

Western Washington University  
Board of Trustees  
Agenda

**THURSDAY, June 9, 2016**

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

1. **CALL TO ORDER**  
3:00 – 3:05
  
2. **WATERFRONT EXPANSION UPDATE**  
3:05 – 3:50                      Presentation: Steve Swan, Vice President for University Relations & Community Development  
Rob Fix, Executive Director, Port of Bellingham  
Kelli Linville, Mayor, City of Bellingham
  
3. **2016 - 2017 OPERATING BUDGET AND RELATED MATTERS**
  - a. Approval of 2016 – 2017 Academic Year Tuition Fees and Rates
  - b. Approval of 2016 – 2017 Annual State Operating Budget  
3:50 – 4:00                      Presentation: Richard Van Den Hul, Vice President for Business & Financial Affairs  
Linda Teater, Director, Budget Office  
4:00 – 4:30                      Discussion
  
4. **RESOLUTION NO. 2016-05 RECOGNIZING THE SERVICE OF BRUCE SHEPARD  
RESOLUTION NO. 2016-06 RECOGNIZING THE SERVICE OF CYNDIE SHEPARD**  
4:30 – 4:45                      Presentation: Karen Lee, Chair  
Discussion
  
5. **EXECUTIVE SESSION MAY BE HELD TO DISCUSS PERSONNEL, REAL ESTATE AND  
LEGAL ISSUES AS AUTHORIZED IN RCW 42.30.110.**  
4:45 – 5:15

## **1. CALL TO ORDER**

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** Bruce Shepard, President for Steve Swan, Vice President for University Relations and Community Development

**DATE:** June 9, 2016

**SUBJECT:** **Waterfront Expansion Update**

**PURPOSE:** Discussion Item

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**Purpose of Submittal:**

Rob Fix, Executive Director of the Port of Bellingham, and Kelli Linville, Mayor of Bellingham, will give a presentation on the current status of the Waterfront Development Project.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Bruce Shepard by Vice President Richard Van Den Hul

**DATE:** June 9, 2016

**SUBJECT:** **Approval of 2016-2017 Academic Year Tuition Fees and Rates**

**PURPOSE:** Action Item

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**Purpose of Submittal:**

The Legislature and Governor have passed and signed an appropriations bill. Based on this approved bill, the Board is requested to approve the 2016-2017 Academic Year Tuition Fees and Rates. Tuition fees include both the tuition operating fee and the capital building fee for each category of student.

**Proposed Motion:**

***MOVED***, that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve a 15.0% reduction in the 2016-2017 annual tuition operating fee rate for state-funded resident undergraduate students; and

***FURTHER MOVED***, that the capital building fee for state-funded resident undergraduate students be held at the 2015-2016 assessed rate; and

***FURTHER MOVED***, that the 2016-2017 annual tuition operating fees and capital building fees for the non-resident undergraduate, resident graduate, non-resident graduate and the Masters in Business Administration (MBA) rates for resident and non-resident students be raised by 2.9% respectively.

**Supporting Information:**

Please see attached supporting information, including charts detailing proposed dollar and percent increases for 2016-2017 tuition fees and comparison data to other institutions of higher education.

**Additional Information:**

The 2016-2017 annual operating budget plan, which relies on tuition operating fee revenue generated by the tuition changes proposed under this submittal, will also be presented at the June 9, 2016 Board meeting.

Attachment:

*Supporting Information on Setting 2016-2017 Academic Year Tuition*

**WESTERN WASHINGTON UNIVERSITY  
SUPPORTING INFORMATION  
SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** President Bruce Shepard  
**DATE:** June 9, 2016  
**SUBJECT: Supporting Information on Setting 2016-2017 Academic Year Tuition**

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In an effort to reduce financial barriers to public higher education, the Washington State Legislature funded historic tuition reductions in the appropriations bill for 2015-2017. The Legislature defines “tuition” as the tuition operating fee and the capital building fee. The operating fee contributes to day-to-day operations of the University and supports Western’s annual operating budget plans. The Legislature provided funding to offset a 5.0% reduction in the operating fee for state-funded resident undergraduate tuition for the academic year 2015-2016, and an additional 15.0% reduction in the academic year 2016-2017.

The Legislature did not fund any reduction to the operating fee portion of non-resident undergraduate or any graduate tuition rates, choosing instead to uphold the long-standing authority of the Board of Trustees to set those rates as deemed necessary to support the ongoing needs of the institution.

**Proposed 2016-2017 Tuition Rates for WWU**

It is recommended that Western reduce the state-funded resident undergraduate operating fee by 15.0%, as required by the Legislature in the 2015-2017 Operating Budget bill, and hold the capital building fee for this student class at the 2014-2015 annual rate. After review by the campus, and upon the concurrence of the Vice Presidents and Deans, it is recommended that tuition fees for non-resident undergraduate, resident graduate, non-resident graduate, and Masters of Business Administration (MBA) rates for resident and non-resident students be raised by 2.9% respectively.

Table 1 below details proposed 2016-2017 tuition fees (tuition operating and capital building fees). As required by law, proposed capital building fee percentage increases are equivalent to the tuition operating fee percentage increases for each student category, with the exception of the resident undergraduate category. The building fee is legislatively restricted from being increased or reduced for resident undergraduate students.

