



REGULAR MEETING OF THE WOU BOARD OF TRUSTEES

JULY 26, 2017

2:00-6:00 PM

WILLAMETTE ROOM, WERNER UNIVERSITY CENTER

MEETING NO. 20

wou.edu/livestream

MINUTES

I. CALL-TO-MEETING/ROLL CALL

Chair Jim Baumgartner called the meeting to order at 2:04 PM and asked Board Secretary Ryan Hagemann to take the roll. The following trustees were present:

Arredondo
Baumgartner
Fuller
Habermann-Guthrie
Hurtado
Komp
Kulongoski
Martin (on phone)
Mladenovic
Shetterly

The following trustees were absent:

Ingle
Koontz
Paraskevas
Taylor

II. CHAIR'S WELCOME

Baumgartner offered brief comments to welcome the Board and the audience to the July board meeting before turning to a full agenda.

III. CONSENT AGENDA (April 26, 2017 and June 7, 2017 meeting minutes)

Baumgartner asked if there were any objections to the consent agenda, consisting of draft minutes for the April 26, 2017 and June 7, 2017 meetings. There was unanimous consent to the consent agenda and both sets of draft minutes were approved.

IV. SHARED GOVERNANCE REPORTS

(1) Faculty Senate

Baumgartner recognized Dr. Adele Schpiege, Faculty Senate President, for a report. Schpiege started her report with a review of new curriculum programs. She shared results of Faculty Senate elections. Schpiege outlined Faculty Senate's involvement and progress with curricular reform, including the task force focused on the general education curriculum. Schpiege discussed on-line teaching with the Board, the change in name of the new Division of Education and Leadership, and learning outcomes work. Baumgartner asked about the catalyst for the general education curriculum reform and Schpiege outlined the complexity of WOU's requirements. Trustee Shetterly asked about the faculty's acceptance of the reform effort and Schpiege discussed how faculty were now engaged in the effort. Trustee Komp asked about teacher licensure titles related to the education leadership programs. Schpiege described how WOU's now has certificates for the endorsements. Trustee Kulongoski asked how WOU would address the passage of Measure 98. Schpiege described the research she conducted about CTE licensure programs in the state.

(2) Staff Senate

Baumgartner recognized Jesse Poole, Staff Senate President, for a report. Poole informed the Board about Staff Senate elections, the Staff Senate merger with the former Administrative Support Council (ASC), the creation of an Administrative Equity Committee, the Staff Senate Scholarship, and the change in Staff Senate bylaws regarding representation.

(3) ASWOU

Baumgartner recognized Jessica Freeman, ASWOU President, for a report. Freeman noted that the new ASWOU administration was in place. She shared information about the voter registration drive. Kulongoski asked if the statistics on voter registration were before or after the change in the state's "voter motor" legislation.

V. PUBLIC COMMENT

There were no individuals signed up to provide public comment to the Board.

VI. PRESIDENT'S REPORT

Baumgartner acknowledged President Rex Fuller for his president's report. Fuller referred the Board to his written report in the docket. He recognized the trustees that attended commencement and observed that it was WOU's largest commencement ever. Fuller reviewed some statistics about the graduating class and turned to some accomplishments over the past academic year. The accomplishments included the opening of the new Richard Woodcock Education Center, the strategic plan, the Us.Dream project, intervention with students that have stopped out, the hiring of thirteen new tenure-track faculty, retention rate improvement, and academic recognition for student-athletes. Fuller continued to review the objectives to emerge from the new strategic plan, including the University Budget Committee and University Council. Fuller noted that enrollment was trending according to projection. Kulongoski asked if WOU enrollment trends were matched by the other Oregon universities. David McDonald observed that results across the state were mixed. Kulongoski inquired as to whether there was data on

2-year and 4-year enrollments. McDonald noted that community college enrollments were declining and there were demographic factors at play with declining enrollments in various sectors. Kulongoski and McDonald discussed the Oregon Promise and its impact on enrollments. Fuller concluded his report by introducing new staff, including Athletic Director Curtis Campbell, Director of Institutional Research & Effectiveness Dr. Abdus Shahid, Erin McDonough's new interim role with the WOU Foundation, and Dean for Liberal Arts & Sciences Dr. Kathleen Cassity. Kulongoski asked how many non-tenure-track faculty members are hired into tenure-track lines and Provost Steve Scheck observed that, last year, there was one "in-house" transfer and the remainder of the positions were hired from outside of the university.

