourned at noon.