Table 1

Western Washington University				
Proposed 2016-2017 Tuition Rates (Operating Fee and Capital Building Fee)				
TUITION FEES				
	2015-16	2016-17	\$ Change	% Change
<b><u>Operating Fee</u></b>				
Resident Undergraduate*	\$6,849	\$5,822	-\$1,027	-15.0%
Non-Resident Undergraduate	\$18,722	\$19,265	\$543	2.9%
Resident Graduate	\$8,489	\$8,735	\$246	2.9%
Non-Resident Graduate	\$18,141	\$18,667	\$526	2.9%
Resident MBA	\$9,841	\$10,126	\$285	2.9%
Non-Resident MBA	\$19,527	\$20,093	\$566	2.9%
<b><u>Capital Building Fee</u></b>	2015-16	2016-17	\$ Change	% Change
Resident Undergraduate	\$294	\$294	\$0	0.0%
Non-Resident Undergraduate	\$773	\$795	\$22	2.9%
Resident Graduate	\$225	\$232	\$7	2.9%
Non-Resident Graduate	\$568	\$584	\$16	2.9%
Resident MBA	\$241	\$248	\$7	2.9%
Non-Resident MBA	\$602	\$619	\$17	2.9%
<b><u>TOTAL TUITION (Operating Fee and Capital Building Fee)</u></b>	2015-16	2016-17	\$ Change	% Change
Resident Undergraduate*	\$7,143	\$6,116	-\$1,027	-14.4%
Non-Resident Undergraduate	\$19,495	\$20,060	\$565	2.9%
Resident Graduate	\$8,714	\$8,967	\$253	2.9%
Non-Resident Graduate	\$18,709	\$19,252	\$543	2.9%
Resident MBA	\$10,082	\$10,374	\$292	2.9%
Non-Resident MBA	\$20,129	\$20,713	\$584	2.9%

\*Tuition reduction is applied to operating fee only; therefore, total tuition is reduced slightly less than 15%.

**Resident Undergraduate Tuition:** The majority of Western's students are resident undergraduates, making up approximately 87.0% of the headcount for the 2016 academic year. A decrease of 15.0% in the operating fee component of the tuition fees is recommended for this student group, equating to an annual decrease of \$1,027.

- In 2016, both UW and WSU undergraduate rates were approximately 39.0% higher than Western.
- With regards to the Board-approved Peer List, 73.0% of Western's peer group fall at or below Western's undergraduate 2015 tuition and fees.

**Non-Resident Undergraduate Tuition:** Non-resident undergraduate students represented approximately 10.0% of Western's 2016 academic year headcount. The proposed tuition increase for non-resident undergraduate students is 2.9%, equating to an annual increase of \$565.

- Tuition increases for this classification for the past two years were 2.9% and 3.0%, as compared to resident undergraduate increases of 0.0% and 0.0% respectively.
- In 2016, UW non-resident undergraduate tuition was 63.0% higher than Western.
- With regards to the Board-approved Peer List, 70.0% of Western's peer group fall at or below Western's non-resident undergraduate 2015 tuition and fees.

**Resident Graduate Tuition:** Resident graduate students represented 2.6% of Western's 2016 academic year student headcount. The proposed tuition increase for resident graduate students is 2.9%, equating to an annual increase of \$253.

- Tuition increases for this classification for the past two years were 2.9% and 3.0% as compared to resident undergraduate increases of 0.0% and 0.0% respectively.
- In 2016, UW resident graduate tuition was 60.0% higher than Western.
- With regards to the Board-approved Peer List, 65.0% of Western's peer group fall at or below Western's resident graduate 2015 tuition and fees.

**Non-Resident Graduate Tuition:** Non-resident graduate students represented less than 1.0% of Western's 2016 academic year student headcount. The proposed tuition increase for non-resident graduate students is 2.9%, representing an annual increase of \$543.

- Tuition increases for this classification for the past two years were 2.9% and 3.0%, as compared to resident undergraduate increases of 0.0% and 0.0% respectively.

- In 2016, UW non-resident graduate tuition was 40.0% higher than Western.
- With regards to the Board-approved Peer List, 69.0% of Western's peer group fall at or below Western's non-resident graduate 2015 tuition and fees.

**Masters in Business Administration (MBA)**: The MBA tuition rate is currently the only differentiated tuition Western charges. Approved by the Board of Trustees during the 2011-2013 biennial tuition setting process as part of a long-term strategy to price the MBA program appropriately in the marketplace, MBA resident and non-resident students are annually assessed 16.0% and 8.0% higher than other resident and non-resident graduate students, respectively. The proposed tuition increase for both resident and non-resident MBA students is 2.9%, representing an annual increase of \$292 and \$584 respectively, to continue this long-term strategy.

Attachment:

