



**WESTERN OREGON UNIVERSITY BOARD OF TRUSTEES
FULL BOARD MEETING
JULY 22, 2015
HAMERSLY LIBRARY, ROOM 107
2:00 PM-6:00 PM
MEETING NO. 9**

BOARD MINUTES

(1) Call-to-Meeting and Roll Call

The meeting was called to order by Chair Jim Baumgartner at 2:04 pm.

The following trustees were present:

Arredondo, Baumgartner, Fuller, Guthrie, Hurtado, Kulongoski, Llamas, Minahan, Shetterly, Taylor

The following trustees were absent:

Hokanson, Ingle, Koontz, Mladenovic, Paraskevas

(2) Chair's Welcome

Chair Baumgartner welcomed the trustees to the first official meeting of the WOU Board of Trustees after the dissolution of the Oregon University System and State Board of Higher Education, commented on the construction on the new education building, introduced WOU's new president Dr. Rex Fuller, and outlined the changes in how the board agenda was constructed now the Board had full authority over the university. Baumgartner observed that the agenda was organized by topic, with discussion and action items under each heading.

(3) Consent Agenda

Chair Baumgartner asked Secretary Hagemann to walk through the consent agenda. The consent agenda was comprised of executive session minutes for the Board's

participation in the presidential search. These include minutes for Board meetings on April 2, April 7, and April 9, 2016.

Chair Baumgartner called for a motion to approve the consent agenda. Shetterly moved approval, and Arredondo second the motion.

The following trustees voted in favor of the motion:

Arredondo, Baumgartner, Guthrie, Hurtado, Kulongoski, Llamas, Minahan, Shetterly, Taylor (Fuller is non-voting).

The following trustees voted against the motion.

None.

The following trustees abstained from the vote.

None.

Motion passed.

(4) President's Report

Chair Baumgartner recognized President Fuller for a report. Dr. Fuller acknowledged the Board's tremendous work to prepare for full independence. Fuller described the combination of internal and external events in which he had participated since his arrival three weeks prior, including a grand opening of the child development center, Fourth of July parade, meetings with union leaders and public safety, and participation in WOU's summer orientation program SOAR. Fuller touched briefly on enrollment data and donor relations, including the President's Circle dinner and meeting donors of gifts for the new education building.

Fuller offered some thoughts on WOU's direction. While encouraged by effort from the state to reverse funding trends, Fuller noted that WOU had work to do to ensure that it offered an affordable education to incoming students. He noted, given the changes in university governance in the state, WOU needed to differentiate itself from the other public universities and reaffirm its commitment to public higher education as a public good. He stated that adaptability, creativity, and stewardship of the public good would help WOU forward. He echoed themes of campus engagement and student support in the coming months and years. Fuller stated that while WOU was one of the state's best kept secrets, the university needed to engage internal and external communities to become a known opportunity.

Trustee Kulongoski asked about the change in the state's higher education funding formula through the Higher Education Coordinating Commission (HECC) and how the

WOU Board would be apprised of changes and progress. Fuller stressed, with governance changes, WOU would need robust institutional research capacity to monitor the metrics. Kulongoski was happy to hear that the institution would be monitoring the changes in the funding formula. The Board discussed the possibility of dashboards of various metrics in order to keep the Board updated on the health of the university. Fuller also discussed the impact of the new funding formula on the recruitment and retention of community college transfer students. Associate Provost David McDonald shared information with the Board regarding streamlined articulation with community colleges, most notably Chemeketa Community College in Salem. In light of questions from Kulongoski, McDonald observed that, with articulation and transfer degrees, there is less issue with “wasted credits” and more of a focus on pinpointing appropriate credits for transfer.

(5) Shared Governance Reports

Chair Baumgartner stated that the shared governance representatives would have a standing slot at each regular Board meeting to share information with the Board. He recognized Dr. Laurie Burton, Faculty Senate President, for some remarks.

(a) Faculty Senate

Dr. Burton walked through the Faculty Senate’s committee structure, sharing work of the general education committee and the academic requirements committee. She described Faculty Senate work in light of House Bill 3335 and Kulongoski asked about the legislation. Hagemann offered that the bill created a work group to study how to offer some sort of credential to a student that started at a four-year university, but left without a degree. Dr. Burton described the Faculty Senate’s participation in a university-wide assessment committee and focus on a draft mission statement for the Senate itself.

