

Monday, May 17, 2010

9.15 - 9.30 am
SMSU Room 327-329

Committee of the Whole, Call to Order/Introductions

Call to order: Tom Buchanan, chair

Welcome

Introduction of new commissioners and guests 2-3



Approval of the Committee of the Whole
meeting minutes of November 2-3, 2009 2-4

Report of the chair

Report of the president

Recess until May 18, 2010, at 8.00 am

New Commissioners

Roy Ashburn was elected to the California State Assembly in 1996 and served as the representative of the 18th Senate district. While in the Assembly, Ashburn's two major reform measures were ERAF Reform, a measure that would force the state to return more local property tax dollars to cities and counties, and the Welfare-to-Work Act of 1997, which replaced California's broken welfare system with work requirements, time limits, and personal responsibility. Both bills significantly enhanced the lives of many Californians by streamlining government services and by returning local tax dollars to local government. In 2002 Ashburn was elected to the Senate, where he has continued his reform agenda. His foremost goal is to reform the budget process; and in 2008 he carried the legislation to cap spending and establish a rainy day fund for future downturns in the economy. Additionally, in 2006 he was the joint author of SCA 3 Redistricting Reform. While in the capital, Ashburn has tackled a number of important issues facing local families. His legislative efforts have focused on creating jobs and boosting economic development, reforming California's welfare system, reducing crime and increasing public safety, cutting taxes and restoring the ability of local governments to oversee their own affairs. Ashburn has also pioneered California's effort in developing a vaccine to eradicate Valley Fever, a sometimes-deadly lung disease prominent in the Southwestern United States. Ashburn currently serves as the chairman of the Senate Select Committee on Defense and Aerospace Industry and as vice chair of Public Employees and Retirement. Additionally, Ashburn is a member of the Transportation and Housing and the Tax and Revenue committees. Senator Ashburn has a degree in public administration from California State University, Bakersfield, and attended College of the Sequoias in Visalia.

D. Rico Munn is the executive director of the Colorado Department of Higher Education. Prior to his appointment by Governor Bill Ritter in November 2009, he served as the executive director of the Colorado Department of Regulatory Agencies ("DORA"). Governor Ritter appointed Munn to the cabinet in January 2007. Munn holds a degree in secondary education and received his juris doctorate for the University of Denver College of Law. He was a corporate and commercial litigation partner with a national law firm and represented both plaintiffs and defendants in a variety of areas, including products liability, intellectual property, First Amendment, employment, insurance subrogation, construction, oil and gas, and environmental litigation. Munn is a graduate of the Leadership Denver program and has served on the boards of numerous community and legal organizations. In 2002 he was elected to represent Colorado's First Congressional District on the State Board of Education, where he served until 2007. On the State Board of Education, he focused on closing Colorado's academic achievement gap, addressing concurrent enrollment in high school and higher education, and improving readiness for postsecondary education. He has been recognized as one of Denver's "40 Under 40" business and community leaders by the *Denver Business Journal*. In 2008 he was awarded a Marshall Memorial Fellowship, a program recognizing future leaders in trans-Atlantic relationships. Munn frequently presents seminars and publishes articles on topics ranging from legal ethics to current events. He also serves as an adjunct professor of law at the University of Denver Sturm College of Law.

Jim Silva was elected to the California State Legislature in 2006. He represents the 67th Assembly District, which includes the cities of Huntington Beach, Seal Beach, Cypress, La Palma, and Los Alamitos. The district also includes portions of Stanton, Westminster, Garden Grove, and Anaheim, along with the unincorporated areas of Rossmore and Sunset Beach. Silva currently serves as the vice chairman of the Assembly Committee on Arts, Entertainment, Sports, Tourism, and Internet Media. He also serves on the Assembly Budget Committee, Assembly Budget Subcommittee #3 (resources), the Assembly Rules Committee, the Assembly Committee on Governmental Organization, and the Assembly Select Committee on Youth Violence Prevention. Previously, Silva was a three-term member of the Orange County Board of Supervisors, mayor of Huntington Beach, councilman for the City of Huntington Beach, and a high school economics teacher for 28 years. Assemblyman Silva received his bachelor of arts degree in business from California State University, San Jose, and his master's degree in education from Chapman University.