***Attachment A***    *2015-16 Tuition and Fee Rates for Washington Universities*

**Western Washington University  
2015-16 Tuition and Fee Rates for Washington Universities\***

	Undergraduate		Graduate	
	Resident	Nonresident	Resident	Nonresident
<b>Western Washington University</b>				
Tuition and Fees	\$8,611	\$20,963	\$10,182	\$20,177
Average WA State Higher Ed Sector	\$9,530	\$24,512	\$11,840	\$24,146
Dollar +/-	<b>(\$919)</b>	<b>(\$3,549)</b>	<b>(\$1,658)</b>	<b>(\$3,969)</b>
Percent +/-	<b>-9.6%</b>	<b>-14.5%</b>	<b>-14.0%</b>	<b>-16.4%</b>
<b>University of Washington</b>				
Tuition and Fees	\$11,839	\$34,143	\$16,278	\$28,326
Average WA State Higher Ed Sector	\$9,546	\$24,121	\$11,704	\$23,872
Dollar +/-	<b>\$2,293</b>	<b>\$10,022</b>	<b>\$4,574</b>	<b>\$4,454</b>
Percent +/-	<b>24.0%</b>	<b>41.5%</b>	<b>39.1%</b>	<b>18.7%</b>
<b>Washington State University</b>				
Tuition and Fees	\$11,967	\$25,567	\$12,745	\$26,177
Average WA State Higher Ed Sector	\$9,546	\$24,121	\$11,704	\$23,872
Dollar +/-	<b>\$2,421</b>	<b>\$1,445</b>	<b>\$1,041</b>	<b>\$2,304</b>
Percent +/-	<b>25.4%</b>	<b>6.0%</b>	<b>8.9%</b>	<b>9.7%</b>
<b>Eastern Washington University</b>				
Tuition and Fees	\$7,866	\$22,272	\$11,738	\$26,212
Average WA State Higher Ed Sector	\$9,530	\$24,512	\$11,840	\$24,146
Dollar +/-	<b>(\$1,664)</b>	<b>(\$2,240)</b>	<b>(\$102)</b>	<b>\$2,066</b>
Percent +/-	<b>-17.5%</b>	<b>-9.1%</b>	<b>-0.9%</b>	<b>8.6%</b>
<b>Central Washington University</b>				
Tuition and Fees	\$8,688	\$21,501	\$10,377	\$21,903
Average WA State Higher Ed Sector	\$9,530	\$24,512	\$11,840	\$24,146
Dollar +/-	<b>(\$842)</b>	<b>(\$3,011)</b>	<b>(\$1,463)</b>	<b>(\$2,243)</b>
Percent +/-	<b>-8.8%</b>	<b>-12.3%</b>	<b>-12.4%</b>	<b>-9.3%</b>
<b>The Evergreen State College</b>				
Tuition and Fees	\$8,209	\$22,624	\$9,719	\$22,082
Average WA State Higher Ed Sector	\$9,530	\$24,512	\$11,840	\$24,146
Dollar +/-	<b>(\$1,321)</b>	<b>(\$1,888)</b>	<b>(\$2,121)</b>	<b>(\$2,064)</b>
Percent +/-	<b>-13.9%</b>	<b>-7.7%</b>	<b>-17.9%</b>	<b>-8.5%</b>

\*Note: Tuition and Fees for Washington's 4-year institutions includes the institution's operating fee, capital building fee, and all mandatory fees

## **WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Bruce Shepard by Vice President Richard Van Den Hul

**DATE:** June 9, 2016

**SUBJECT:** **Approval of the 2016-2017 Annual State Operating Budget**

**PURPOSE:** Action Item

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### **Purpose of Submittal:**

Based on the conference committee budget passed during the 2016 Session of the Legislature, and as signed by the Governor, the Board is now asked to approve the 2016-2017 State Operating Budget for Western Washington University.

In addition, the Board will be asked to approve 2016-2017 tuition rate increases at its June 9, 2016 meeting, providing revenue necessary to support the 2016-2017 annual operating budget.

### **Proposed Motion:**

***MOVED***, that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve a 2016-2017 Annual State Operating Budget of \$160,272,642 consisting of a State Appropriations in the amount of \$75,832,000; Western Washington University tuition operating fee funds of \$80,232,467; and administrative services assessment revenue of \$4,208,175.

### **Supporting Information:**

See attached Supporting Information of the 2016-2017 Annual State Operating Budget.

### **Source of Funding:**

State appropriations (general fund-state, education legacy trust funds, and capital projects account); net tuition operating fee revenue; and administrative services assessment revenue.

Attachment:

*Supporting Information for Approval of the 2016-2017 Annual State Operating Budget*

**WESTERN WASHINGTON UNIVERSITY  
SUPPORTING INFORMATION  
SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Bruce Shepard by:  
Richard Van Den Hul, Vice President for Business and Financial Affairs  
Linda Teater, Budget Director

**DATE:** June 9, 2016

**SUBJECT:** **Supporting Information for Approval of the 2016-2017 Annual State Operating Budget**

**Schedule of Approvals for 2016-2017 Annual State Operating Budgets**

At the June 9, 2016, Board meeting the Board of Trustees will be requested to approve tuition rates for all student categories for the 2017 academic year. At this same meeting, the Board will be asked to approve the 2016-2017 Annual State Operating Budget, which relies on the projected tuition operating fee revenues generated from these tuition rate proposals.

**Introduction**

In order to fund the basic instructional and academic support missions of the institution, the President is proposing, for Board approval, a 2016-2017 budget for state funded operations which reflects revenue and expenditure estimates available for University operations from state appropriations, net tuition operating fees, and the administrative services assessment.

**Proposed FY2016-2017 Annual State Operating Budget**

A summary by revenue source is included in the table below. Please note that tuition operating fee revenue is presented net of tuition waivers and Western's student/loan grant fund contribution at 4.0%.

2016-2017 Fiscal Year		
WWU State Operating Budget		
by Funding Source		
Funding Source	Proposed for Board Approval FY17	% of Budget
State Appropriations	\$ 75,832,000	47%
Net Tuition Operating Fees	80,232,467	50%
Administrative Services Assessment	4,208,175	3%
<b>State Operating Budget</b>	<b>\$ 160,272,642</b>	<b>100%</b>

### **Western's Budget Process**

Last year, through Western's open, transparent, and bottom up process, the campus developed an operating budget for the current biennium. The Board of Trustees approved the first year of that two-year budget at a special meeting in July 2015. This spring, the budget process re-examined year two of that budget to see if there are adjustments, or "emergent issues," that should be included in the FY2016-2017 annual operating budget for the Board to act upon.

Campus planning unit leaders submitted proposals for emergent issue requests for the FY2016-2017 operating budget in April 2016 after the legislative session ended. Proposals were presented to the University Planning and Resources Council, and audiocast to the campus with venues for feedback.

### **Budget Recommendation Detail**

The President, Vice Presidents and Deans evaluated all the requests and recommended a budget which includes among other things: funding for competitive compensation for faculty and staff, the diversity initiative advancing critical cultural consciousness, expanded funding for the Education and Social Justice minor, replacement of grant funding to continue the strides made toward suicide prevention, funding to strengthen laboratory safety practices, and funding for the enhancement of first year math instruction.

