

Western Washington University
Board of Trustees
Agenda
December 10 & 11, 2009

THURSDAY, DECEMBER 10, 2009

Location: OM 340
Time: 3:00 p.m.

1. CALL TO ORDER
3:00 – 3:05

2. SPECIAL REPORTS

A. Capital Planning & Budgeting Process

3:05 – 3:20 Presentation: Kathy Wetherell, Interim V.P. for Business & Financial Affairs
Rick Benner, Exec. Director, Office of Capital Planning & Development/University Architect

3:20 – 3:40 Discussion

B. Activity Based Costing

3:40 – 4:00 Presentation: Kathy Wetherell, Interim V.P. for Business & Financial Affairs
Paula Gilman, Exec. Director for Budgeting & Planning

4:00 – 4:45 Discussion

3. EXECUTIVE SESSION MAY BE HELD FOR PURPOSES AUTHORIZED IN RCW 42.30.110
4:45 – 5:00

FRIDAY, DECEMBER 11, 2009

Location: OM 340
Time: 8:00 a.m.

1. CALL TO ORDER, APPROVAL OF MINUTES
8:00 - 8:05

- Board of Trustees Retreat, September 24 & 25, 2009
- Board of Trustees Meeting, October 8 & 9, 2009

2. RECOGNITIONS AND INTRODUCTIONS
8:05 - 8:15

- Tina Storer, Center for Canadian-American Studies
- Carmen Werder, Director, Teaching-Learning Academy

*Western Washington University will become the premier public comprehensive university in
the country through engaged excellence.*

EXECUTIVE COMMENTS

3. BOARD CHAIR REPORT

8:15 - 8:30

4. UNIVERSITY PRESIDENT

8:30 - 8:50

- **Vice President for Business & Financial Affairs Search**
Eileen Coughlin, Search Committee Chair

5. ASSOCIATED STUDENTS

8:50 - 9:00

6. FACULTY SENATE

9:00 - 9:10

ACTION ITEMS

7. CONSENT ITEMS

9:10 - 9:15

- Approval of Fall Quarter Degrees
- Approval of Summer Session 2010 Fees

8. AMENDMENT TO PRESIDENT'S EMPLOYMENT CONTRACT

9:15 - 9:20 Phil Sharpe, Chair, Board of Trustees

9:20 - 9:25 Discussion

DISCUSSION ITEMS

9. KEY PERFORMANCE INDICATORS

9:25 - 9:35 Presentation: Dennis Murphy, Dean Emeritus, College of Business & Economics

9:35 - 9:45 Discussion

10. POSITION WWU GRADUATES TO BE SUCCESSFUL IN TODAY'S MARKETPLACE

9:45 - 9:55 Presentation: Eileen Coughlin, Vice President for Student Affairs and Academic Support Services

9:55 - 10:05 Discussion

11. CLIMATE ACTION PLAN

10:05 - 10:15 Presentation: Kathy Wetherell, Interim Vice President for Business & Financial Affairs

10:15 - 10:25 Discussion

BREAK 10:25 - 10:40 A.M.

Western Washington University will become the premier public comprehensive university in the country through engaged excellence.

12. LEGISLATIVE UPDATE

- 10:40 – 10:50 Presentation: Steve Swan, Vice President for University Relations
Sherry Burkey, Associate Vice President for University Relations
- 10:50 – 11:00 Discussion

13. PLANNING FOR 2011-13 GENERAL THEMES

- 11:00– 11:10 Presentation: Bruce Shepard, President
Paula Gilman, Exec. Director for Budgeting & Planning
- 11:10 – 11:20 Discussion

14. CAMPAIGN PLANNING

- 11:20 – 11:30 Presentation: Stephanie Bowers, Vice President for University Advancement
- 11:30 – 11:40 Discussion

REPORTS

15. AUDIT COMMITTEE REPORT

- 11:40 – 11:45 Presentation: Dennis Madsen, Acting Chair

16. INFORMATION ITEMS

- 11:45 – 12:00 Admissions Report
Alumni Relations Report
Development Report
University Relations Report
Quarterly Grant Report
Capital Program Report
Student Right to Know/Clery Act
2008/09 University Financial Statements

17. MEETING EVALUATION

18. ADJOURNMENT

- 12:00 p.m.

19. DATE FOR NEXT REGULAR MEETING: February 4 & 5, 2010

20. LUNCH PRESENTATION: “Innovations in Teaching and Learning at Western Washington University”

- Steve Vanderstaay, Vice Provost for Undergraduate Education

**WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES**

**REGULAR MEETING
December 10, 2009**

I. CALL TO ORDER

Chair Phil Sharpe called the regular meeting of the Board of Trustees of Western Washington University to order at 3:00 p.m. in OM 340, Western Washington University, Bellingham, WA.

