



**Board of Trustees Minutes  
Special Telephonic Meeting  
March 17, 2014**

**Approved April 4, 2014**

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**Present:**

Mr. Sid Morrison, Chair (via phone)  
Mr. Dan Dixon (via phone)  
Mr. Ron Erickson (via phone)  
Mr. Chris Liu (via phone)  
Ms. Amy McCoy  
Mr. Keith Thompson, Vice Chair (via phone)  
Ms. Annette Sandberg (via phone)

**Also present:**

Dr. James Gaudino, President  
Dr. Marilyn Levine, Provost/Vice President for Academic and Student Life  
Ms. Sherer Holter, Vice President for Operations  
Mr. George Clark, Vice President for Business and Financial Affairs  
Ms. Linda Schactler, Chief of Staff  
Mr. Stevan DeSoer, Chief Human Resources Officer  
Mr. Alan Smith, Assistant Attorney General (via phone)  
Ms. Sandra Colson, Executive Assistant to the President and Board of Trustees

Chair Morrison convened the special telephonic meeting at 5:04 p.m. Ms. Colson took role and confirmed that all trustees were present, either via phone or in person. Also attending via phone was Assistant Attorney General Alan Smith. Members of the President's Cabinet were in attendance as were a number of guests, including Bryan Elliott, ASCWU BOD President and John Swiney, Associate Vice President for Enrollment Management.

The purpose of the meeting was for the Board to discuss the ramifications of the state supplemental operating budget, approved by the conference committee on March 13 but, as of the meeting, unsigned by the Governor. 3ESSB-5034 provides an additional \$1 million in base funding to CWU for enrollments in computer science and engineering programs, but maintains Senate language prohibiting institutions from implementing an increase in resident undergraduate tuition rates.

Prior to discussing their options, the Board requested clarification on the requirement to "make public" the intent to increase tuition 21 days before such an action is considered (28B.15.067(3)(b)), both in terms of their discussions in public meetings as well as meeting notices. Mr. Smith concluded that the university had met this intent, based on a review of the agendas, newspaper articles, reports, and other documents associated with meetings, and an article in the Daily Record.

Dr. Gaudino explained that the university will not be able to maintain its financial plan under the proposed budget. Therefore we must either reduce costs to meet current revenues or increase revenues to meet costs. He further detailed the two major ways that costs would be reduced.

**Option 1.** The first option would be a layoff of up to 75 non-academic classified and exempt positions by July 1, 2014. Due to the need to bargain impact with classified unions, most of the staff counts would come from the ranks of exempt staff. Dr. Gaudino reminded the Board that CWU had already eliminated about 100 staff positions when the recession's impacts first hit the university in 2010.

Option 1 would lower the flight plan by reducing costs and close the \$4 million shortfall. However, option 1 also would damage the health of the university by eliminating key university services, threaten compliance with state and federal regulations, add risk to business functions, and threaten the physical plant and investments in technologies. It would also erode recruitment and retention and lower employee morale.

**Option 2.** A second cost-cutting option would reduce the size of the university workforce by taking cuts across the university including academic programs. This option would be implemented over a 12 – 24 month period. This option allows the university to maintain its flight plan near-term by using anticipated carry-forward and existing local-fund reserves to fill the budget gap. However it lowers both revenue and cost projections in the out-years.

Using responsibility centered management (RCM) and activity based budgeting (ABB), the university would identify programs with limited enrollment and/or those that do not meet the standards of performance and quality. Graduation pathways would be developed for students in eliminated programs and the university would bargain impact with the United Faculty of Central (UFC) to allow tenured faculty in those programs to be retrained.

Dr. Gaudino explained that this option could erode enrollment both by actually eliminating programs in which students are enrolled and by create a negative image of a struggling university. Workforce reductions negatively impact the local economy, in which CWU is the top employer. Option 2 creates recruitment and retention challenges as well as lowering employee morale. However, both option 1 and option 2 avoid legislative consternation by strictly adhering to the budget bill.

While seeking to avoid “legislative ire,” the Board underscored the fact that it has a fiduciary responsibility to maintain the excellence of the university and the cost-cutting options presented were unacceptable.

**Option 3.** The President then reviewed the options for increasing revenue to meet costs. If the university were to increase resident undergraduate tuition (option 3), CWU would maintain reserves for the current biennium. CWU has made public its plans to increase tuition if legislative support does not materialize. Prospective students were made aware of a potential tuition increase in their acceptance letters. A tuition increase and RCM model for budgeting would maintain our current discretionary reserves, but there are bow-wave items in the out years. Our costs continue to rise 2-3 percent per year, which must be supported by annual tuition increases.

Mr. Thompson asked if the Board’s tuition-setting authority sunsets after the coming academic year. Ms. Schactler explains that it does not expire, but there are additional restrictions in RCW 28B.15.067. When asked about the other five baccalaureate institutions, the President noted that UW, WSU, WWU

and the Evergreen State College have no plans to raise tuition. The trustees of Eastern Washington University approved a 6% increase in resident undergraduate tuition last August and so far have not retracted their decision.

**Option 4.** The fourth option presented by Dr. Gaudino reduces the tuition discount to students who carry between 11 and 18 credits. Currently, only students carrying 1 to 10 credits pay the full price per credit, about \$265. Option 4 would require students carrying 11 to 18 credits to pay for 11 instead of 10 credits. Option 4 does not increase tuition, only the percent of tuition charged to full-time students. Credit hour is the unit for setting undergraduate tuition rates at all colleges and universities.

Ms. McCoy asked if option 4 would impact enrollment, based on previous reports that students are already taking fewer credits. Dr. Swiney reported that the drop was not dramatic, on average from 15 to 14 credits. He also explained few students drop below 12 credits because when they do it affects their financial aid and when students lose financial aid they many times have to leave the university. Full-time enrollment is calculated a variety of ways: students receiving PELL grants must be enrolled in 12 credits; the Office of Financial Management and Federal grants consider 15 credits as full time enrollment.

This option would generate revenue in excess of the \$4 million needed for FY 15, but the university would budget more into waivers or scholarships, which is allowable under our current policy as long as there are criteria and standards established.

The Board stated that protecting enrollment was a priority and they did not want to wait too long to act. When polled separately, each indicated a preference for implementing option 4. However they also agreed with Trustee Sandberg's suggestion that Mr. Smith and the administration do further due diligence to ensure that there are no legal impediments. Mr. Morrison requested that any final option include a combination of discounts and waivers to ensure that access is protected. The Board agreed to meet again prior to the April 4 meeting if necessary to determine the best way forward.

Meeting adjourned 6:30 p.m.



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Linda Schactler, Secretary to the  
Board of Trustees  
Central Washington University



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Sid Morrison, Chair  
Board of Trustees  
Central Washington University