See Attachment A for a copy of this recommendation, or the web version with active hyperlinks may be reviewed at this

location: <http://www.wvu.edu/upb/Emergent/201617emerg/201617emergnar.pdf>.

The President now recommends the Board of Trustees approve the state operating budget in the amount of \$160,272,642 for the 2016-2017 fiscal year.

Attachment:

***Attachment A – Proposed 2016-17 Operating Budget***

May 4, 2016

TO: Western Washington University Faculty, Staff, and Students

FROM: Bruce Shepard, President  
Joined by the Vice Presidents and Deans

SUBJECT: Proposed 2016-17 Operating Budget

The university's budgeting processes are complicated: multiple processes simultaneously occurring. So, before launching into a summary of our proposed 2016-17 operating budget, I will place it in context.

There are both capital and operating budget processes. Capital budget recommendations are nearing completion. On the operating budget side, there is both a biennial budget *request* process (where we decide what to ask the State for) and an operating budget *allocation* process (how we will actually allocate funds once the State has determined appropriations for Western).

Earlier, I wrote to you seeking feedback on proposed [2017-19 budget request priorities](#). Today's subject is different: settling upon an operating budget for the fiscal year immediately ahead.

When it comes to our operating budget, there are actually two processes: a biennial operating budget process prior to the beginning of a biennium and then, embedded within it and for the second year of the biennium, a budget process where we look at possible adjustments to the second year operating budget: matters that have emerged since that original two-year operating budget was adopted.

We are now budgeting for 2016-17, the second year of the 2015-17 biennium. So, most of the heavy lifting was done last year as we, bottom up and together, developed [the 2015-17 operating budget](#). Now, it's time to "tidy up any loose ends" so that I may recommend a 2016-17 fiscal year operating budget to our Board of Trustees for their consideration at the June meeting.

Our processes for developing the 2016-17 budget, bottom up and transparently, are described [here](#). The various proposals have long been available for your critical scrutiny on the [web pages of the University's Budget Office](#) under the heading "FY17 Emergent Budget Requests by Division."

The budget requests that emerged for the 2016-17 fiscal year were considered by the widely representative [University Planning and Resources Council](#). A summary of the individual rankings of those serving on the UPRC is available [here](#). Those ranking alone understate the

benefits we have all had of sitting around the table together in UPRC meetings as the proposals were discussed. We would welcome UPRC insights and their reactions to the thinking we now share with campus as the period for further comment remains open.

The deans, vice presidents, and I met together to consider the 2016-17 operating budget. As a starting point, we used the plans for 2016-17 that were incorporated in the [2015-17 operating budget you saw last year](#).

Our first priority was to assure a fiscally sound budget: one that could be sustained in the years ahead and that would maintain the capacity to cover known expenses in the out years that we are already firmly committed to (e.g., contractual commitments regarding compensation, funding for a major portion of a substantially expanded ESC/Multicultural Services facility).

With such forward-looking fiscal integrity a given, we then gave top priority to truly “emergent” items: essential expenditures for 2016-17 that were not anticipated this time last year. As available funds permitted, we also were prepared to seriously consider moving to base funding those initiatives that had proved successful but that, as experiments, were previously funded using one-time sources.

Further, we had, as a goal, adopting a budget that would not, because of the number of emergent needs funded, require that we make cuts to divisions. That limited the number of “emergent” proposals we were able to fund and also caused us to critically examine the details of the emergent issues that, at least in part, we felt it necessary to fully fund. In so doing and trying to stretch limited dollars as far as possible, we were looking for the most essential parts of particular proposals and also looking for alternative ways to fund particular proposals.

## Overview

We took a university-level view; that is, we did not get down into divisional and departmental line items. Just the proposals that have come up from departments through divisions, and to the university level. That does mean, of course, that the budget summary you are now reading does not capture all the budget adjustments made at departmental and divisional levels as needs emerge and as challenges and opportunities require response. These regular, essential, and extensive budgetary adjustments take place following the processes and procedures practiced within each division.

For that university-level view and as in years past, we adopt a sources/uses approach. This means that we focus at the margin: what additional sources are available; what new uses or needs should be considered? And, as this is a budget for the second year of the biennium, we focus on the margin in a second sense: the items being proposed are the marginal second-year budget additions that would come on top of or in addition to any allocation that was included in the already approved year-one budget.

## Sources

“Sources” are where additional funds would come from to cover new “uses.” They can come from legislative appropriations, tuition revenues, investments to improve efficiency, and expanded entrepreneurial efforts. “Sources” may, and have, included program reductions or eliminations as well as budget cuts.

Sources for 2016-17 remain largely the same as was anticipated in last year’s 2015-17 budget. This is true for tuition rates, utility savings, auxiliary chargeback revenues, increases in the auxiliary chargeback rates, and state appropriations for year 2 compensation increases. As regards these matters, the numbers you saw last year for 2016-17 are what you will again see in today’s proposals.

We are also able to recommend, as we thought last year would be possible, an operating budget for 2016-17 that does not require program eliminations or cuts to the recurring budgets for divisions. That did mean, though, that only a portion of the emergent requests could be included in the proposal we are bringing to you.

The “sources” side of the budget does include an additional state appropriation of \$732,000 because, thankfully, the legislature heard and responded to our arguments that their funding of the 15% tuition buy down had been miscalculated. (Unfortunately, on the “uses” side, the legislature added three mandatory expense items not anticipated last year and totaling \$670,000 so, what one hand added, the other hand, more or less, took away.) With shifts in our enrollment profiles, we also project tuition revenues \$785,000 above the figures we were using last year.