Board of Trustees

Betti Fujikado
Sarah Ishmael
Dennis Madsen
Ralph Munro
Phil Sharpe, Chair
John Warner

Western Washington University

Bruce Shepard, President
Wendy Bohlke, Assistant Attorney General
Sherry Burkey, Associate Vice President for University Relations
Paul Cocks, Director, University Communications
Eileen Coughlin, Vice President for Student Affairs & Academic Support Services
Paula Gilman, Exec. Director of University Planning & Budgeting
Sue Guenter-Schlesinger, Vice Provost for Equal Opportunity & Employment Diversity
Matt Jarrell, President, Associated Students
Dan Lerner, President, Faculty Senate
Catherine Riordan, Provost & Vice President for Academic Affairs
Elizabeth Sipes, Secretary to the Board of Trustees
Barbara Stoneberg, Administrative Assistant to the President
Steve Swan, Vice President for University Relations
Kathy Wetherell, Interim Vice President for Business & Financial Affairs

II. SPECIAL REPORTS

A. Capital Planning & Budget Process

President Shepard reported that per the Board's charge, Western's processes are becoming more open and transparent, and engage the campus community. Great progress has been made in many areas including the Operating Budget. Shepard reported that The Office of Capital Planning and Development was established to improve the efficiencies and enhance transparency of the Capital Planning Process.

Kathy Wetherell, Interim Vice President of Business & Financial Affairs, reported that when they started this project they found that Western's planning process was very complex as was the process at the State level.

Wetherell presented the redesign of the Capital Planning Process. Some of the goals are to provide better planning and scheduling, better project execution, better assessment of projects and better project oversight. A new Capital Planning and Development website has been developed to provide more transparency. Rick Benner, Exec. Director, Office of Capital Planning & Development/University Architect, demonstrated the new site that includes Planning Principles and Guidelines, as well as a direct link to the President's 15 Initiatives and the WWU Strategic Plan. The campus planning process should be informed by the campus strategic plan and relate to those initiatives.

Wetherell reviewed the 2011-13 Five Step Capital program Process Timeline. A copy was included in the Board packet. At Step 4 in the process timeline, the University Planning and Resource Council (UPRC) considers Vice Presidential priorities and makes recommendations. The UPRC is a standing committee of the Faculty Senate, consisting of faculty, vice presidents, and representatives of students and other employee groups, that looks at all budget and finance matters. The President and Vice President will consider UPRC recommendations and other priorities and form recommendations to the Board. Wetherell said the Board of Trustees will receive a status report at every step of the process.

Wetherell asked two of policy questions of the Board:

- What do you consider the Board's role in implementing WWU's Institutional Master and Strategic Plans as they relate to capital planning?
- What approaches should be used to finance the ongoing physical development and renovation of the campus as we transition to a publicly purposed university, in the face of declining state operating and capital budgets and a growing backlog of deferred capital maintenance?

Trustee Warner said that historically the Board has approved the Capital Planning Budget and the Capital Planning Projects. The Board should have an agreement and understanding of how projects are prioritized and how they relate to the Strategic Plan.

Chair Sharpe said the Board also needs to stay on top of deferred maintenance and to take care of the existing buildings.

Trustee Madsen suggested that Western look at new ways of addressing the cost of our capital needs, i.e. using capital assets owned by others. President Shepard responded that the university is investigating ways of sharing facilities with BTC, and is also looking at expanding the capacity of our buildings by utilizing them outside the regular business hours.

Trustee Warner said Western also needs to look at ways of securing private money to offset declining state funding.

Trustee Munro said that it is important that we keep up the physical appearance of the campus. It was agreed that a sense of place is important when a student is deciding whether or not to attend Western.

Warner said it is also important to consider the technology of the future when deciding on renovations or new buildings. Buildings will not be used like they are today.

B. Activity-Based Costing

Kathy Wetherell, Interim Vice President for Business and Financial Affairs, and Paula Gilman, Exec. Director for Planning and Budgeting presented a PowerPoint on Activity Based Costing (ABC). ABC is a cost accounting approach where costs are assigned to individual activities in order to identify efficiencies and maintain quality. For example, what does it cost to deliver an undergraduate English course or program? What does it cost to hire a new employee? Shepard said this approach makes us more accountable and provides opportunities to understand the implications of the choices made in the strategic budgeting process. Shepard said that Western will develop the tools to have ABC available routinely to the Board.

Gilman said that ABC is not budgeting but is a bottom-up analytical process to enhance budgeting. It would identify efficiencies and possibly identify the needs for additional investment. Currently Western's budgeting process mirrors Olympia's. Gilman said it is difficult to measure performance when you are only looking at accounting information. ABC would promote strategic financial planning at the university; provide clear evidence of our ability to manage costs; and show how budget cuts impact quality and how spending patterns at Western match our planning priorities and mission.