(b) Staff Senate

Chair Baumgartner recognized Elayne Kuletz from the Staff Senate. Ms. Kuletz noted that she was the outgoing Staff Senate president and that the Staff Senate did not convene in the summer. She stated that the Senate completed elections in June and was working on Welcome Wolves, a mentorship program, staff development and retention, staff newsletters, and exploring ways to recognize staff achievement.

(c) Associated Students of Western Oregon University (ASWOU)

Corbin Garner, ASWOU President, was unable to attend the meeting.

(6) Public Comment

There was no public comment.

Prior to turning to the Finance & Administration portion of the Board agenda, Chair Baumgartner recognized Trustee Guthrie. Guthrie shared with the Board that the WOU Student Enrichment Program, funded by the federal government's TriO program, was re-granted for an additional \$1.65 million for the next five years. Erin McDonough, WOU Director of Strategic Partnerships, outlined the various external events on the agenda for the coming months.

(7) Finance & Administration (FA)

(a) Committee Chair's Report

Chair Baumgartner recognized Louis Taylor, the Finance & Administration Committee (FAC) chair, for a brief report. Chair Taylor reiterated his prior discussions with Chair Baumgartner and outlined some of the topics the FAC had tackled, including the committee charter, budget variances, fund balance thresholds, overlap between the FAC and the Board's Executive, Governance and Trusteeship Committee for risk management, and the construction of dashboards or metrics in order to simplify the reporting process to the full Board. Dr. Fuller also echoed the need to develop the appropriate dashboards. Chair Baumgartner asked about the approval of committee charters and Hagemann mentioned that it would occur at the following full Board meeting. The Board asked about the differences between designated operations, service centers, and community funds and Vice President Yahnke clarified.

(b) Vice President for Finance & Administration Report

After the Chair's report, Chair Baumgartner called on Vice President for Finance & Administration Eric Yahnke for a brief report. Yahnke described the formation of the University Shared Services Enterprise (USSE), which took over some of the functions of the former OUS Chancellor's Office. The Board asked if all of the universities were participating in shared services and Yahnke described that they were to varying degree. Yahnke also described the separate risk management trust and Kulongoski asked for clarification as to what was covered by the risk management trust. Yahnke described insurance coverage and the experience formulas off which risk assessments were based. Yahnke described a complaint hotline available that allows for individuals to make anonymous complaints to the university. Yahnke continued his report with brief remarks regarding WOU's capital projects, including the Woodcock Education building, the student health and wellness renovation, and the science building renovation. Yahnke described capital repair funds and the methodology by which the dollars are distributed to the public universities. Yahnke concluded his report by updating the board on administrative document imaging projects on campus and sharing that WOU hosted a HECC training session on the student outcomes funding model. Kulongoski asked Yahnke what the university was doing to prepare for the PERS increases and Yahnke replied that it was part of the budget process and would be adjusted when PERS issued actual assessment rates.

Chair Baumgartner noted two of FAC's agenda items—year-end budget and the electrical repair expenditure—and asked if Yahnke would like to address the electrical repair expenditure first.

(c) ACTION ITEM: Electrical Repair Expenditure

Yahnke described WOU's history with capital project transfers and offered that he was proposing a \$500,000 transfer from the general fund to a plant fund in order to expedite a repair to WOU's electrical grid. Yahnke asked WOU Physical Plant Director Tom Neal to describe the project. Neal described the sources and switches of electrical power for the campus, along with the history of the repairs and replacements to the system. He described the two feeds that provide the loop for the majority of the campus's power needs. Neal stated that the staff proposal was to repair a critical portion of the loop east of Valsetz Dining Hall. Kulongoski asked if Monmouth Electric was involved in the repair Neal explained that, while they provide primary power, the distribution was the responsibility of the campus. Kulongoski asked Neal about Monmouth Electric's ability to supply the power needs of campus and Neal explained that the utility was in good shape. Kulongoski continued to ask about the history of upgrading the campus's system over the years and Neal offered much of it had been upgraded and replaced over time. Baumgartner clarified that the expenditure would reduce the university's fund balance in fiscal year 2015, placing the university with a 15.7% fund balance at year end.