## Uses

“Uses” include budget obligations mandated by the legislature as well as needs and opportunities. In this, a “second year of the biennium” operating budget, we first considered unanticipated needs that emerged after the campus built the 2015-17 operating budget.

The “uses” proposed for the 2016-17 operating budget total \$7,916,323 (not counting the mandated tuition buy down). Included within that total are \$3,749,137 in allocations for 2016-17 that were accepted as a part of the biennial budget proposed last year. That number grew as we allocated additional funds to cover compensation increases either not anticipated or that seemed not possible last year. Of the remaining 2016-17 “emergent” proposed uses – these are the truly new items – our recommendations would cover about half the total dollars requested.

In overview, the proposed 2016-17 operating budget “uses” we would fund are:

- **Tuition Reduction:** Resident undergraduate tuition will be reduced by 15%. This is on top of last year's reduction of 5%. These are the amounts anticipated last year but, given the fiscal challenges the legislature was dealing with this year, keeping the 15% tuition "buy down" in place is a significant achievement. An expenditure of \$11,414,000, this is, by far, the single largest component of Western's 2016-17 sources/uses proposal.
  
- **Competitive Compensation:** This top priority was a major component of the biennial budget developed last year.
  - Salary increases over the biennium for classified colleagues averaged more than double what their counterparts in other state agencies (and universities) saw thanks to shared vision and commitments during negotiation of classified contracts at Western.
  - The faculty/university contract had not been settled when the 2015-17 operating budget was developed. The final contract takes average faculty compensation to above the 75<sup>th</sup> percentile of peers. With final contract numbers now known, this does require increasing the amount for 2016-17 faculty compensation above what had been set aside last year.
  - For professional staff, we had proposed an average salary increase of 4% for 2015-16 and 3.5% for 2016-17 during last year's biennial budget development. We have known, though, with success in funding classified and faculty salaries, our greatest shortfall when it comes to competitive compensation involves our professional staff colleagues. The vice presidents, deans, and I are pleased that, in the proposals before you, we will be able to make more progress than we thought possible this time last year: 2016-17 salary budget for professional staff is increased to 4.5% rather than 3.5%. This will provide additional funding to implement the Professional Staff Compensation Plan being finalized by PSO in partnership with Human Resources.
  
- **Previously Decided Initiatives:** Some of the initiatives that were included in the 2015-17 biennial budget decided last year identified additional year-two budget allocations. These are all included in the budget now being proposed. The items are: the diversity initiative advancing critical cultural consciousness, base funding for the WWU employee language program, expanded funding for the Education and Social Justice minor, additional funding for the student success/strategic enrollment management initiative, implementation of aspects of the plan for long-term repair and maintenance of parking lots, and funding of Advancement's analytical data toolset.
  
- **New Budget Requirements Resulting from 2016 Legislative Session:** We have no choice here: must cover unfunded benefit rate increases and that portion of the increase in employee health care insurance the state assigned to be covered by the (frozen) tuition portion of our budget.

- **Essential Infrastructure Investments:** These are, by and large, items that simply must be covered, Now. Or, risk significant failure. Included are funds to support the enterprise compute and storage infrastructure, the enterprise voice communications system, and a system for digital media management. Given the clear efficiencies that would result, we also included funding for software to improve the efficiency of our curriculum management and degree audit responsibilities.
- **Emerging and Urgent Program Needs:** Over the last year, we concluded, with some urgency, that we must change our approach to investigation of alleged sexual assaults, that we must augment the ways in which we support safe laboratory practices (remember the Chemistry Building fire?), and in improving diversity within our Honors Program. We would also place “enhanced first year math instruction” as an urgently needed academic program improvement.
- **Base Funding for Successful Initiatives:** Several initiatives, tried out using one-time funding, have proved sufficiently successful as to justify base budget funding. These are: the employee wellness match program for use of Wade King, the originally grant-funded program targeting suicide prevention, and the Front Door to Discovery program.

There were, of course, a number of proposed uses that we **do not** include. These fall into several categories:

- There are proposals that did not meet our sense of “emergent” and, instead, should become part of the 2017-19 biennial budget process. These include migration to Banner 9, the request from the Office of Sustainability, the proposal to enhance funding for Scientific and Technical Services, and the Palliative Care Institute proposal. We would encourage the consideration of these items, along with and in comparison to other opportunities, when, a year from now, Western next builds a comprehensive biennial budget.
- There were also several items we believe need to be more fully analyzed, perhaps bringing in outside advisers, to be sure we are proceeding in the most efficient and effective ways possible before we commit to further base budget funding. Included are the proposals to establish a victim advocate as part of our law enforcement resources and base funding our support for disAbility Services.
- Proposals where we propose alternative approaches. As the detailed sources/uses table will show, not all proposals were funded at the full request level. This is because – and as is explained in the detail attached to those tables – we sought alternative approaches to meeting the need or decided to concentrate on what we saw to be the most essential

and urgent of the elements covered in a proposal. This list also includes funding to cover a portion of the costs of remodeling Carver that the legislature had left to the campus. Last year, we budgeted for long-term borrowing and repayment, what are called “certificates of participation.” We now believe these obligations can be covered in a more cost-effective manner using portions of minor capital projects funds and one-time savings. Further, while we recognize that expansion of capabilities in Advancement will benefit the university in dollar and cents terms and is essential in preparing for the next campaign, we believe that Advancement will, going forward, be able to identify sources of revenue to supplement current allocations of state funding.