Gilman said that ABC could help us be more transparent and validate that Western is clearly communicating our costs, effectiveness and efficiencies to the community; help us modify activities to produce additional efficiencies without affecting quality; better understand cross subsidies; and help us evaluate that we are delivering quality student learning at a reasonable price.

Wetherell said there are three options for implementing an Activity Based Costing exercise: 1) Status quo (manual process to cost activities with existing financial systems), 2) building ABC into Banner financial system or 3) analyze Software options.

Wetherell said there are both opportunities and challenges of Activity Based Costing. ABC facilitates better management decisions, clearly identifies higher and lower costs activities, and promotes easier benchmarking with other programs/institutions. ABC also offers some challenges in that not many higher education institutions use ABC; people substitute numbers for judgment, and it is time-intensive to implement.

Trustee Fujikado said that there are other challenges in budgeting and financial reporting for a public-purposed university -- 1) stewardship, 2) decision making/benchmarking , and 3) justification -- how will ABC be reported to the legislature, how will you present the need for more private dollars, and how will it be presented to parents and students. Fujikado reported that many health care facilities are using Activity Based Costing. A meeting with a health care facility and Western could be set up so that we could learn about the process they used to implement ABC.

Gilman said there are two forms of ABC: 1) analytic ABC where the focus is on one area (department, program, course) and we look for results to support decisions that need to be made, and 2) set up all university accounting systems so that everything is identified by ABC. Activity Based Costing is difficult to implement in higher education, but it could be done. The labor and cost of setting up would be high, but in the long run it could be a better system. Sharpe said that ABC could have application in certain parts of the university and it could be set up for a "test run." The real value of the process would be at the academic departmental level. Wetherell said that departments already of the ability to do ABC, by looking at the fine levels of detail.

Because there is a perception in Olympia that higher education is very inefficient, Munro said anything that we can produce that shows that we have looked at ways to save money and do things more effectively is very valuable.

III. EXECUTIVE SESSION

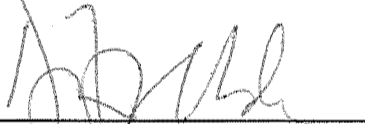
At 4:37 p.m. Chair Sharpe announced that as authorized in RCW 42.30.110, the Board would convene in Executive Session for approximately 20 minutes to consider a personnel contract issue.

Meeting adjourned at 5:00 p.m.



Philip E. Sharpe, Jr.

ATTEST:



Dennis Madsen, Secretary

**WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES**

**REGULAR MEETING
December 11, 2009**

I. CALL TO ORDER, APPROVAL OF MINUTES

Chair Phil Sharpe called the regular meeting of the Board of Trustees of Western Washington University to order at 8:02 a.m. in OM 340, Western Washington University, Bellingham, WA.

Board of Trustees

Betti Fujikado
Sarah Ishmael
Dennis Madsen
Ralph Munro
Phil Sharpe, Chair
John Warner
Peggy Zoro, Vice Chair – via conference call

Western Washington University

Bruce Shepard, President
Wendy Bohlke, Assistant Attorney General
Stephanie Bowers, Vice President for University Advancement
Sherry Burkey, Associate Vice President for University Relations
Eileen Coughlin, Vice President for Student Affairs & Academic Support Services
Matt Jarrell, President, Associated Students
Dan Larner, President, Faculty Senate
Catherine Riordan, Provost & Vice President for Academic Affairs
Elizabeth Sipes, Secretary to the Board of Trustees
Barbara Stoneberg, Administrative Assistant to the President
Steve Swan, Vice President for University Relations
Kathy Wetherell, Interim Vice President for Business & Financial Affairs

MOTION 12-1-09

Trustee Sarah Ishmael moved that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve the following as amended:

- Minutes of the September 24 and 25, 2009 Board of Trustees Retreat
- Minutes of the Board of Trustees Meeting, October 8 and 9, 2009

Motion passed unanimously.

Chair Phil Sharpe announced modifications to Item 4 of the Board agenda. President Shepard will report on the implication to the Governor's budget proposal which came out earlier this week.

2. RECOGNITIONS AND INTRODUCTIONS

Catherine Riordan, Provost and Vice President for Academic Affairs introduced:

- Tina Storer, Education and Curriculum Specialist in the Center for Canadian-American Studies, who received an international education award as organizer of the annual Study Canada Institute, the premiere national social studies program of its kind in the U.S. She is also a leader in the National Council for Social Studies.
- Carmen Werder, Director of the Teaching-Learning Academy, for participation in the Carnegie Foundation Academy for the Scholarship of Teaching and Learning; and recognition of contributions by student Megan Otis.

EXECUTIVE COMMENTS

3. BOARD CHAIR REPORT

The Board Chair Report was deferred until after the budget discussion.