ACTION ITEM

Minutes of the Committee of the Whole

Session I: Call to Order

Monday, November 2, 2009

Commissioners Present

Jane Nichols (NV), chair
Thomas Buchanan (WY), vice chair
Roy Ogawa (HI), immediate past chair

Diane Barrans (AK)
Patricia Brown Heller (AK)
Leah Bornstein (AZ)
David Lorenz (AZ)
Joel Sideman (AZ)
David Skaggs (CO)
Roberta Richards (HI)
Helene Sokugawa (HI)
Mike Rush (ID)
Dan Harrington (MT)
Mary Sheehy Moe (MT)
Dede Feldman (NM)
Viola Florez (NM)
Patricia Sullivan (NM)
Warren Hardy (NV)
Carl Shaff (NV)
Duaine Espegard (ND)
Dave Nething (ND)
Robert Burns (SD)
James Hansen (SD)
Jack Warner (SD)
Ryan Deckert (OR)
Tim Nesbitt (OR)
Camille Preus (OR)
Bonnie Jean Beesley (UT)
William Sederburg (UT)
Jeanne Kohl-Welles (WA)
Klaus Hanson (WY)

Commissioners Absent

Marshall Lind (AK)
Joseph Garcia (CO)
Kaye Howe (CO)
Robert Kustra (ID)
Arthur Vailas (ID)
Kerra Melvin (MT)

Bill Goetz (ND)
Peter Knudson (UT)
Ann Daley (WA)
Phyllis Gutierrez Kenney (WA)
Debbie Hammons (WY)

Guests/Speakers

Thomas Bailey, director, National Center for Postsecondary Research, Columbia University
Julie Bell, education group director, National Conference of State Legislatures (NCSL)
Patrick Callan, president, National Center for Public Policy and Higher Education
Dennis Jones, president, National Center for Higher Education Management Systems (NCHEMS)
Toni Larson, executive director, Independent Higher Education of Colorado
Tad Perry, former WICHE commissioner
Lisa Shipley, certifying officer, University of Wyoming
Joseph Steiner, dean, College of Health Sciences, University of Wyoming
Jane Wellman, executive director, Delta Cost Project

WICHE Staff

Erin Barber, executive assistant to the president and to the commission
Louis Fox, vice president, technology and innovation
Patrick Lane, project coordinator, Policy Analysis and Research
David Longanecker, president
Mimi McFaul, associate director, WICHE Mental Health Program
Demarée Michelau, director of policy analysis, Policy Analysis and Research
Craig Milburn, chief financial officer
Jere Mock, vice president, Programs and Services
Dennis Mohatt, vice president for behavioral health, and director, WICHE Mental Health Program
Jeanette Porter, administrative assistant, Policy Analysis and Research
Russ Poulin, interim executive director, WCET
Brian Prescott, director of policy research, Policy Analysis and Research
Margo Schultz, director, Student Exchange Program

Chair Jane Nichols called the meeting to order and welcomed the commissioners.

She introduced five commissioners who were newly appointed or attending their first commission meeting:

- Duaine Espegard, member, North Dakota State Board of Higher Education.
- Viola Florez, cabinet secretary, New Mexico Higher Education Department.
- Warren Hardy, president, Associated Builders and Contractors (attending his first meeting).
- Tim Nesbitt, deputy chief of staff, Office of the Governor, State of Oregon.
- Jack Warner, executive director, South Dakota Board of Regents.

Chair Nichols introduced guests attending the meeting and listed commissioners whose terms are expiring before the May 2010 meeting.

ACTION ITEM

Approval of the Minutes of May 18-19, 2009

Commissioner Shaff moved TO APPROVE THE COMMITTEE OF THE WHOLE MINUTES FROM MAY 18-19, 2009. Commissioner Lorenz seconded the motion. The motion was approved unanimously.

Report of the Chair

Chair Nichols commented on how challenging the year has been for the states, for WICHE as an organization, and for the WICHE staff. She said that it has been a pleasure to work with Longanecker and his staff at WICHE.