We did critically review the preceding preliminary assessments with the rankings provided by UPRC in mind. Looking at the top ten items in the UPRC rankings, we are agreed on seven. The three we would not fund that are in UPRC’s top ten are Banner 9 conversion, disAbility Services base funding, and future funding for Scientific Technical Services. These are three items we believe should be reconsidered as a part of a biennial budgeting process. For reasons we share in the detail attached to these items in the sources/uses table below, we continue to believe Banner 9 and disAbility Services need more careful analysis before funding needs are clear and included in the University’s base budget. Based upon the priorities assigned by UPRC, though, we did add back in funding for the STS proposal. We will return, in our conclusion, to the needs for clarity regarding just what are “emergent” items.

### **The Details**

For each proposed use, there are detailed budget spreadsheets and a narrative. Those can be reached through the divisional links under the “FY17 Emergent Budget Requests By Division” heading on the [home page for the University Budget Office](#).

The real heart of the work we have done is found in a [2016-17 Sources and Uses Table](#). That table gives you an overview. And, from links in the table, you can drill down for more detail.

Please use the budget forums to ask questions, seek clarifications, and provide feedback. They are available from the University Budget Office [home page](#).

The period for comment remains open until May 18<sup>th</sup>. I will then finalize the recommendations I am obliged to make for consideration by our Board of Trustees at their June meeting.

### **A Conclusion**

We have come a long way in our budgeting processes. Some of us recall back eight years ago when there simply were no transparent budgeting processes: open, bottom up, participative, strategic, or otherwise. Just none.

Every year, though, we continue to find needs to improve the process. This time around, we struggled somewhat with a matter that clearly requires reconsideration and then clarification. We have always thought of the “year 2” part of the biennial budgeting process as tying up loose ends and dealing with, as the budget instructions specify, “emergent” issues. What are “emergent issues”?

For us, “emergent” and “emergency” share more than a similarity in linguistic origin. Emergent items are items that just cannot wait until the next biennial budget cycle. It seemed, though, that the year 2 process was beginning to resemble the comprehensive biennial year 1 budget process: a chance to bring forward great ideas and important needs, emergency or otherwise.

Mixing the two types of proposals together (emergent and new ideas) may largely explain the ways in which the recommendations herein do not entirely track with the summary of rankings furnished by UPRC. We first addressed emergent items that had to be funded and then urgent infrastructure and other program needs, followed by, as funds permitted, base funding of successful experimental programs, and we set aside items that clearly could wait for the next biennial budget cycle. UPRC considered the set of items as a whole on what appeared to be an equal basis, ranking all pooled together. Quite legitimately. But, it does illustrate a need for clarification.

There is no right or wrong approach here. What is important, though, is that we are clear about the approach to be followed. Important in order to be fair to all playing by the same rules and important in order to make effective use of everybody’s time in developing proposals germane to the requirements of a particular budget process.

One approach is biennial: every two years there is a broad campus engagement in the review of the many alternatives talented and creative colleagues develop for consideration by us all. In off years, there would remain the need to do minor adjustments and attend to emergent issues that could not wait until the next biennial cycle.

The alternative is to go through the broad comprehensive review annually.

With the benefit of new presidential leadership, this will be but one of what are certain to be many opportunities for improvements to our strategic budgeting processes. But, for the record, we do conclude with this evident need to be clear on whether ours is to remain a biennial process. Or, become annual.

## WESTERN WASHINGTON UNIVERSITY - 2016-17 SOURCES AND USES

	FY16-17	
	<u>Proposed</u>	<u>Decided</u>
NET (Decided Sources Minus Decided Uses)		730
<b>SOURCES</b>		
<b>ITEMS RECOMMENDED AND DECIDED JULY 2015</b>		
1	<a href="#">Rollover to Yr 2 of Yr 1 of under-committed (over-committed) base budget</a>	1,031,050
2	Utility savings from prior conservation investment	23,955
		1,031,050
		23,955
<b>NEW SOURCES:</b>		
<b><a href="#">Additional Tuition Revenue</a></b>		
3	Resident Undergraduate	0
4	Non-Resident Undergraduate	624,260
5	Resident Graduate	70,023
6	Non-Resident Graduate	45,808
7	<a href="#">College Affordability Program</a> (Backfill 15% tuition reduction for res undergrads)	11,163,000
8	<a href="#">Tuition waiver savings</a> due to resident undergrad tuition reduction	1,307,119
9	<a href="#">Adjustment to Tuition Revenue Estimate</a> for 2016-17	---
		785,000
<b><a href="#">Recurring Cuts to State Operating Budgets</a></b>		
10	Academic Affairs	0
11	Business and Financial Affairs	0
12	Enrollment and Student Services	0
13	University Advancement	0
14	University Relations	0
<b>Administrative Services Assessments</b>		
15	<a href="#">Revenue from overhead assessment</a> as auxiliary income has changed <a href="#">Increase in Auxiliaries Assessment</a> (5%) by Division	242,295
16	Academic Affairs	65,355
17	Business and Financial Affairs	24,275
18	Enrollment and Student Services	113,796
<b><a href="#">Compensation Appropriations</a></b>		
19	Classified Collective Bargaining Agreements	149,000
20	General Wage Increases - State Employees	495,000
21	Compensation State Support (backfill tuition portion of salary increases)	1,690,000
	<b>Total State Appropriation for Compensation</b>	<b>2,334,000</b>
		<b>2,334,000</b>
<b>TOTAL NEW SOURCES</b>		<b>17,829,937</b>

