

# Board of Trustees' Work Session of January 14, 2002

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II. Review of Policy Items (President Morse and Jack Cooley)  
Initial 2001-03 Budget  
Governor's Supplemental Budget  
Current Funding and Policy Outlook

III. Hypothetical Budget Approaches (Bob Edie)

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**WESTERN WASHINGTON UNIVERSITY  
BOARD OF TRUSTEES  
STUDY SESSION  
MINUTES  
January 14, 2002  
Seattle, Washington**

**CALL TO ORDER**

Chair Mary Swenson called the study session of the Board of Trustees of Western Washington University to order at 9:40 a.m., January 14, 2002, at 5000 Bank of America Tower, 701 Fifth Avenue, Seattle, Washington.

**Board of Trustees**

F. Murray "Red" Haskell  
Jeffrey R. Kelly  
Erik Pearson  
Kevin Raymond  
Mary Swenson, Chair  
John Warner, Secretary  
Betty Woods, Vice Chair  
Grace Yuan

**Western Washington University**

Suzanne Baker, Assistant Secretary to the Board of Trustees  
Andrew Bodman, Provost/Vice President for Academic Affairs  
Wendy Bohlke, Assistant Attorney General  
Stephanie Bowers, Executive Director of The Western Foundation  
Jack Cooley, Executive Director of University Planning and Analysis  
Eileen Coughlin, Vice President for Student Affairs & Academic Support Services  
Robert Edie, Vice President for External Affairs  
Corey Eichner, Associated Student Body President  
Kathleen Kennedy, Faculty Senate President  
Lynne Masland, Director of Public Information  
Judy McNickle, Assistant to the President for State Governmental Affairs  
Karen W. Morse, President  
George Pierce, Vice President for Business and Financial Affairs  
Buff Schoenfeld, Executive Assistant to the President  
Elizabeth Sipes, Secretary to the Board of Trustees

**1. INTRODUCTION**

President Morse explained the purpose of the study session was to brief the Board on critical issues facing higher education because of the state budget situation. She stated the meeting was intended to provide a better understanding of how a state budget cut would impact Western's access and quality. President Morse said that the severity of Western's budget situation, unless adequately addressed, would affect Western's quality and niche.

The president said she would be looking to the Board to provide input and direction. She noted that difficult decisions would need to be considered, but that Western's strategic objectives would serve as a guide. She encouraged trustees to discuss their philosophy on tuition issues and their positions on retaining salaries as top priorities.

**2. REVIEW OF POLICY ITEMS**

Jack Cooley, Executive Director of University Planning and Analysis, presented a handout that outlined six major policy items related to higher education: state funding support, enrollment, tuition, financial aid, salaries, and capital plan. The outline focused on three aspects: (1) the initial 2001-03 budget, (2) Governor Locke's December 2001 supplemental budget, and (3) a statement on what Western sees as the short-term outlook. Cooley reviewed the handout and provided information on each policy item.

### 3. HYPOTHETICAL BUDGET APPROACHES

Vice President Edie provided the Board some history of the state budget situation and reviewed the Governor Locke's recent proposals, including a proposed 5 percent cut in the 2003 fiscal year.

Edie explained that the governor proposed raising additional revenue from a new lottery, a draw from state reserves, and an anticipated reimbursement from Medicaid, which could make up half of the projected \$1.2 billion shortfall. The remainder could be obtained from budget cuts, including a two-month delay in salary increases for state employees and an increase in health benefit costs. Edie noted that the cuts were selective, not across-the-board.

Edie also noted that the governor proposed to give Boards of Regents and Boards of Trustees one-year authority to set tuition. Edie explained that the governor's recent local control decision is not a permanent statutory decision; it is contained only within the current budget. At this time, we do not know if the governor will introduce a long-term bill to this effect.

Edie presented four hypothetical approaches to the 2002-03 budget:

- State funding cut only
- State funding cut with enrollment flexibility
- State funding cut with limited tuition authority and full State Need Grant funding
- State funding cut with complete local tuition authority and institutional State Need Grant funding

Discussion followed on the recent history of declining state support. To focus discussion, Edie posed the following considerations:

1. Short-term versus long-term effects.
2. The likelihood of legislative action to grant full local control is low.
3. What is the next logical progression?
4. What is the future of the state's proportion of budget funding?
5. What are our assumptions about state funding? Including financial aid, enrollment mix (out-of-state/in-state), and capital projects.
6. What is our position on high tuition/high financial aid? Edie noted that local control and high tuition/high financial aid are not synonymous.
7. What is the long-term outlook for the state's support?

Edie and President Morse provided an overview of the Council of Presidents' Principles (handout in Board packet) on state support, financial aid and tuition.

### 4. EXECUTIVE SESSION

At 11:35 a.m. the Board adjourned into Executive Session to discuss a potential claim and real estate. No action was taken.

**The Board reconvened at 12:40 p.m.**

### 5. REVIEW OF CURRENT MANAGEMENT CHALLENGES

#### a) Major Allocations

Jack Cooley presented information on major allocations for Western's 2001-03 biennial budget from new enrollment funding and tuition revenues. New revenue was directed to salary increases, expanded student opportunities, and institutional cost increases.

#### b) Provost's and Vice Presidents' Review of:

- **Budget reduction impacts**
- **Needed investments**
- **Reallocations and other steps already taken**

Provost Bodman, Vice Presidents Coughlin, Pierce, and Edie discussed budget impacts and needed investments in their areas.

## 6. DISCUSSION

President Morse opened the discussion of basic policy issues including local tuition control, the high tuition/high financial aid model, enrollment levels and retaining faculty salaries as the highest priority.

High tuition/high financial aid model. The primary benefit of a high tuition/high financial aid model is revenue. President Morse noted that the high tuition/high financial aid model would strain Western's budget by requiring more financial aid and represents a significant change in state policy.

AS President Eichner stated that Western's student body is opposed to a high tuition/high financial aid tuition model.

Local control. Edie said that what he was hearing from the Board was that they support local control but not under any and all circumstances. He noted that local control is not intended to become a substitute for state responsibility. There could be indirect consequences to state universities if their views of local control are not compatible.


The Board encouraged the administration to:

- Minimize state budget cuts to higher education;
- Seek authority to set tuition so to preserve institutional quality;
- Continue supporting state support of financial aid to protect access for needy students;
- Continue making recruitment and retention of quality faculty and staff a high priority.

## 7. FUNDRAISING AT WESTERN

Chair Swenson requested that the presentation on fundraising be postponed to a future Board meeting so that more time could be allotted to the subject.

The Board adjourned at 3:20 p.m.

  
Mary Swenson, Chair

ATTEST:

  
John Warner, Secretary