4. UNIVERSITY PRESIDENT

- **Vice President for Business and Financial Affairs Search**

President Shepard advised that the Vice President for Business and Financial Affairs search is underway, chaired by Vice President Coughlin. Vice President Coughlin reported the committee has received orientation and is in the quiet phase of identification of candidates. Greenwood/Asher & Associates is assisting WWU in the search endeavor.

- **Implications of Governor's Budget Proposal**

President Shepard reported the state continues to see a deteriorating situation with revenues, and demands of state services, with an estimated shortfall of approximately \$2.6 billion. The Governor is required to provide a supplemental budget that is balanced without using additional revenue sources. The Governor's budget for higher education proposes for the second year of the biennium a further budget reduction for all of higher education (the six baccalaureate institutions and the community college system) of about \$89.5 million. Western had already developed a budget for the second year of the biennium based on a reduction in state support of about 29%. In addition, it is proposed that the State Need Grant be reduced by 60%, or \$147 million and the amount of the awards would be reduced from 100% to 47%. Also, the state contributions to Work Study would be cut by about \$34 million and the state merit aid would be cut by about \$12 million. These proposed cuts are actually over 90% of the funds available in those particular areas.

The Governor has said she will introduce a budget in January that will provide for revenue needs, and it will be a high priority to fully fund the State Need Grant program.

President Shepard expressed concern of immediate consequences for WWU students and students across the state simply because of the uncertainty. Families around the state are questioning if their high school seniors can go to college next year. These same families are trying to decide if their sons and daughters currently in college can afford to return. The Governor also stated she has no intention of restoring that \$89.5 million reduction. The consequences for the budget as currently proposed by the Governor would reduce WWU's budget for the second year of the biennium by about \$3.8 million. To put that in context, the budget that the Board has seen was the operating budget with tuition and federal stimulus dollars added. The annual operating budget for next year was cut by a little over \$6 million. To take out of that same year another \$3.8 million is more than half again as much, 60% deeper than the cut that has already been made. The cuts we have already made eliminated 164 positions and reduced class offerings by between 10% and 15%. As we take the cuts significantly deeper for next year, the implications for student access, time to degree, retention and graduation are going to be even more serious.

President Shepard said that WWU budget cuts will be discussed in a transparent, well informed and open way, and we will minimize the damage that can be done.

WWU must be more effective in Olympia, focusing on seeking restoration of part of the \$89.5 million cut. Shepard said that actual cut was \$74.1 million. The Governor decided to add \$14 million to the community colleges for new programs (which gets counted as 'higher education' as far as the Federal stimulus funds are concerned), allowing the cut to be made larger. Over the last 15 years more state dollars have gone into community colleges than into the baccalaureate institutions. Washington State ranks 47 out of 50 in the baccalaureate opportunities provided to our population. We need a robust system of higher education and not one that is imbalanced.

President Shepard said the upcoming legislative session will develop the budget for 2011-2013. Western needs to be politically active and continue the "call to action" efforts that have begun by our Trustees, faculty staff, unions, alumni, boards, and our friends in the community.

Trustee Munro stated that the economy could recover but WWU could still have budget cuts. Legislators are not hearing from higher education in the way that they should. They hear from lobbyists, faculty and trustees, but they have to hear from the parents. A system must be designed where the legislature hears from the parents.

Vice President Bowers noted that a specifically integrated approach is needed – media coverage, private sector involvement, as well as parents.

Trustee Sharpe said that this summer the presidents and the chairs of the boards of trustees/regents of the four year institutions met with the Governor. She asked for their help to create a case for higher education. They agreed to work with the Council of Presidents and next week Trustees Madsen, Munro and Sharpe meet at the University of Washington with representatives from all boards of the four year institutions to discuss strategies.

Trustee Sharpe stated that another issue higher education is struggling with is articulating the issues. The Council of Presidents assembled the polling data about how the public perceives higher education in particular. The data indicated, across the board, that higher education is a 'nice' thing to have. Sharpe said there is a moral imperative as we are affirmatively wasting the most incredible resource we have -- the minds and intellect of our people. The other issue is, what are the long term implications of these near term actions? Legislators are looking at a near term fix. We need to look at all options and their long-term implications. We educate the students and prepare educators or the State of Washington. The impact on K-12 is huge.

Trustee Warner observed that too much of the argument for four year institutions is based upon economic development. We are not allowing our kids in Washington State to participate in the economy because we are putting road blocks in their way, especially the disadvantaged. We must make the case that we need robust financial aid for the disadvantaged students – the kids that don't have the money to get a four year education. It is social policy, not economic development.

Trustee Ishmael concurred with Trustee Warner, stating that one of the major conversations in this state has been economic development or liberal arts education and leadership. This crisis may have the opportunity to bring that conversation to light. Secondly, she expressed the sustainability of that action. WWU must ensure the advocacy group or advocacy block can be sustainable throughout decades, allowing us to build on the leadership.

