

**WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES**

**SPECIAL MEETING
September 24 & 25, 2009**

I. CALL TO ORDER

Chair Phil Sharpe called the special meeting of the Board of Trustees of Western Washington University to order at 12:45 p.m. at the Semiahmoo Resort, Blaine, WA.

Board of Trustees

Betti Fujikado
Sarah Ishmael
Howard Lincoln
Ralph Munro
Kevin Raymond
Phil Sharpe, Chair
John Warner
Peggy Zoro, Vice Chair

Western Washington University

Bruce Shepard, President
Liz Sipes, Secretary to the Board of Trustees

Facilitator

John Moore, Penson & Associates, Inc.

WELCOME

Phil Sharpe, Chair of the Board of Trustees, introduced Dr. John Moore of Penson & Associates, Inc. Moore has been working with the Board during President Morse's evaluation, her transition out of Western's presidency, the presidential search, and President Shepard's transition in to Western's presidency.

Sharpe welcomed two new trustees to Western's Board of Trustees – Ralph Munro and Sarah Ishmael. Sharpe noted that Munro, a Western alum, had been appointed to the Board in 1976, but never served because of a transition in the state's governor's office. Ishmael is Western's Student Trustee for 2009-2010.

The Board will be working on two themes – Retreat and Transition. The Board will be looking at what we do and how we do it, the transition of Western's leadership and the transition within the Board.

RETREAT AND TRANSITION

During the retreat the Board will:

- Assess their own performance and identify opportunities to move to a higher level of performance. Moore noted that Western's Board already is a high performing Board that speaks with one voice and follows best practices.
- Assess the partnership between the Board and the President and look at opportunities to ensure that the partnership continues to be the best that it can be.
- Continue to work with President Shepard on his "transition-in," (defined as the first 500 days of the presidency), discuss the President's impressions and priorities and how the Board can help him accomplish his priorities, and emerging issues.

TRANSITION MANAGEMENT

The President - Board Relationship

Following brief introductions, Moore reviewed the basics of the relationship between the President and the Board:

- The President is not the presidency
 - The president is a single individual who is formally appointed to assume certain responsibilities, exercise certain authority, to be held accountable within a formal role
- The President shares the presidency
 - The president relies on other people to lead the institution effectively and to achieve important things for Western. The presidency is a "collective notion" with multiple players
 - The president shares the presidency with the Board, the administrative teams, and the faculty

There are three primary roles of the university president – Educator, CEO, and Political Leader. The president must be an academic, be interested in the educational mission, embrace the values of higher education, be interested in educational policy, and be a mentor and teacher to others. As a CEO the president has to be a good steward of the institution's resources. As a political leader the president works with stakeholders with different expectations, and must be able to balance his role inside and outside the institution. Because of economics, today's presidents spend more time outside their institutions lobbying state government and fundraising.

Moore said the President and the Board need to operate in a partnership of mutual respect and interdependence, not a hierarchal relationship. He noted that this is currently being done at Western.

Performance Reviews

On what basis should the Board evaluate the president?

1. Is Western Washington continuing to improve? What metrics should be used to measure?
2. Is the president maintaining the continuing support of the critical stakeholders – faculty, administrators, Board, and other important players?

Moore said we are looking for high performance in both areas – metrics and relationships. The exemplary president deals with tough issues, and leads change with minimal unnecessary alienation. Shepard’s open and transparent leadership style lends to a good relationship with the campus community.

Moore said there are six phases for selection, development and retention of effective leadership: 1) Preparation for Search, 2) Search, 3) Transition-In 4) Development and Retention, 5) Review and Retention, and 6) Transition Out.

There are several things the Board needs to consider in the ongoing development and retention of the president. What should the Board do to ensure that the president continues to grow and performs at a high level? What can the Board do to ensure the partnership between the Board and the president remains solid?