VII. JULY DISCUSSION THEME: EVALUATION, ENTERPRISE RISK MANAGEMENT AND CONTINUOUS IMPROVEMENT

(1) President's University Goals and Introduction to University Dashboards

Baumgartner turned the discussion to the university goals as included in the written docket materials. He reviewed the timeline with respect to the university goals, including the president's evaluation and reappointment. Baumgartner asked Fuller to describe the university goals. Fuller noted that he used the five pillars in the strategic plan to identify university goals for the 2017-2018 academic year. He observed that it was time for the divisions and units to revisit division plans in order to align them with the university's new strategic plan. Fuller shared that he expected the new university budget process to continue through the 2017-2018 academic year and that provisional plans would be in place during Spring 2018. Fuller continued, noting the diversity of revenue streams and fundraising would need to be a priority. Fuller outlined pathways to academic excellence and relationships with community colleges. In addition to reviewing the goals, Fuller also noted the need for university dashboards to measure progress. Trustee Mladenovic asked if there was a standard measure for affordability or cost of attendance used by other institutions and Shadid shared that he had not seen a standard measure before. Baumgartner stressed that affordability was a key issue and the Board needed a clear understanding of the university's approach. Kulongoski asked what measures that HECC used. Fuller described enrollment share and the various categories of undergraduate enrollments that flowed through the HECC funding formula. Kulongoski stressed flexibility.

Amid the dashboard discussion, Fuller noted that WOU would need to identify comparators. Baumgartner asked what the three most important things facing the university were and what the university and Board should be doing. Fuller stressed the university goals would be shared by the entire team. Mladenovic asked if student debt would be a reasonable measure for affordability. Mladenovic and Fuller turned the conversation to the impact of general education reform and the reduction in student debt. Fuller noted that one of the goals of the general education task force was to allow for flexibility with open credits. Kulongoski noted that the university needed a methodology to track what students were doing after graduation. Shetterly noted, in addition to university goals, that the president consider personal goals as part of the puzzle. Fuller observed that he appreciated the sentiment. Fuller noted that the conversation would be helpful for Shadid and others to revise the dashboards and measures for consideration. Kulongoski stressed the importance of HECC measures and gathering information that would help WOU vis-à-vis other Oregon universities. Trustee Komp noted that she was pleased to see McDonald taking on a larger role with HECC on behalf of the university. Baumgartner did not ask for a formal motion for the university goals and dashboards, but

explained that they would guide the president's progress and evaluation at the end of the academic year.

VIII. FAC

(1) Vice President for Finance & Administration

Baumgartner called on Vice President for Finance & Administration Eric Yahnke for a brief report. Yahnke reviewed the hard work of his team over the course of the year, the recent close of the past fiscal year, capital construction planning, including legislative approval of two capital projects and work for accommodation and accessibility upgrades. Kulongoski asked about funds for capital repair and Yahnke described the square footage process by which capital repair and deferred maintenance dollars are allocated.

(2) Committee Chair

Baumgartner turned to Ivan Hurtado, sitting in for FAC Chair Cec Koontz, for any FAC updates or announcements. Hurtado noted that the FAC discussed capital projects and the progress of the University Budget Committee.