Report of the President

David Longanecker welcomed the commissioners to the State Higher Education Policy Center (SHEPC), the home of WICHE, the State Higher Education Executive Officers, and the National Center for Higher Education Management Systems. The building was purchased with the assistance of the Ford Foundation. The organizations were given a 1 percent loan to purchase the facility together as a LLC. It was reconfigured to fit all three organizations. WICHE owns 58 percent of building.

Longanecker shared with the commissioners that over the past month staff have been putting together the ED-SAT proposal for the U.S. Department of Education to be a preferred provider at the federal level. He said that the RFP came out on September 29, so the turnaround time was very short. Longanecker said that he was extremely impressed with the work and progress being done at WICHE. He introduced staff attending the meeting and told the commission about a few adjustments to the meeting schedule in order to accommodate Lt. Governor O'Brien's schedule.

Report of the Nominating Committee

Committee Chair Ogawa said the Nominating Committee included Joel Sideman (AZ), Dave Nething (ND), and himself. The Nominating Committee recommended Tom Buchanan (WY) for 2010 WICHE chair, Joe Garcia (CO) as 2010 WICHE vice chair, and Jane Nichols (NV) as 2010 immediate past chair.

Chair Nichols reminded the commission to caucus on their committee selections for 2010.

The first session of the Committee of the Whole was concluded, and the committee went into recess until Tuesday, November 3.

Session II: Business Session Tuesday, November 3, 2009

Commissioners Present

Jane Nichols (NV), chair
Thomas Buchanan (WY), vice chair
Roy Ogawa (HI), immediate past chair

Diane Barrans (AK)
Patricia Brown Heller (AK)
Leah Bornstein (AZ)
David Lorenz (AZ)
Joel Sideman (AZ)
David Skaggs (CO)
Roberta Richards (HI)
Helene Sokugawa (HI)
Mike Rush (ID)
Dan Harrington (MT)
Mary Sheehy Moe (MT)
Viola Florez (NM)
Patricia Sullivan (NM)
Warren Hardy (NV)
Carl Shaff (NV)
Duaine Espegard (ND)
Dave Nething (ND)
Robert Burns (SD)
James Hansen (SD)
Ryan Deckert (OR)
Tim Nesbitt (OR)
Camille Preus (OR)
Bonnie Jean Beesley (UT)
William Sederburg (UT)
Jeanne Kohl-Welles (WA)
Klaus Hanson (WY)

Commissioners Absent

Marshall Lind (AK)
Joseph Garcia (CO)
Kaye Howe (CO)
Robert Kustra (ID)
Arthur Vailas (ID)

Kerra Melvin (MT)
Bill Goetz (ND)
Dede Feldman (NM)
Jack Warner (SD)
Peter Knudson (UT)
Ann Daley (WA)
Phyllis Gutierrez Kenney (WA)
Debbie Hammons (WY)

Guests/Speakers

Patrick Callan, president, National Center for Public Policy and Higher Education
Dennis Jones, president, National Center for Higher Education Management Systems
Toni Larson, executive director, Independent Higher Education of Colorado
Natalie Mischler, State Higher Education Executive Officers
Tad Perry, former WICHE commissioner
Lisa Shipley, certifying officer, University of Wyoming
Joseph Steiner, dean, College of Health Sciences, University of Wyoming

WICHE Staff

Erin Barber, executive assistant to the president and to the commission
Louis Fox, vice president, technology and innovation
David Longanecker, president
Mimi McFaul, associate director, WICHE Mental Health Program
Demarée Michelau, director of policy analysis, Policy Analysis and Research
Craig Milburn, chief financial officer
Jere Mock, vice president, Programs and Services
Dennis Mohatt, vice president for behavioral health, and director, WICHE Mental Health Program
Russ Poulin, interim executive director, WCET
Brian Prescott, director of policy research, Policy Analysis and Research
Margo Schultz, director, Student Exchange Program

Chair Jane Nichols called the meeting to order and reconvened the Committee of the Whole.