Chair Baumgartner called for a motion to approve a \$500,000 expenditure from FY2015, transferring funds from the general fund to a plant fund to repair the electrical grid as presented. Shetterly moved approval, and Taylor second the motion.

The following trustees voted in favor of the motion:

Arredondo, Baumgartner, Guthrie, Hurtado, Kulongoski, Llamas, Minahan, Shetterly, Taylor (Fuller is non-voting).

The following trustees voted against the motion.

None.

The following trustees abstained from the vote.

None.

Motion passed.

Before moving to the next agenda item, Chair Baumgartner asked for a presentation on the campus's master plan at a future meeting.

(d) DISCUSSION ITEM: FY2015 Year-End

Chair Baumgartner asked Yahnke to walk through the close of the fiscal year 2015 budget. Yahnke noted that, for FY2015, state appropriations were up 15% (accounting for the fiscal year split across the biennium from the state). He also observed that the university received \$524,000 for shared services assessments. Yahnke shared that enrollment settled, and Kulongoski asked about tuition buy-down from the state. Yahnke explained that it continued for the next biennium. Yahnke also noted that the university experienced significant savings from position vacancies. He observed that the S&S budgets increased by \$2.1 million, primarily due to shared services. Yahnke stated that there was a transfer in from the Chancellor's Office after it closed and transfers out, including the plant fund transfer just approved by the Board. Yahnke offered that new treasury fees, resulting from the dissolution of OUS, were coming to the institution, as well. He concluded that, at year end, WOU maintained a 15.7% fund balance. The Board observed that it was good to recapture vacancy dollars, but, at some point, it was more important to fill vacant positions when there could be impact on students. The FY2015 Year-End was a discussion item and there was no Board action.

(e) DISCUSSION ITEM: FY2016 Budget

Yahnke turned from the FY2015 year-end close to describe the development of the fiscal year 2016 budget. He explained there was no increase in department S&S budgets and there were approximately \$3 million in budget enhancement requests emerging from the budget development process earlier in the year. Yahnke noted that actual numbers for labor settlements and enrollment would be available later in the fall. Yahnke stated there was a good story to tell regarding revenue, observing a 28% increase in state appropriation coming to WOU, with \$1.2 million off the top to pay shared services assessments. Yahnke noted that the new funding formula for state appropriation would slowly phase out and would eventually be focused on outcomes and degrees awarded.

The Board asked about the Western Promise, WOU's fixed-tuition program. Yahnke described that the Western Promise was responsible for approximately half of WOU's tuition revenue, but there was always a delicate balance between the tuition rate and the number of students that take advantage of the Promise. Yahnke walked the Board through the changes in participation in the tuition programs. Yahnke turned to a historical review of the institution's fund balance, observing that it was currently sitting at 15.7%. Hagemann noted that the other campuses had a different requirement with regard to fund balances while in OUS because WOU had the fixed-tuition program. Kulongoski asked about EOU's new fixed-tuition program and Hagemann described the new Eastern Advantage. After Board questions, Yahnke confirmed that the FY2015 and FY2016 budgets were essentially aligned with regard to expected expenditures.

The update on the FY2016 budget development was a discussion item and there was no Board action.

(f) DISCUSSION ITEM: Budgeted Operations/Fund Balance Policy

Yahnke turned to the next FAC topic: the budgeted operations/fund balance policy. Yahnke observed that the fund balance was a touchstone in budget development and Chair Baumgartner asked if the Board should continue with a fund balance target of 15%. Dr. Fuller noted that, with the Promise tuition program and the potential changes necessary due to governance reform, a 15% fund balance target was prudent. The Board noted that it might be useful to know what opportunities are lost due to a 15% fund balance and Yahnke observed that it was prudent, in the first year of independence, to stay the course with the 15% target. Baumgartner noted that a motion was not necessary and Dr. Fuller reiterated he wanted to reaffirm the existing fund balance approach previously held by the university.