(3) Committee Recommendations for Board Action or Discussion

(a) FY2017 Q4 Management Report

Baumgartner asked Yahnke to review the FY2017 Q4 Management Report materials. Yahnke noted that the university closed the year fiscally sound. He observed that the FAC is recommending the Board accept the preliminary report as included in the docket. Trustee Habermann-Guthrie observed that the numbers were not final when report was presented to FAC. Yahnke observed that the total revenue was up slightly, there was vacancy savings, supplies and services were up, and the fund balance was 16.3%. He noted with final analysis, he expected the fund balance to be up slightly. Kulongoski asked what the total percentage of the budget was dedicated to compensation and Yahnke answered 80-85%. Kulongoski inquired about the impact of the PERS budget and Yahnke noted that the rate would increase in subsequent years. After discussion, Baumgartner called for a motion to accept the report, consistent with the written docket materials. Hurtado moved approval, and Shetterly seconded the motion. The following trustees voted in favor of the motion:

Arredondo
Baumgartner
Habermann-Guthrie
Hurtado
Komp
Kulongoski
Martin (on phone)
Mladenovic
Shetterly

Fuller is non-voting.

There were no trustees opposed to the motion.

There were no abstentions.

Motion passed.

(b) FY2018 University Budget

Baumgartner recognized Yahnke to review the FY2018 University Budget materials. Yahnke observed that the written materials were a preliminary FY2018 budget. It assumed state appropriations would be proportionate to the previous year, included negotiated compensation increases, reflected a five percent decline in enrollment, and included the 6.9% increase in resident undergraduate tuition. Shetterly asked about the fund balance with a \$2 million structural deficit. Yahnke projected that the fund balance would be 13.2% at the end of the fiscal year. Fuller noted that the structural deficit motivated his charge to the new University Budget Committee to identify cuts and actions necessary to eliminate the deficit. Yahnke observed that the structural deficit was depicted in the written docket materials. Kulongoski asked if the legislature held some of its appropriation and Yahnke noted that he was not aware of any such action. Fuller added that the HECC's funding formula would continue to change its emphasis on outcomes. After discussion, Baumgartner called for a motion to approve the budget, consistent with the written docket materials. Hurtado moved approval, and Mladenovic seconded the motion. The following trustees voted in favor of the motion:

Arredondo
Baumgartner
Habermann-Guthrie
Hurtado
Komp
Kulongoski
Martin (on phone)
Mladenovic
Shetterly

Fuller is non-voting.

There were no trustees opposed to the motion.

There were no abstentions.

Motion passed.

(c) 2017-2018 Tuition & Fee Book Post-Legislative Resolution

Baumgartner acknowledged Fuller to review the 2017-2018 Tuition & Fee Post-Legislative Resolution. Baumgartner reviewed the timeline and history of the Board's consideration of tuition rates. He noted that this resolution was necessary to perfect a legislative budget note. After discussion, Baumgartner called for a motion to approve the resolution, consistent with the

written docket materials. Habermann-Guthrie moved approval. Before proceeding to the vote, Kulongoski observed that he would support the resolution, even though he had voted no on the original tuition range. He noted his objection to current service level budgeting. Fuller added that the University Budget Committee, per comments from Mladenovic and the Board, would not be considering across-the-board cuts in devising strategies to tackle the structural deficit. After discussion, and a motion, Baumgartner called for a vote. The following trustees voted in favor of the motion:

Arredondo
Baumgartner
Habermann-Guthrie
Hurtado
Komp
Kulongoski
Martin (on phone)
Mladenovic
Shetterly

Fuller is non-voting.

There were no trustees opposed to the motion.

There were no abstentions.

Motion passed.

IX. BREAK

X. ASAC

(1) Provost & Vice President for Academic Affairs

Baumgartner recognized Dr. Steve Scheck, Provost and Vice President for Academic Affairs, for a brief report. Scheck discussed the year one and ad hoc reports to NWCCU, Associate Provost Sue Monahan's work with assessment, mission fulfillment with the president's university goals, and progress on the general education curriculum reform effort. Shetterly asked how the presentation from the outside general education expert was received and Scheck indicated well.

(2) Vice President for Student Affairs

Baumgartner recognized Dr. Gary Dukes, Vice President for Student Affairs, for a brief report. Dukes reviewed expanded programs in the Student Health & Counseling Center, programming for the upcoming solar eclipse, and conference coordination capacity. Habermann-Guthrie asked if the eclipse programming was supposed to be revenue-generating.