USES

**ITEMS RECOMMENDED AND DECIDED AS PART OF YEAR 1 BUDGET PROCESS**

1	<a href="#">College Affordability Program</a> (reduce res undergrad tuition by 15%)	11,413,929	11,413,929
2	<a href="#">Impact of graduate tuition increase on graduate assistant tuition waivers</a>	74,122	74,122
3	<a href="#">Faculty Compensation</a>	2,250,879	2,675,198
4	<a href="#">Classified Compensation</a>	367,566	367,566
5	<a href="#">Professional Staff and Exec Compensation</a>	878,048	1,128,919
6	<a href="#">Advancing Critical Cultural Consciousness at Western</a>	54,539	54,539
7	<a href="#">WWU Employee Language Program</a>	57,424	57,424
8	<a href="#">Education and Social Justice Minor Support</a>	83,803	83,803
9	<a href="#">Student Success, Strategic Enrollment Management</a>	400,000	400,000
10	<a href="#">Implement Parking Lot Long-Term Repair/Maintenance Stabilization Plan</a>	7,533	7,533
11	<a href="#">Carver (Certificate of Participation Debt Payment)</a>	450,000	0
12	<a href="#">Analytical Data Toolset for Advancement Database</a>	32,400	32,400
<b><u>Institutional</u></b>			
13	<a href="#">Central Service Charge for OFM Services</a>	91,000	
14	<a href="#">Legislatively unfunded benefit rate increases</a>	579,000	579,000
15	<a href="#">Employee Wellness Match Program</a>	25,000	25,000
16	<a href="#">disAbility Services</a>	625,000	
<b><u>Academic Affairs</u></b>			
17	<a href="#">Enhancement of First Year Math Instruction</a>	125,000	125,000
18	<a href="#">Title IX Investigator and Related Administrative Support</a>	164,726	164,726
19	<a href="#">Migrate to Banner 9 on the XE Platform</a>	285,697	
20	<a href="#">Enterprise Compute and Storage Infrastructure</a>	56,160	56,160
21	<a href="#">Enterprise Voice Communications System</a>	81,000	81,000
22	<a href="#">Office of Sustainability Request</a>	181,890	
23	<a href="#">Creating a Sustainable Future for Scientific Technical Services (STS)</a>	63,358	63,358
24	<a href="#">Honors Student Life Coordinator and Base Budget Section Funding</a>	113,268	56,634
25	<a href="#">Palliative Care Institute</a>	131,976	
<b><u>Enrollment and Student Services</u></b>			
26	<a href="#">Curriculog Curriculum Management</a>	16,529	16,529
27	<a href="#">Degree Works: Replacement for Current Degree Auditing Platform</a>	23,505	23,505
28	<a href="#">Suicide Prevention</a>	92,366	92,366
<b><u>Business and Financial Affairs</u></b>			
29	<a href="#">Establishing a Victim Advocate to Enhance a Victim-centered Approach</a>	85,037	
30	<a href="#">Strengthen Laboratory Safety Practices at Western</a>	199,361	105,000
31	<a href="#">Talent Management Software Suite</a>	10,911	
<b><u>University Advancement</u></b>			
32	<a href="#">Permanent Funding for Key Advancement Staff</a>	199,300	
<b><u>University Relations &amp; Community Development</u></b>			
33	<a href="#">Digital Asset Media Management Content System</a>	27,000	27,000
34	<a href="#">Director of Front Door to Discovery Program</a>	118,496	118,496
<b>TOTAL RECURRING NEW NEEDS</b>		<b>19,365,823</b>	<b>17,829,207</b>
<b>UNFUNDED RECURRING NEEDS</b>			<b>1,536,616</b>

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** Karen Lee, Chair, Board of Trustees  
**DATE:** June 10, 2016  
**SUBJECT:** **Recognition of Bruce and Cyndie Shepard**  
**PURPOSE:** Action Item

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The Trustees will recognize President Bruce Shepard and First Lady Cyndie Shepard for their outstanding achievements and service to the University.

- Resolution No. 2016-05 Recognizing the Service of Bruce Shepard
- Resolution No. 2016-06 Recognizing the Service of Cyndie Shepard

**RESOLUTION NO. 2016-05**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF  
WESTERN WASHINGTON UNIVERSITY  
RECOGNIZING THE SERVICE OF  
*Dr. W. Bruce Shepard*  
AND CONFERRING THE TITLE  
PRESIDENT EMERITUS  
WESTERN WASHINGTON UNIVERSITY**

**WHEREAS, DR. W. BRUCE SHEPARD** was appointed President of Western Washington University by its Board of Trustees in September 2008; and

**WHEREAS, W. BRUCE SHEPARD** will retire from the presidency of Western Washington University on June 30, 2016; and

**WHEREAS, W. BRUCE SHEPARD** has had a distinguished career spanning four decades as an educator and academic leader in public higher education, including eight years of service as President of Western Washington University, seven years of service as Chancellor of the University of Wisconsin-Green Bay, six years of service as Provost of Eastern Oregon University, and twenty-three years at Oregon State University, where he earned tenure as a Professor of Political Science and served in numerous administrative roles; and

**WHEREAS,** under his leadership, Western Washington University has received national recognition for academic excellence, including repeated recognition by US News and World Report as the highest-ranking public master's-granting university in the Pacific Northwest; as one of the best values in public higher education by Kiplinger's; and as being the top national producer of Fulbright Scholarship recipients in 2013 among public master's-granting institutions; and

**WHEREAS**, under his leadership, Western Washington University has been recognized for community service and commitment to veterans, including for having more alumni serving in the Peace Corps than any other medium-sized university in the nation for three consecutive years; for and as a “Military Friendly School” for six consecutive years, placing Western in the top twenty percent of all higher education institutions nationwide; and

**WHEREAS, W. BRUCE SHEPARD** successfully led Western through the financial hardship of the Great Recession, effectively managing the University’s finances during or despite a fifty percent reduction in state support, protecting the core academic excellence of Western while maintaining affordability for students; and