Report and Recommended Action of the Audit Committee

Committee Chair Ogawa reported that the Audit Committee met on October 29, 2009, to review the FY 2009 audit report. A review of the report was presented by Bill Petri (audit partner, Clifton Gunderson) and Steve Clawson (senior manager, Clifton Gunderson). The auditors reported that WICHE underwent an in-depth risk assessment of internal controls and a comprehensive on-site visit. WICHE was audited under the standards of the Government Accounting Standards Board (GASB), which is a change in accounting principal from prior years when WICHE was audited under the Financial Accounting Standards Board (FASB). The auditors reported that the FY 2009 audit report was clean and without any reportable findings. Commissioner Hansen moved TO APPROVE THE FY 2009 AUDIT REPORT. Commissioner Buchanan seconded the motion. The motion was approved unanimously.

Report and Recommended Action of the Executive Committee

Chair Nichols reported that the Executive Committee had two action items to present to the Committee of the Whole. The first action item related to the meeting schedule of the WICHE Commission. The Executive Committee recognized the importance of meeting in Hawaii but recommended to the Committee of the Whole that the commission not meet in Hawaii in 2010 due to the current fiscal situation. The Executive Committee moved to approve the meeting in May 2010 be held in Oregon and the November 2010 be held in Colorado. Commissioner Skaggs moved TO APPROVE HOLDING THE MAY 2010 MEETING IN OREGON AND THE NOVEMBER 2010 MEETING IN COLORADO (INSTEAD OF HAWAII). Commissioner Shaff seconded the motion. Commissioner Hansen asked Chair Nichols if it would be appropriate to amend the motion to hold a meeting in Hawaii in 2011. Commissioner Barrans asked for clarification on what the current meeting schedule is. Longanecker said that the current schedule has the commission meeting in California in May 2011 and Colorado in November 2011. Commissioner Nething asked why the commission would meet in California, since the community college system has not yet paid their past due balance and WICHE does not yet have commissioners appointed from that state. Longanecker said holding a meeting in California would depend on the situation changing. Commissioner Nething moved TO AMEND THE MOTION SO THAT THE MEETING SCHEDULE INCLUDES HAWAII IN NOVEMBER 2011. The motion was approved unanimously.

Chair Nichols reported that the second action item from the Executive Committee was a plan to provide resources sufficient from reserves to contract with Ellen Wagner as executive director of WCET. The motion includes approval to use up to \$100,000 from the reserves to contract with Wagner and up to \$50,000 to implement Louis Fox's new position with the WICHE Technology and Innovation initiative. These items would be drawn from the line in the reserves for unexpected shortfall. Commissioner Ogawa moved TO APPROVE DRAWING FUNDS FROM THE RESERVES (\$100,000 OVER TWO YEARS) IF NECESSARY TO SUPPORT FOX'S EFFORTS WITH TECHNOLOGY AND INNOVATION AND TO HELP SUPPORT HIRING ELLEN WAGNER AS THE NEW EXECUTIVE DIRECTOR OF WCET. Commissioner Moe seconded the motion. The motion was approved unanimously.

Chair Nichols reported that the Executive Committee had heard a report from the Compensation Committee. Commissioner Buchanan will be appointing a subcommittee to work on developing a long-term plan that will be brought to the Committee of the Whole at the May 2010 meeting. This will coincide with approval of the FY 2011 budget in May and will address the significant shortfall in the president's compensation. Chair Nichols said that the Executive Committee was acting on a recommendation from Ken Mortimer's evaluation of WICHE that the organization needs to have a succession plan in place. The subcommittee will work with the Executive Committee to bring a recommendation forward for a vote in May.

Report and Recommended Action of the Programs and Services Committee

Committee Chair Shaff reported that the committee had no action items. The committee heard a presentation from Mark Deutchman, professor in the Department of Family Medicine and director of the Rural Track Program at the University of Colorado School of Medicine. The committee also heard updates on WICHE ICE, the Student Exchange Programs, and the Western Academic Leadership Forum (WALF).