(3) Committee Chair

Baumgartner asked ASAC Chair Shetterly for any updates or announcements from the Committee. Shetterly did not have a report. Before moving forward with the agenda, Fuller returned to the tuition discussion and thanked the Board for closing the funding gap. He observed that WOU would be about the same as SOU and that the university would be in the zone of affordability previously discussed. Fuller also observed that WOU was responding to the impact of the Oregon Promise with a Jump Start scholarship program designed to attract students with Oregon Promise eligibility. Komp asked for comparative prices with Chemeketa Community College.

(4) Committee Recommendations for Board Action or Discussion

There were no recommendation from the ASAC.

XI. JULY DISCUSSION THEME: EVALUATION, ENTERPRISE RISK MANAGEMENT, AND CONTINUOUS IMPROVEMENT

(1) Internal Audit Functionality and 2017-2018 Audit Plan

In the absence of Internal Auditor from the University Shared Services Enterprise (USSE) Kathy Berg, Baumgartner asked Hagemann to offer some brief comments on internal audit functionality and the 2017-2018 audit plan. Hagemann turned attention to materials in the red folder. He noted that internal audit capacity was added to the services from the University Shared Services Enterprise. Hagemann described how internal audit works with a separate board and that WOU, with Berg, had developed an initial audit plan for the year to include payroll, document imaging, contracts, and cash controls in athletics.

(2) Public University Risk Management & Insurance Trust (PURMIT)

Baumgartner recognized Ryan Britz from Berkley Risk and James Parker from the law firm of Davis Wright Tremaine for a presentation on the Public University Risk Management & Insurance Trust. Parker observed that it was his goal to inform the Board about what PURMIT is and what it does for WOU. He noted that PURMIT was an insurance provider that coordinates brokerage services. Parker offered the history of how risk management emerged from higher education governance reform. He shared that after each university had an independent board, the model moved to a self-insurance trust. He stated that the first year was focused on formation and eventually hired a third party administrator. Ryan Britz from Berkley Risk described the model, including institutional deductibles, pooled retention, and excess insurance coverage. Britz reviewed all of the areas of coverage, including property, fine arts, licensed professional liability, educators' legal liability, general liability, foreign, crime, media professional, and security risk. Hurtado asked about earthquake coverage, and Britz noted that it was a covered peril, but the limit was \$500,000. Britz described the positive impact of pooling and spreading risk. He noted that the trust is able to stabilize market fluctuations easier than an institution operating by itself. Kulongoski asked if all seven public universities were required to share risk under the former Oregon University System. Hagemann replied yes and Kulongoski asked why the University of Oregon is not a PURMIT member. Kulongoski and Mladenovic asked if other universities could leave PURMIT and Hagemann replied yes. Parker noted that there were protections built into the trust, including the inability to take surpluses upon departure.

Kulongoski reiterated his concern about a larger institution leaving PURIMT and the impact on the smaller institutions. Komp asked for the PURMIT agreements.

XII. EGTC

(1) Vice President & General Counsel

(a) 2017 Legislative Session Recap

Baumgartner recognized Hagemann for a recap of the 2017 Legislative Session. Hagemann referred the Board to the written materials in the docket. He noted that, in a difficult budget year, the public universities emerged relatively well. He observed that the universities received \$736.8 million in operating funds, restored the Sports Action Lottery funding that had been cut, and that WOU got both capital projects for which it asked. Hagemann pointed out several policy bills worth consideration, including SB 1067 on cost containment, PERS fixes, Measure 100 fix, textbook affordability, a grant program for veteran services, HB 2998 transfer requirements, HECC 'clean up' bill, and changes to public records.

(2) Committee Chair

Baumgartner reviewed EGTC matters with the full Board. He discussed presidential appointment and goals. He noted that EGTC discussed internal audit capacity and reports. Baumgartner briefly discussed board vacancies and work with the Governor's Office. He noted that there would be much work with board appointments over the coming year.