Sherry Burkey noted that higher education is not something legislators hear about. An alumni advocacy group is being created of alumni and friends that would be educated and prepared to work with legislators, write that thoughtful letter at the appropriate time and get involved politically. We are working closely this year with the faculty leadership from around the state. The six institutions have met with student and faculty leadership to discuss the impact of the budget cuts on the students' education and the social issues. Higher education is pulling together in a way that has not been seen for a long time with alumni, friends, faculty, and students working together. Legislators who are our friends are asking us to be more visible and be heard.

Trustee Ishmael expressed her concern of how we will engage the community colleges community. We are seen as an entire block of higher education with community and technical colleges. The state invested over \$14 million at the expense of the four years, but how do we successfully tackle that issue without hindering the progress we need to make in the coming decades?

President Shepard responded that for many months WWU has been building relationships and forming the strategies and among those is a regional alliance of WWU with the two year institutions in our area. The first meeting of the group is next week.

Trustee Munro asked about other possible revenue sources available. President Shepard responded that WWU organized a meeting of just the regional presidents, faculty union leadership, student leadership, union leadership. One of the topics of discussion was dedicated increases in gambling revenues, for example, for higher education.

Sherry Burkey noted that several WWU faculty wrote letters to the legislature at the last session. More is needed statewide, and WWU is working closely with the other baccalaureates, community colleges and various coalitions. WWU has alumni and teachers in every single district and Vice President Swan is leading that effort to mobilize all of those forces, raising the visibility.

Trustee Ishmael stated that the higher education student trustees are meeting next week and discussing specific roles as student trustees and what the student community is doing as well on a state-wide initiative. The conversation about new revenues and income taxes is that it should happen out of necessity, however there shouldn't be a shift of focus from holding the state accountable and making sure that we don't hear phrases such as, 'higher education is our rainy day fund'.

5. ASSOCIATED STUDENTS

A.S. President Matt Jarrell reported that he attended residence hall councils and introduced primarily freshmen to the associated students. He received good information by asking what they liked and didn't like. A.S. President Jarrell also noted that he participates in the Teaching-Learning Academy weekly. The recurring theme from students is mentorship. WWU does not have a program for underclassmen to relate to upperclassmen, or for upperclassmen to start networking for career skills and for companies out there. The A.S. Board will take the remainder of 2009-10 to look into what the students want out of a mentorship program and leave that legacy in research for the 2010-11 A.S. Board to continue the effort. It is an important endeavor especially in this economic time.

On January 18, 2010, the A.S. is hosting a Viking Lobby Day in Olympia. Thirty five students are signed up to attend – twice as many students as last year. The students will meet with legislators on the appropriations and higher education committees, and with Governor's staff. The first objective is to make sure that the students' voice is heard, that the quality of education at Western will be heard if the cuts continue, and the direct ramifications to the future of the state. The second objective is to protect financial aid to be accessible to all students for access to higher education. Jarrell thanked President Shepard for keeping the students involved.

Jarrell discussed numerous meetings with Trustee Ishmael and the A.S. Vice President for Governmental Affairs Morgan Holmgren, developing a plan for January 2010. Discussions included talking with the other universities, having a full day in Olympia, or a rally on every campus. Jarrell is drafting a letter to the students on how to get involved, that this is their time. The A.S. is also working with the Washington Student Association on a unified voice with all of the state's four-year universities.

6. FACULTY SENATE

Dan Lerner, President of the Faculty Senate, stated that the primary concerns are academic, policy and program. So far there have not been radical consequences, but that it is a matter of time before they will be dealing with those problems. The Academic Coordinating Commission, a standing committee of the Senate, has already begun to deal with the upcoming budget reduction.

The Faculty Senate has been involved in increasing communication across the campus between the units of the administration by increasing Senate reports on faculty activities, getting faculty to ask the Senate questions and getting answers back, and getting faculty involvement. For example, branding effort; admissions – trends and recruiting; working with Sherry Burkey and President Shepard and leaders of the UFWWW, coordinating efforts with the legislature; and, future graduate programs.

7. CONSENT ITEMS

MOTION 12-02-09

Trustee Fujikado moved that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve the following consent items:

- Approval of Fall Quarter Degrees
- Approval of Summer Session 2010 Fees

Summer Session 2010 tuition would be set at \$163.00 per credit for undergraduate courses and that student tuition be charged on a per credit basis. Non-resident students would pay tuition at \$173.00 per credit for Summer Session. The Summer

Registration Fee would increase to \$70.00 per student. Graduate tuition for resident and non-resident students would remain at \$202.00 and \$212.00 per credit, respectively, for Summer Session.

Motion passed unanimously.