Report and Recommended Action of the Issue Analysis and Research Committee

Committee Chair Skaggs reported that a new project was approved involving a partnership with the Center for Urban Education. WICHE staff discussed the staffing of projects and their involvement on advisory boards. Staff also reported that the Fund for the Improvement of Postsecondary Education (FIPSE) grant was not funded as they had hoped. Brian Prescott presented the 2009 *Benchmarks* document to the committee. They also discussed the WICHE *Fact Book* and whether or not all of the tables currently included in the *Fact Book* are really necessary. The staff may send out a survey to help determine which tables are the most useful. The committee walked through items in the 2010 workplan pertaining to the Policy Analysis and Research unit. The staff was also pleased to report that the annual Legislative Advisory Committee meeting held in September was very successful. The committee was briefed on resources found in SPIDO and the Publications Clearinghouse. They also discussed future topics for the *Policy Insights* publication. Commissioner Skaggs shared with the Committee of the Whole drafted report language from the State Higher Education Executive Officers that promotes a component for the Budget Reconciliation Act coming before the Senate.

Self-funded Units Committee

Commissioner Nething reported that Commissioner Hansen was confirmed as the committee's vice chair. Staff gave an overview of the new National Institute of Mental Health (NIMH) grant and is currently seeking higher education institutions in the West to participate in the grant. Russ Poulin was introduced as interim executive director of WCET.

Longanecker reviewed the plan for transition of leadership in WCET. A report was given on the Transparency By Design project. Louis Fox provided a review of various efforts in innovation in the U.S. Both budgets for the Mental Health Program and WCET were reviewed in the committee meeting. The Mental Health Program budget is particularly healthy at the current time. WCET's budget is being brought back in line. Staff was optimistic that WCET funds would be used to cover the transition of leadership to avoid dipping into the WICHE reserves. Longanecker encouraged commissioners to have their institutions participate in the new NIMH grant providing mental health first aid training to their institutions.

DISCUSSION ITEM

Update on WICHE's Budget

Craig Milburn told the Committee of the Whole that he would be happy to answer any questions on the FY 2009 audit report. He explained that the chart on p. 11-4 of the agenda book shows how FY 2009 ended and the approved budget for FY 2010. The FY 2009 budget did not meet expected interest revenue earnings. However, a portion of that shortfall was made up for by indirects earned on federal awards. Milburn reported that Longanecker took steps early in the year to reduce expenditures, which resulted in nearly \$208,000 being added to the reserves. Longanecker commented that the auditors took longer to present the audit because of the switch from FASB accounting to GASB accounting. Commissioner Beesley commended Longanecker on his efforts to reduce expenditures in the budget to come up with an addition to reserves despite the current fiscal climate. Commissioner Ogawa asked for clarification on the various categories in reserves. Longanecker said that there is a policy on keeping a minimum amount in reserves to protect the staff and organization if WICHE was to ever shut down. There are also reserves dedicated to the facility as part of the bond covenant. And there is a line in the reserves to be used for unexpected expenditures. The remainder of the reserves are undedicated.

ACTION ITEM

Election of Chair, Vice Chair, and Immediate Past Chair as Officers of the WICHE Commission

Chair Nichols asked for a motion and second to approve the 2010 WICHE officers. Commissioner Ogawa moved TO APPROVE THE NOMINATION OF TOM BUCHANAN AS 2010 WICHE CHAIR, JOE GARCIA AS 2010 VICE CHAIR AND CHAIR ELECT, AND JANE NICHOLS AS IMMEDIATE PAST WICHE CHAIR. Commissioner Nething seconded the motion. The motion was approved unanimously.

Chair Nichols said that she and the commissioners were privileged to serve on the WICHE Commission. She said that it was an honor to work with everyone and a pleasure to serve as chair. WICHE is very fortunate to have Longanecker and his staff and all of the good work they do. Commissioner Buchanan thanked Chair Nichols for a great year. Chair Nichols thanked Commissioner Ogawa for his service as a WICHE officer over the past three years. She reminded commissioners to fill out the electronic meeting evaluation when the link is sent out. There was no further business mentioned. Longanecker presented Chair Nichols with a gift and said that she had been an exceptional chair and a valued colleague and friend.

The Committee of the Whole was adjourned.