(3) Committee Recommendations for Board Action or Discussion

(a) Board Vice-Chair Election

Baumgartner introduced the EGTC's recommendation to re-elect Koontz as the Board's vice chair. Baumgartner offered that he discussed the reappointment with Koontz and she was willing to serve. Shetterly noted that, with a two-year term, Koontz would be vice-chair to 2019, but would need to be reappointed to the Board in 2018. After discussion, Baumgartner called for a motion to elect Koontz, consistent with the written docket materials. Shetterly moved approval, and Baumgartner called for a vote. The following trustees voted in favor of the motion:

Arredondo
Baumgartner
Habermann-Guthrie
Hurtado
Komp
Kulongoski
Martin (on phone)
Mladenovic
Shetterly

Fuller is non-voting.

There were no trustees opposed to the motion.

There were no abstentions.

Motion passed.

(b) Internal Audit Final Report: Payroll Operations

In the absence of Internal Auditor from the University Shared Services Enterprise (USSE) Kathy Berg, Baumgartner asked Hagemann to review the final audit report for payroll operations. Hagemann noted that he was bringing the final report to the Board because Berg was present at the EGTC consideration of the final report. He stated that Berg identified that appropriate controls were in place and had identified several areas of improvement for the payroll operations function. Hagemann reported Berg noted segregation of duties, overpayments, and pay advances. Hagemann called the Board's attention to the recommendations in the report and that management had agreed will all recommendations. Fuller echoed management's agreement with the recommendations and observed action steps the university was pursuing to respond to the audit's findings. Shetterly confirmed that Berg would be available for future reports. After discussion, Baumgartner called for a vote to accept the report, consistent with the written docket materials. The following trustees voted in favor of the motion:

Arredondo
Baumgartner
Habermann-Guthrie
Hurtado
Komp
Kulongoski
Martin (on phone)
Mladenovic
Shetterly

Fuller is non-voting.

There were no trustees opposed to the motion.

There were no abstentions.

Motion passed.

XIII. JULY DISCUSSION THEME: BOARD EVALUATION, ENTERPRISE RISK MANAGEMENT, AND CONTINUOUS IMPROVEMENT

(1) Board Survey and Evaluation

Baumgartner turned the Board's attention to the docket materials on the board survey and evaluation. Baumgartner shared that he appreciated the Board responses to the survey. He noted that trustees feel their participation and service are meaningful. He observed that there was some tension between the efficiency of the meetings and desire to drill down into topics, but

little interest to expand the meetings. Baumgartner stated that he asked Hagemann to survey the other universities about Board function and that WOU's Board met the least often and for the shortest amount of time. Baumgartner shared that he liked that the committees met ahead of the Board meeting in order to consider issues and topics in-depth. Fuller stated that some changes were introduced on the basis of the survey, including a new docket template. Shetterly noted that it would be helpful for the committee chair to get notes or a "cheat sheet" from staff in order to streamline the chair's report. Baumgartner echoed the Board's commitment to thematic meetings. He noted that meetings would start an hour earlier in order to permit a showcase item at each Board meeting, with a new theme to be introduced for the April meeting. He stressed using the strategic plan as the northstar for meetings. Baumgartner reiterated the themes of enrollment (October), cost (January), and compliance/evaluation (July). Mladenovic asked whether or not the strategic plan should be a theme, and Baumgartner replied that it would not be a meeting theme, but should impact everything that the Board and university do. Hurtado echoed support for showcase items. Komp added the importance of highlighting the ability to donate to the university. Kulongoski added that he was concerned about the proportion of the budget that was dependent on the federal government and impact of the federal budget. Fuller noted that WOU monitors this activity closely and is poised to join efforts from national organizations to advocate for higher education. Mladenovic asked if there would be a presentation from the WOU Foundation. Baumgartner noted that the Board had heard from the foundation last year and it would be interesting to hear from the Foundation again.

XIV. FINAL ANNOUNCEMENTS

Before adjournment, Baumgartner reminded Board members about the dinner in the Richard Woodcock Education Center immediately following the meeting.

XV. ADJOURNMENT

Baumgartner adjourned the meeting with a quorum (Arredondo, Baumgartner, Fuller, Habermann-Guthrie, Hurtado, Komp, Kulongoski, Martin (on phone), Mladenovic, Shetterly) at 5:58 PM.



Ryan James Hagemann,
Secretary, WOU Board of Trustees