(8) Academic & Student Affairs (ASA)

(a) Committee Chair's Report

After FAC concluded its agenda items, Chair Baumgartner recognized Academic & Student Affairs Chair Dr. John Minahan for a brief committee report. Minahan noted that the committee had not met since the last full Board meeting, but would be focusing on various quantitative topics, including retention and recruitment, student support and student affairs staffing, and student-athletes. He observed that the committee made minor changes to the committee's charter. After a brief conversation about enrollment and housing metrics, President Fuller noted that a dashboard of metrics and drivers would be key.

(b) Provost & Vice President for Academic Affairs Report

After Chair Minahan's report, Chair Baumgartner recognized Provost & Vice President Dr. Steven Scheck for a brief report. Scheck noted the campus was moving forward with a new Institutional Research director position and awaiting action on various new academic program proposals at the Higher Education Coordinating Commission. He stated that the university had ceased other academic programs and made the Northwest Commission on Colleges and Universities aware of the changes. Scheck described changes to a master's program in history and emergence of the field of public history. Scheck also described WOU's Willamette Promise, the university's approach to accelerated learning. Scheck explained the outcomes-based approach to offering college credit to high school student. Scheck also noted how summer session is funded and explained the changes to the collective bargaining agreement to capture the university's approach to summer session.

(c) Vice President for Student Affairs Report

Chair Baumgartner recognized Vice President for Student Affairs Dr. Gary Dukes for a brief report. Dukes shared housing numbers, described the Campus Climate Survey that would be administered across campus, noted that WOU would be hosting a Campus Investigation and Adjudication of Sexual Assault Cases conference, observed that WOU received an additional CASA grant, and that the campus was amid discussing a tobacco-free policy. Trustee Llamas asked about the complaint hotline and the Board discussed the scope of the Ethics Point anonymous complaint hotline.

(d) DISCUSSION ITEM: NWCCU Accreditation Process

After the reports, Chair Baumgartner asked Scheck to describe the accreditation process. Scheck described the regional accreditation process, as well as specific accreditation obligations for specific colleges, such as WOU's College of Education. He observed that the Oregon Legislature required all colleges of education in the state receive national accreditation by 2022. The Board and Scheck discussed the various education programs across the state—both public and private. Scheck also described the separate accreditation process for the music program before turning to the regional accreditation from the Northwest Commission on Colleges and Universities for the entire campus.

Scheck outlined the seven-year accreditation process and the development of the university's report. He noted that the university would like the Board to reaffirm the university's mission statement to assist with the accreditation report. Baumgartner paused and noted that the accreditation process was at the end of a seven-year cycle and that WOU was still operating under a mission statement approved by the previous State Board of Higher Education. Baumgartner asked for a reaffirmation of the mission statement, even though the campus, when it turned its attention to strategic planning, might offer changes to the university's mission statement. Amid discussion about the grammatical construction of the current mission statement, Baumgartner called for a motion to adopt the current mission statement.

Guthrie moved approval, and Taylor second the motion.

The following trustees voted in favor of the motion:

Arredondo, Baumgartner, Guthrie, Hurtado, Kulongoski, Llamas, Minahan, Shetterly, Taylor (Fuller is non-voting).

The following trustees voted against the motion.

None.

The following trustees abstained from the vote.

None.

Motion passed.

Before moving to the next agenda item, Baumgartner asked about the Board's expectations as the accreditation unfolds. Scheck noted that the university would update the Board at its meetings as the process proceeded and President Fuller observed that the NWCCU site visit would be April 11-13, 2016. Fuller noted that the university would describe the governance changes in its report to the Commission. Baumgartner asked if anything further was required regarding the mission statement and Scheck mentioned that all that was necessary was a letter from the Board to the Commission outlining the adoption of the mission statement.

(e) DISCUSSION ITEM: HECC Evaluation Process

To conclude, Scheck offered some comments on the new HECC university evaluation process. He described HECC's statutory requirements to evaluate the public universities in the state. Scheck outlined some of the topics that the HECC was discussing in its construction of an evaluation rubric, such as metrics and how Boards were functioning. He offered that the HECC and the Provosts Council, representing all of the public universities, were continuing to discuss the appropriate approach to university evaluations.

(f) ACTION ITEM: Mission Statement

This was addressed amid the Board's discussion on accreditation.