**WHEREAS**, through his leadership, **W. BRUCE SHEPARD** has strengthened Western’s commitment to serving first-generation, low-income and traditionally underrepresented students, and has worked to ensure that quality higher education is accessible to all students regardless of their circumstances of birth; and

**WHEREAS, W. BRUCE SHEPARD** has consistently challenged the campus and the broader community throughout Washington State to reflect on questions of privilege, equity and social justice, and has fostered a more inclusive and equitable campus environment through multiple initiatives to enhance the quality of life for all students, faculty and staff; and

**WHEREAS, W. BRUCE SHEPARD** has been a champion of shared governance, transparency and bottom-up decision making, putting in place budgeting and strategic planning processes that have more fully empowered and engaged the University community; and

**WHEREAS**, under his leadership, Western Washington University has elevated its reputation and recognition in the Pacific Northwest, leading to the success of the sixty-two million dollar Western Stands for Washington comprehensive fundraising campaign, innovative new models of public-private collaboration, and enhanced stature and effectiveness in the halls of the State Capitol; and

**WHEREAS**, during his tenure as President, **W. BRUCE SHEPARD** has distinguished himself among the Washington Council of Presidents for his passionate advocacy on behalf of the transformative power of public higher education, and on the continued relevance of a Liberal Arts education to responsible citizenship, the ever-changing needs of the modern workforce, and fuller appreciation of the human experience; and

**WHEREAS, W. BRUCE SHEPARD**’s legacy of leadership and devotion to public higher education will have lasting positive effects on the State of Washington and the students, faculty and staff for years to come;

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Trustees of Western Washington University that **W. BRUCE SHEPARD** is hereby honored for outstanding service and dedication to the University, and is extended the deepest gratitude and heartfelt wishes of the entire University community for much happiness and fulfillment in retirement and his future endeavors; and

**NOW, THEREFORE BE IT FURTHER RESOLVED** that the Board of Trustees confers upon **W. BRUCE SHEPARD** the title President Emeritus of Western Washington University, with all the privileges thereto pertaining, effective July 1, 2016.

**PASSED AND APPROVED** by the Board of Trustees of Western Washington University at its regular meeting on the 9<sup>th</sup> of June, 2016.

**RESOLUTION NO. 2016-06**  
**A RESOLUTION OF THE BOARD OF TRUSTEES OF**  
**WESTERN WASHINGTON UNIVERSITY**  
**RECOGNIZING THE SERVICE OF**  
***Cyndie Shepard***

**WHEREAS, CYNDIE SHEPARD** is retiring from her position as the First Lady of Western Washington University and as the Executive Director of Western's Compass 2 Campus program in June 2016 after eight years of service; and

**WHEREAS, CYNDIE SHEPARD** has proven to be a true champion for education in several states, particularly in raising aspirations for K-12 students to pursue higher education by providing opportunities for students from traditionally underrepresented, first-generation, and low-income backgrounds through mentoring programs in Washington and Wisconsin; and

**WHEREAS, CYNDIE SHEPARD** has excelled as the First Lady of Western in working with her husband Bruce Shepard to develop friendships and partnerships on campus, and in the community, state and nation; and in creating opportunities for people from all walks of life; and

**WHEREAS, CYNDIE SHEPARD** has taught at several universities and colleges across the nation including the University of Wisconsin-Green Bay, Murray State University, Eastern Oregon University, and Blue Mountain Community College; and has a bachelor's degree in psychology from California State University, Fullerton, a master's degree in psychology from Immaculate Heart College in Los Angeles, and extensive experience in P-12 education, special education, and administration; and

**WHEREAS, CYNDIE SHEPARD** has distinguished herself for her creation, development and leadership of Western's Compass 2 Campus program, a nationally-recognized, award-winning initiative that involves Western student mentors in local school districts to encourage K-12 students to graduate from high school and pursue higher education; and recognizing the program was transported to Central Washington University last year; and

**WHEREAS,** the Western Washington University Compass 2 Campus mentorship initiative is a pilot program implemented by House Bill 1986 which passed the Washington State Legislature on April 21, 2009, and recognizing that **CYNDIE SHEPARD** served as director and co-founder of the original Phuture Phoenix mentoring program at the UW-Green Bay, where the program continues to be successful and has been transported to UW-Eau Claire and Silver Lake College; and

**WHEREAS,** Compass 2 Campus and the Phuture Phoenix programs have proven to increase GPA and reduce truancy among elementary, middle, and high school students; empower students to make good choices about the future; increase students' leadership and commitment to giving back to their communities; and empowered more students to graduate from high school and encourage them to consider some form of higher education; and

**WHEREAS, CYNDIE SHEPARD** has made presentations at numerous conferences and community events, has taught at Western's Woodring College of Education and in the Department of Dance, is past-president of Western's chapter of Phi Kappa Phi, has served on the Woodring College Diversity Committee, and has been an advisory board member for the GRADS Program in Bellingham Public Schools; and

**WHEREAS, CYNDIE SHEPARD's** legacy and devotion to public education will have lasting beneficial effects on the people of the State of Washington; those who come from disadvantaged backgrounds, and those college students who served as mentors to those students in area schools, for years to come; and

**NOW, THEREFORE BE IT RESOLVED,** by the Board of Trustees of Western Washington University that **CYNDIE SHEPARD** is hereby honored for outstanding service and dedication to the University, and is extended the deepest gratitude and heartfelt wishes of the entire University community for much happiness and fulfillment in retirement and her future endeavors.

**PASSED AND APPROVED** by the Board of Trustees of Western Washington University at its regular meeting on the 9<sup>th</sup> of June, 2016.

**5. EXECUTIVE SESSION**

Executive Session may be held to discuss personnel, real estate, and legal issues as authorized in RCW 42.30.110.