8. AMENDMENT TO PRESIDENT'S EMPLOYMENT CONTRACT

Chair Sharpe stated that the Trustees completed their evaluation of President Shepard's first year of employment. The evaluation process affirmed to the Trustees that Bruce Shepard has the skills to meet the institution's needs and help move WWU toward its mission. The two year extension of the contract has no economic impact on WWU, as there is no increase of compensation. It is an affirmation of WWU's commitment to Bruce Shepard, and a reaffirmation of his commitment to WWU. On behalf of the Board, Trustee Sharpe stated that in the last year the channels of communication have opened across the campus, as well as the unfettering of the talents of staff, faculty and students. Our way of thinking has been challenged. There has been a tireless commitment to our community by President Shepard.

MOTION 12-03-09 Trustee Munro moved that the Board of Trustees of Western Washington University approve a two year extension to the Employment Contract for Bruce Shepard.

Abstention by Sarah Ishmael. Motion passed.

9. KEY PERFORMANCE INDICATORS

Dr. Dennis Murphy, Dean Emeritus, College of Business and Economics, presented an overview of Key Performance (Dashboard) Indicators. A PowerPoint presentation was previewed, and a handout distributed of dashboard indicators.

At 9:55 a.m. Chair Sharpe announced a ten minute break. At 10:05 a.m. the Board reconvened in OM 340.

10. POSITIONING OF WWU GRADUATES TO BE SUCCESSFUL IN TODAY'S MARKETPLACE

Eileen Coughlin, Vice President for Student Affairs and Academic Support Services, introduced Joanne DeMark, Leadership Development Specialist, who provided a demonstration of the WWU Leadership E-folio. A leadership portfolio is a means for a student to track leadership experience. An e-folio is an electronic method to track and reflect upon leadership knowledge, skills, values, attitudes and experiences. The software tool, purchased by WWU, will enable students to document leadership learning and experiences, guide reflection about leadership learning, and make leadership learning more explicit. Information entered into the e-folio culminates in a website that can be conveyed through a cover letter, resume, or vita to have leadership strengths easily represented. Any WWU student may utilize the Optimal Resume E-folio application to create an electronic portfolio representing their major/discipline.

11. CLIMATE ACTION PLAN

President Bruce Shepard stated that several years ago WWU made a commitment to be carbon neutral within a time period to be established, and to develop a plan to reach that objective. It is a commitment WWU is proud of. The planning is underway on campus and is getting wider engagement and questions, particularly in these economic times.

Kathy Wetherell, Interim Vice President for Business and Financial Affairs, presented an overview of the Draft Climate Action Plan. In January 2007 President Karen W. Morse signed the Presidents' Climate Commitment. This initiative is sponsored by college and university presidents across the country. It is a high visibility effort to address global warming through a joint commitment to achieve climate neutrality.

Proposed plan strategies are conservation or energy savings projects, for example the proposed "10x10 Program" which aims to reduce utility consumption in four pilot buildings by ten

percent by the end of calendar year 2010; lighting retrofits; efficient motor replacements; exit sign upgrades and building performance adjustments have already realized approximately 4% reduction in energy use. Another option, which is already in use, is Renewable Energy Credits (RECs), or carbon offsets. This option is used in place of buying 'green power', so even if you don't buy 100% green power off the grid you can still offset your carbon footprint by purchasing RECs. RECs have a cost and that money is used to support financial incentives for developers to build more renewable energy projects. Achieving climate neutrality could involve purchasing enough of these credits to neutralize our greenhouse gas emissions.

The final strategy is to study replacing on-campus utility generation with green generation, such as biomass gasification, which would replace natural gas steam generation on campus. Once the costs are quantified related to these strategies and it is decided which strategies to pursue, the Draft Climate Action Plan will be submitted to President Shepard for adoption.

President Shepard stated that University Planning and Resource Council will be discussing the Draft Climate Action Plan. One of the questions is of priorities. Every dollar WWU spends is an opportunity cost – we don't spend a dollar on something else. What do we get out of a dollar we spend to convert our boilers to biomass? In terms of priorities we need to look first at the opportunities to tangibly demonstrably reduce our carbon impact, given there are issues of opportunity cost.

Trustee Warner noted his philosophical concern with renewable energy credits. His sense is that they are more like a charitable contribution and it doesn't seem like we are actually doing our part. He would prefer spending the funds on boilers.

Trustee Ishmael said that the big push for carbon neutrality came from students, and asked how the Draft Climate Action Plan fit in with the renewable energy fee. A.S. President Jarrell stated that in 2004 an A.S. club presented a proposal for a Green Energy Fee. The power source is now all green on campus. WWU purchases renewable energy credits. This is the fifth year of the Green Energy Fee and is up for renewal. The A.S. has developed a student majority committee to review renewal of the Green Energy Fee, with final approval of the Green Energy Fee by the Board of Trustees.