(9) Executive, Governance and Trusteeship (EGT)

(a) Committee Chair's Report

Chair Baumgartner offered brief comments from the Executive, Governance and Trusteeship Committee (EGTC). He noted that the committee worked on minor adjustments to the committee charter and discussed the overlap in responsibility for risk management oversight between the EGTC and the FAC. He stated that the revised committee charters would come to the Board at the next full Board meeting.

(b) Vice President & General Counsel Report

Chair Baumgartner asked Hagemann to offer a brief report from his role as Vice President & General Counsel. Much of the report was a summary of the 2015 legislative session. He observed that OUS was dissolved and closed. He shared the public universities' work with Thorn Run Partners on bill review and communications. Hagemann noted that the universities would examine how to approach preparation for future legislative sessions. Hagemann outlined the primary goal of the universities with

regard to a \$755 million budget. He explained the evolution from the Governor's Recommended Budget, to Ways & Means, to the final appropriation of \$700 million. Hagemann noted that the public universities would attempt to seek additional appropriation in the 2016 short legislative session. Hagemann also explained the capital accomplishments of the public universities, including \$65 million in capital repair dollars. He observed the numerous work groups created by the Legislature, requiring participation, under HECC oversight, by the public universities. Hagemann continued, describing the paid sick leave and "ban the box" for criminal background questions on employment applications. He described the sunset of the university venture development tax credit and sexual assault prevention legislation. Hagemann shared that the Legislature changed the tuition equity statutes and abolished ETIC to create the Oregon Talent Council. He also described the significant changes to bonding statutes, which resulted from the governance changes. Kulongoski asked for clarification about Thorn Run Partners. He asked Hagemann about expectations for the 2016 legislative session and Hagemann explained a budget push and the possibility of minimum wage. Amid Board discussion, Hagemann observed that employee classification and adjunct faculty healthcare might emerge again in the 2016 session. Kulongoski queried for information about the HECC commissioners.

(10) BOARD DISCUSSION: Western Promise

Chair Baumgartner recognized Associate Provost David McDonald for an overview of the Western Promise, WOU's fixed-tuition program. McDonald noted that the program started under President Minahan as a pilot in 2007, originally designed for new students. At the outset, when it was the first fixed-tuition program in Oregon, the university outlined that the success of the program depended upon consistent funding from the state. When state appropriation declined, the program was modified in 2012 to a tuition choice. McDonald explained the participation rates, observing that about one-half of the new students selected in the Promise program in 2012. McDonald returned to previous presentations from Vice President Yahnke and described that the revenue from the Promise should drop because fewer and fewer students are selecting the Promise. McDonald noted that the increases in the Promise tuition rate looked expensive and that the gap continued to grow. McDonald observed that there were several policy questions regarding fixed-tuition and the Promise with which the Board and university could grapple, including whether the program should continue or whether it should be extended to other populations. Minahan asked what financial aid officers are saying to parents about the programs. Kulongoski asked if there would be a negative impact on enrollment if WOU were to eliminate the Western Promise. McDonald noted that his office collects information on how important the Western Promise was to the students who selected it. Fuller described various questions that the university would need to ask in considering how the program might move into the future. McDonald stated that he presents the information to families in a neutral way—it is an individual decision with both advantages and disadvantages. The Board discussed whether or not there was an impact on retention, depending on the tuition program that a student selects. The Board asked whether or not there was an impact

on graduation rates and McDonald observed that some curricular obstacles might impact graduation rates more than the tuition plans offered by the university. McDonald noted that the university's retention rate is sitting around 70.3%. Baumgartner reiterated his concern that some might be recommending against the Promise when the university has decided to retain the program. The Board discussed whether or not the Promise could be extended in the Western Undergraduate Exchange (WUE) states.

(11) Final Announcements

After the Western Promise presentation, Chair Baumgartner noted Board participation at key university events was appreciated and that he would be working on the Board calendar, including a possible retreat, in the coming months. The Board asked about access to various background documents and Hagemann explained, as part of organizing the Board, the university was working on how best to distribute documents, including whether or not to offer a board portal to information.

(12) Adjournment

Chair Baumgartner adjourned the meeting at 5:58 pm with a quorum (Arredondo, Baumgartner, Fuller, Guthrie, Hurtado, Kulongoski, Llamas, Minahan, Shetterly, Taylor)



Ryan J. Hagemann
Secretary to the Board of Trustees