In response to a question about the need for succession planning, Moore said that typically new presidents are hired from outside the institution; most institutions do not have a succession plan nor hire from the inside. It was agreed, as a best practice, that the Board and the president will discuss the president’s ambition, aspirations and future plans as part of the annual evaluation process. There should also be discussion on the “transition out” and how the Board can help the president plan for post-presidency. Moore said that a good employment contract also speaks to the exit strategy. Each Board member will receive a copy of President Shepard’s contract.

Moore said there are several scenarios for a transition-out: voluntarily (retirement), involuntarily, or the president has accepted a position at another institution. All of these scenarios have special challenges and the Board should have a “best practice” process in place. Moore noted that president’s stay with an institution for an average of 6-7 years and often leave institutions because of difficult economic situations or a bad political environment.

At 2:25 p.m. Chair Sharpe announced a 15 minutes break. The meeting resumed at 2:40 p.m.

At 2:40 p.m. Chair Sharpe announced that the Board would go into Executive Session to discuss personnel as authorized under RCW 42.30.110 for approximately 2 hours. No action will be taken. The meeting reconvened in Open Session at 4:40 p.m.

PERFORMANCE REVIEWS

Board of Trustees Self-Assessment

A Board of Trustees Assessment Survey was completed by each member of WWU’s Board. The purpose of the self-assessment and development process is to engage the Board in reflection for the purpose of assisting the Board in meeting its responsibilities, and sustaining a mutually supportive relationship between the Board and the President.

In reviewing the survey, there was discussion about the respective roles and responsibilities of the Board and the university administration. Especially with new trustees coming on to the Board it is important to discuss the division of policy-making between the administration and the Board.

Higher Education has changed over the last several years and Western's Board of Trustees is no longer a rubber-stamp Board. In addition to having fiduciary responsibility, the Board needs to look at how their role has changed. Open communication is essential between the Board and the president on issues such as personnel, budget, restructuring, or program elimination. At the same time, the Board needs to be careful not to micro-manage the president. It was noted that the president makes university personnel decisions, but the Board has a role in the decision of major budget expenditures.

Following small group discussion, the Trustees answered the following questions:

1. What suggestions do you have for enhancing the relationship between the Board and the President?

- The Board and the President:
 - need further conversation regarding the "division of labor" (i.e. roles and responsibilities) to achieve increased specificity
 - Continue to maintain open dialog with individual and all trustees on key issues
 - Be forthcoming and candid on issues that come before the Board
 - Create opportunities for informal casual time together, as a group and one-on-one
 - Commit to not allowing cell phones, Blackberries, tablet computers to become perceived or real distractions during Board meetings
 - If willing, the President and his wife should continue hosting dinners in their home
 - The Board should serve as a sounding board for the President
 - The Board should share intelligence with the President

Trustee Munro offered to help the President with connections in Olympia. Munro said that Western needs to raise its level of exposure and no longer compare itself with the other regional universities.

2. What suggestions do you have for enhancing the performance of the Board?

- Revisit model policies and practices that ensure public trust
- Use best practices in overseeing the affairs of the institution and in meeting fiduciary responsibilities
- Minimize standing committees, except for the Audit Committee
- The Board chair should continue having meetings with the President and others as he deems appropriate. That is good practice. The Board chair should provide the full board with brief summaries of those meetings so that we are all up-to-date
- Keep striving to make our Board meetings meaningful and productive by continuing to avoid inconsequential agenda items
- Given the natural turnover in board membership, high priority should be given to orienting new board members not only in general terms but including specific emerging issues
- The expanded two-day format should be continued
- Efforts should be made to encourage the full participation of all board members so to ensure that their voices are heard and that we have the benefit of their respective talents and experiences
- Engage the Board in strategic issue discussions.
- Engage the expertise of Board members

- Strategic issues to be set on Board annual agenda & specific meeting agenda

Munro suggested that President Shepard develop five creative ideas to present to the legislature that would not cost money but make Western, e.g. give students a tuition reduction if they attend classes in the evening.