12. LEGISLATIVE UPDATE

Vice President Swan stated that University Relations is making a concerted effort to increase WWU's presence in Washington, DC and visited in December to build relationships and create awareness of WWU's future appropriation requests. Meetings were held with both federal senators, Congressmen Larson and Dicks, staff members from the Higher Education Committee. With the support of the WWU Foundation, a reception was hosted for WWU alumni who work on Capitol Hill, organizing them into a network. They were responsive and welcome the opportunity to champion WWU's needs and programs.

Meetings are underway with WWU faculty who are active entrepreneurially in pursuing federal opportunities. This involves a change of culture with the faculty.

A capital project under consideration is a collaboration with Bellingham Technical College's Fisheries Program. University Relations is working to create more partnerships and coalitions through efforts with the other higher education institutions. It is resonating well with elected officials. A minimum of four trips per year is planned for meetings in Washington, DC, with the support of lobbyist Rick Agnew. Appropriations of new requests will be coming up in early 2010 and will be followed up aggressively with a number of different opportunities.

Trustee Munro requested a one-page update from Washington, DC lobbyist Rick Agnew at future Board meetings.

Sherry Burkey commented that within higher education the conversations will be to reduce the \$89.5M cut to higher education, as well as tuition, tuition flexibility and systems design. The four-year institutions collectively are preparing a 'management efficiencies' legislation package to reduce state bureaucracy as well requirements by other agencies which cause higher education to be less efficient. Key legislators have asked where WWU wants the next dollar spent. WWU testified on six proposals last week and legislators asked for more details. Examples are additional faculty for WWU's math program, as seating is now at capacity; and, the Destination Graduation program to help people who are within 25 credits of graduation to complete their degrees. All requests are focused on the priorities of the Higher Education Coordinating Board Master Plan.

Trustee Munro recommended inviting legislators annually to a Board meeting to present an update of their efforts.

13. PLANNING FOR 2011-13 GENERAL THEMES

President Shepard stated that the budget process is complicated. WWU must be responsive to the Governor's supplemental budget, but at the same time build WWU's budget proposals and decide whether to forward to Olympia for the coming biennium. The budget instructions will be sent to units with themes to consider. The themes for 2011-13 will be formed through what is heard from the "100 Conversations" which will be summarized for the Board and the campus. Theme examples are: (a) actions that will allow WWU to leverage other funds (federal lobbying program); (b) improving WWU's image on the web; (c) improving marketing (create a brand); (d) more strategic enrollment planning and management; (e) addressing extra needs of growing veteran and disabled student populations; (f) K-12 outreach; (g) ensuring degrees are earned and granted in a timely fashion; (h) getting good decision makers on and off campus; (i) installing Banner Budget and initiating Activity Based Costing; (j) compensation; and, (k) developing a destination university while strengthening regional partnerships.

Trustee Munro noted that WWU should think outside the box for other sources of funding, for example, Bellingham's waterfront offers an incredible opportunity for revenue. President Shepard advised a waterfront update will be provided later in the Board meeting.

14. CAMPAIGN PLANNING

Stephanie Bowers, Vice President for University Advancement, updated the Board on the Foundation activities related to "100 Conversations" and Foundation Capital Campaign planning. The Collins Group of Seattle will conduct a joint campaign retreat with Alumni and Foundation Boards in January. A separate retreat will be held with major fundraising staff, Deans, Vice Presidents and other partners across campus.

Also underway is development of new donor strategies, extra research of best practices across the country, processes and policies needed to run a campaign, and strengthening our on- and off-campus partnerships. University Relations and University Advancement are together developing a campaign communications plan.

Trustee Warner noted that for the Capital Campaign, the biggest challenge is addressing student financial aid, as WWU needs to be able to offset the impending increase of tuition. Vice President Bowers stated that scholarship fundraising is at the heart of the Foundation's endeavors. Fundraising is also emphasized for faculty support and student recruitment.

President Shepard stated that until this year Washington State had a program of matching endowment dollars. That program is no longer in effect, leaving WWU short of funds for programs such as the Distinguished Professorship and others. There is the serious potential of losing large donor gifts due to the lack of matching state funds.

15. AUDIT COMMITTEE REPORT

- KPMG Exit Interview

Trustee Madsen, Acting Chair of the Board Audit Committee, reported that the Board Audit Committee met with KPMG for the University's Exit Interview. KGMP had no significant deficiencies or material weaknesses in the auxiliary and university audits. KGMP particularly noted that cooperation with the Business and Financial Affairs division has been the best in their experience and work with audit clients. Financial reporting and accounting is accurate, and special thanks is due to Shonda Shipman, Accounting Director.

- State Auditor Exit Interview

The state auditors examined the University records and reported to the Board Audit Committee in an Exit Interview. The state auditors looked at auditing, accountability and legal compliance. The state auditors reviewed the following areas: safeguarding assets and inventory; payroll; personal services contracts; student fees; purchases and payments; open public meetings records; cash receipting; fuel credit cards; grants; and, conflict of interest. The state auditors

found no significant deficiencies in any area and were laudatory of the way WWU handles its affairs in complying with policies and procedures.

- **Internal Audit**

The Director of Intern Audit, Kim Herrenkohl, updated the Board Audit Committee with the twenty-one projects that were tasked for completion in 2009-10. The most significant is the IT Security audit, which is an ongoing concern for most institutions. Also reviewed were the President's expenses for the quarter, as well as the audit charter and recommended revisions to bring to current standards.

16. INFORMATION ITEMS

- **Admissions and Enrollment Planning Report**

Trustee Sharpe stated that in measuring the impacts of tuition increases, areas might be diversity yield, retention, and student activity. Economic diversity was discussed. Vice President Coughlin noted that low income / first generation students are tracked. President Shepard discussed default rates on tuition, room and board in residence halls in the current times; it is not just the students from the lowest income groups that are affected by the economic downturn.

Trustee Warner suggested tracking the number of WWU students who are under the federal assistance program – is it increasing or decreasing. Also track the number of students attending WWU through the College Bound program – is it increasing or decreasing. Trustee Sharpe suggested tracking through dashboard indicators.

Trustee Ishmael discussed also tracking the effect of the State Need Grant and Work Study, which is facing complete elimination. Another indicator is tracking students who are now forced to attend school solely on loans. By tracking socio-economic status WWU can see the entire picture of all income levels and where the university can target who is being squeezed out, rather than having a picture that focuses on just one section. Vice President Coughlin indicated that 20% of WWU students are on the State Need Grant. Over 400 students are employed through the Work Study program. Trustee Warner indicated that as WWU's tuition increases the university is competing with students who may attend private institutions. Those private institutions have endowment funds where they can discount tuition and pick-up students, which becomes a bigger challenge for WWU. Vice President Coughlin expressed concern that students will not be able to afford to live on campus but rather will live at home. Student Affairs is looking at the University of Washington's housing trend, which is now pushing for more out-of-state freshmen students.

Trustee Ishmael also suggested tracking students with multiple jobs and how that affects time to degree as well. Some students are taking on three or more jobs, working full-time while taking 15 or more credits. Trustee Munro stated that information like this is needed from faculty.

- **Alumni Relations Report**

An update was provided to the Board on Alumni Relations activities.

- **Development Report**

An update was provided to the Board on Western Washington University Foundation activities.

- **University Relations Report**

Steve Swan, Vice President for University Relations, discussed the "Branding" initiative. A presentation will be given to the Board at the February 2010 meeting.

Vice President Swan reported that the Waterfront initiative is at a critical time. On January 10, 2010 the City and Port will hear a proposal submitted on TIGER grant funds, roughly a \$42 million package submitted as part of a federal stimulus program. Follow-up detail was requested by the federal government. The project badly needs the federal funds. Those funds

would allow for the railroad to be relocated. The Cornwall bridge must be torn down and rebuilt, and railroad crossings must be upgraded. These were all critically important for the railroad to sign on to the project. The City and the Port also made submission for high speed rail funds.

The NOAA appeal was successful, however this does not mean NOAA will relocate to Bellingham.

WWU's waterfront project timeline is being adjusted because of the economic situation. Under discussion is a "Community Education Center", a multi-purpose type of facility that will allow WWU to conduct classes on the waterfront.

- **Quarterly Report on Grants and Contracts**

Trustee Fujikado asked if grant awards had increased or decreased. Provost Catherine Riordan indicated it is down from what would be expected from historical trends but further evaluation will be made. President Shepard stated that the degree of competitive federal grants and contracts is a testament to the quality of the faculty at WWU. Investment must be made in the supporting infrastructure to assist in leveraging faculty activities.

- **Capital Program Report**

An update on major capital projects and other capital items and projects of interest was provided to the Board of Trustees.

- **Student Right to Know / Clery Act**

An update was provided to the Board regarding the University's compliance with the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act.

- **2008/09 University Financial Statements**

Copies of the University Financial Statements were provided to the Board.

17. MEETING EVALUATION & FUTURE AGENDA TOPICS


18. ADJOURNMENT

The meeting adjourned at 12:00 p.m.


19. DATE FOR NEXT REGULAR MEETING: February 4 & 5, 2010

20. LUNCH PRESENTATION

Steve VanderStaay, Vice Provost for Undergraduate Education, presented "Innovations in Teaching and Learning at Western Washington University" at lunch in the Solarium.


Philip E. Sharpe, Jr.

ATTEST:


Dennis Madsen, Secretary