3. What institutional issues should the Board give priority to in the future?

- **Strategic Thinking:**
 - Understand and develop effective strategies around how to approach higher education in Washington in the changed economic and policy environment.
 - How can Western be “cutting edge” to lead nationally and internationally.
- **Management:**
 - Assess the impact of budget cuts on performance as an institution and quality of education. Quantify the impact.
 - Focus on cost-effective delivery of services through continuous process improvements
 - Private fundraising (moving from a state supported institution to a state-assisted institution)
 - Develop a different business model (ask the State to take steps to eliminate state law/policy constraints on higher education business model).

Shepard said that at the October Board meeting there will be discussion on what it means to be a “publicly purposed” university. We can begin thinking about what it takes to be a leading, transforming institution and Western’s aspirations to be the best in the nation.

Moore asked what does Western do better than anybody else? Trustee Ishmael said that Leadership is Western’s distinguishing feature. WWU provides leadership training programs but also the leadership provided from the faculty. Both the students and the faculty at Western are engaged in conversation, and care about learning and making a difference.

At 6:00 p.m. the meeting adjourned for the day.

At 8:00 a.m. on September 25, the meeting reconvened for continuation of discussion. Trustee Ralph Munro was unable to participate.

President’s Performance Review

Dr. John Moore, Penson & Associates, completed a 360 performance review of President Shepard’s first year in office. His final report will be completed and shared with President Shepard, Chair Sharpe, and Trustee Warner.

A confidential self assessment was completed by President Shepard and will be shared with the Trustees only.

The results of the Faculty Senate survey of the President’s performance are confidential and will be shared with President Shepard and Chair Sharpe only. This survey process will be applied

to other administrator's evaluations and distribution is restricted to the person being reviewed and their supervisor.

It was agreed that the Board and the President will issue a public statement to the university stakeholders on the evaluation process and what they have learned from the process.

Chair Sharpe reported that the Board is extremely satisfied with President Shepard's performance during his first year in office. He is a transformational leader and has exceeded every expectation of the Board.

Western is still in the Transition In Phase of the Six Phases of the Presidency. Moore noted that the Provost and some of the Deans are in the transition in phase and all need attention to help make their transition is successful. The Board of Trustees is also in transition and needs continued strong effective leadership, continue to be unified and have a strong partnership with the president.

Emerging Presidential Priorities

President Shepard said that his white paper on the Future of the University and his Convocation remarks addressed his ideas for the future. He noted that Western is a very successful, traditional liberal arts university who knows what it is and has a sense of where it is going. Even though Western's core strengths were protected through last round of budget cuts, change is necessary because of today's environment.

President Shepard's priorities for the coming year are:

1. Continue to help the university achieve its strategic vision to "Be the Best in the Nation"
 - How:
 - 100 Conversations: conversations around the state about the future of higher education and Western's role.
 - Branding: How is WWU are going to distinguish itself?
 - Continue current initiatives: e.g. white papers on areas identified by the campus as important opportunities for advancement
 - Points 2 and 3 above are means to the end expressed here.
2. Help the campus build a political base:
 - 100 Conversations
 - Vice Presidents and Deans also leading conversations.
 - Results/feedback of 100 conversations become information data
 - Western's Leadership among publics
 - Partnership with Two-year Community and Technical Colleges
 - Maintain momentum on the Waterfront as "stewards of place" – i.e., driven by benefits for Bellingham, Whatcom county foremost.
 - Compass 2 Campus Mentoring program
 - Strengthen relationship with Unions
 - Strengthen relationship with key legislators
3. Continue to build an environment where the best can do their very best. (remove barriers for change)

- Culture of Transparency. Develop process and criteria openly. How and why decisions are made
- Transparent Operating budget process
- Transparent Capital budget process
- Information Systems, i.e. Dashboard Instruments
- Budget support systems – activity-based costing
- Break down silos
- Complete Leadership Team
 - Solidify role of Deans as core academic leaders
- Continue examination of business practices
 - Create systems of gathering better information
- Fundraising/Capital Campaign

Additional Presidential & Board priorities:

- Continuous improvement (i.e. do things differently and better)
- Develop Federal Relations (strengthen political base; funding resources)
- Rounding out Senior Administrative Team
- Develop **Dashboard Metrics** to measure impacts on changes in funding on both capacity and quality. Need to be relevant and easily accessible. Limited number of KPI's based on strategic agenda. Discuss one or more at each Board meeting.
- New Business Model
 - What will it look like?
 - Board's role vis a vis private fund raising
 - How will education be delivered?
 - Meet the expanding needs of the market
 - Distance education

At 9:40 a.m. Chair Sharpe announced a 15 minute break. The meeting reconvened at 9:55 a.m.

Emerging Issues

- 1033 Initiative

Moore observed that the president's priorities reinforce the observations and findings in the review process. The stakeholders and the president are reaching consensus around a strategic agenda for Western.

Board Development

Moore said that Western's Board of Trustees is a successful board that shares a common culture and uses best practices. With the transition of Board leadership and new trustees coming onto the Board we need to make sure the Board continues to be a high performing board.

- New Trustee Orientation
 - Robust
 - Socialize into culture of the Board
 - "Best Practices" for Trustees
 - Roles and Responsibilities for Trustees

- Assign a Trustee Mentor to the new Trustee
- Board Leadership/Trustee Transition
 - Chair & Vice Chair work as a team/partners
 - Stay informed and keep Board up-to-date
 - Eliminate seniority system for Board Officer positions
 - Board Secretary partner with Board Chair next year
 - Possible Future issue
 - Western Foundation Board liaison position
 - Bellingham resident on Board (logistics)
- Board Meetings
 - Productive, relevant
 - Discuss strategic issues
 - Indepth discussion around Dashboard Indicators
- Board Culture
 - No surprises
 - Listen and learn
 - Authority only as a group
- External Engagement
 - Clarify expectations
 - Understand role
 - Board supports & endorses the role of the WWU Foundation as the fund raising arm of the institution
 - Coordinate efforts in Olympia

After brief discussion of recruitment of Student Trustees, Trustee Ishmael will meet with the Associated Students and the President to discuss ways of improving the recruitment process.

Trustee Sharpe said the governor has requested that the Presidents and Board chairs of the state higher education institutions coordinate their efforts and speak with a “unified voice” in Olympia. Chair Sharpe said there is a group of Trustee/Regents Chairs that exists under the Council of Presidents (COP). Sharpe said that there will be a conversation with EVSC, UW, WWU and COP, but at this time it does not include EWU, CWU or WSU. He hopes that all the institutions will be ready to speak “with a single voice” by the next biennium. At the end of the 2-year biennium, they will evaluate as to whether or not it has been effective and if it should continue.

Future Performance Review

Moore said The Board Rules of Operation must say that Presidential Reviews is the sole responsibility of the Board and that they are treated as confidential personnel processes.

There are two types of reviews:

- The 360 Comprehensive Review facilitated by an external facilitator
- Annual Review where the president lays out his objectives, goals and priorities for the coming year. At the end of the year, the president reports on progress and meets with the Board.

The WWU Board of Trustees Rules of Operation includes a policy that the Board will conduct a 360 Comprehensive Review of the President, facilitated by an external facilitator, every 4 or 5 years.

It was also agreed that the President and Board Chair will develop a process for the Annual Review which will include a self-assessment and a 360 component. This component may include input from the president's direct reports, the AS President and the Faculty Senate President.

At 11:45 a.m. Chair Sharpe announced that the Board will meet in Executive Session for approximately 10 minutes to discuss personnel issues as authorized in RCW 42.30.110. At 12:00 p.m. the Board reconvened in Open Session. No action was taken.

The meeting adjourned at 12:00 p.m.