Committee of the Whole
Call to Order/Introductions

Monday, May 16, 2011
8:45 - 9:00 am
Stanford East
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Committee of the Whole –
Call to Order/Introductions

Call to order: Joseph Garcia, chair

Welcome

Introduction of new commissioners and guests 2-3

Approval of the Committee of the Whole meeting minutes of November 8-9, 2010 2-4

Report of the chair

Report of the president

Recess until May 17, 2011, at 9:30 am
New Commissioners

José Z. Garcia has been on the faculty at New Mexico State University (NMSU) for more than three decades. He has conducted research and lectured throughout Latin America, specializing in questions of political instability. Garcia directed the Center for Latin American and Border Studies at NMSU for 13 years. In recent years his research has focused on the U.S.-Mexico border. He is one of the founding members of the Paso del Norte Water Task Force, a nongovernmental, tristate, binational organization created in the late 1990s, grouping together irrigation district and water utilities managers with environmental groups, citizens, and academics, to stimulate greater cooperation toward more efficient regional water management in the Paso del Norte region. Garcia was chair of the organization from 2010-2011. He has also taught a course in New Mexico politics for many years. After receiving a B.A. from Occidental College, Garcia was awarded a Fulbright Fellowship to Ecuador. He received an M.A. from the Fletcher School of Law and Diplomacy at Tufts University and a Ph.D. from the University of New Mexico.

Joseph Hardy was elected to the Nevada State Senate in November 2010. He currently serves on the Government Affairs and Health and Human Services Committee. Hardy previously served in the Nevada Assembly from 2003-2009 and has been in practice as a family physician for over 25 years. He received his B.S. from the University of Nevada, Reno, School of Medicine, and his M.D. from Washington University School of Medicine in St. Louis.
ACTION ITEM
Minutes of the Committee of the Whole

Session I: Call to Order
Monday, November 8, 2010

Commissioners Present
Thomas Buchanan (WY), chair
Joseph Garcia (CO), vice chair
Jane Nichols (NV), immediate past chair
Susan Anderson (AK)
Diane Barrans (AK)
James Johnsen (AK)
Leah Bornstein (AZ)
David Lorenz (AZ)
D. Rico Munn (CO)
Roy Ogawa (HI)
Roberta Richards (HI)
Steven Wheelwright (HI)
Duane Nellis (ID)
Michael Rush (ID)
Clayton Christian (MT)
Kim Gillan (MT)
Sheila Stearns (MT)
Patricia Sullivan (NM)
Carl Shaff (NV)
Bill Goetz (ND)
David Nething (ND)
Robert Burns (SD)
James Hansen (SD)
Jack Warner (SD)
Ryan Deckert (OR)
Camille Preus (OR)
Bonnie Jean Beesley (UT)
Peter Knudson (UT)
William Sederburg (UT)
Don Bennett (WA)
Jeanne Kohl-Welles (WA)
Debbie Hammons (WY)
Klaus Hanson (WY)

Commissioners Absent
Thomas Anderes (AZ)
Kaye Howe (CO)
Robert Kustra (ID)
Arthur Vailas (ID)
Duaine Espegard (ND)
Viola Florez (NM)
Warren Hardy (NV)
Tim Nesbitt (OR)
Phyllis Gutierrez Kenney (WA)

Guests/Speakers
Jon Hansen, WICHE consultant
Debra Humphreys, vice president for communications and public affairs, Association of American Colleges and Universities
Toni Larson, executive director, Independent Higher Education of Colorado
David Letzelter, senior vice president, Marsh USA
Teddi Safman, assistant commissioner for academic affairs, Utah System of Higher Education
Lisa Shipley, certifying officer, University of Wyoming
Bruce Vandal, director, Postsecondary Education and Workforce Development Institute, Education Commission of the States

Staff Present
Erin Barber, executive assistant to the president and to the commission
Margo Colalancia, director, Student Exchange Program
Annie Finnigan, communications manager, Programs and Services
Louis Fox, senior associate, Technology and Innovation
David Longanecker, president
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, director, WICHE Mental Health Program
Brian Prescott, director of policy research, Policy Analysis and Research
Pat Shea, director, WICHE ICE, the Forum, and the Alliance
Ellen Wagner, executive director, WCET
Chair Thomas Buchanan called the meeting to order and welcomed the commissioners.

Chair Buchanan introduced newly appointed commissioners:
  Thomas Anderes, Arizona (not in attendance)
  Susan Anderson, Alaska
  Don Bennett, Washington
  Clayton Christian, Montana
  Kim Gillan, Montana
  James Johnsen, Alaska
  Susanna Murphy, New Mexico (not in attendance)
  Duane Nellis, Idaho
  Sheila Stearns, Montana (served as a WICHE Commissioner previously from 2003 - 2006)
  Steven Wheelwright, Hawaii

Chair Buchanan introduced guests attending the meeting and listed commissioners whose terms are expiring after the November 2010 meeting.

**ACTION ITEM**

**Approval of the Minutes of May 17-18, 2010, Committee of the Whole Meeting**

Commissioner Nething moved TO APPROVE THE COMMITTEE OF THE WHOLE MINUTES FROM MAY 17-18, 2010. Commissioner Lorenz seconded the motion. The motion was approved unanimously.

**Report of the Chair**

Chair Buchanan said that WICHE staff made his job as chair an easy one and that it had been a good year.

**Report of the President**

David Longanecker introduced staff in attendance. He also announced new staff members at WICHE and shared with the commissioners that two friends of WICHE (Ann Jonsen, wife of Dick Jonsen, former WICHE executive director, and Elton McQuery, former executive director of the Council of State Governments and a leader in establishing WICHE) had recently passed away.

**Report of the Nominating Committee**

Jane Nichols introduced Camille Preus and David Nething as the other members of the Nominating Committee. She told the commission that the nominees for the 2011 WICHE officers were Joseph Garcia for WICHE chair, Bonnie Jean Beesley for vice chair and 2012 chair-elect, and Thomas Buchanan for immediate past chair. Nichols told the commission that they would be voting on the nominations during the business session the next day.

Chair Buchanan reminded the commission to caucus with other members from their states for their selection of 2011 committee members.

The first session of the Committee of the Whole was concluded, and the committee went into recess until Tuesday, May 18.
Chair Thomas Buchanan called the meeting to order and reconvened the Committee of the Whole.

Report and Recommended Action of the Audit Committee
Committee Chair Jane Nichols reported that the Audit Committee met on October 19, 2010, via teleconference to review a draft of the FY 2010 WICHE audit. The audit firm Clifton Gunderson was represented on the call by Bill Petri and Steve Clauson. The auditors reviewed the audit report with the committee members and WICHE staff. The Audit Committee then met with the auditors in a private session to verify staff work with the auditors. The audit was done in accordance with Governmental Accounting Standards Board (GASB) standards and represented a fair account of the WICHE financial statements. Nichols reported that the audit report was late, and that the lateness was due to internal issues with Clifton Gunderson and not due to WICHE staff issues.
The Audit Committee members were satisfied with the FY 2010 audit report but made it clear to Clifton Gunderson that it shouldn’t have been late. During the audit process, a federal analysis was done on all federal projects within WICHE. The auditors found one significant deficiency within the mental health first aid challenge grant (erroneously charged indirect to the project). The amount of indirect charged was about $2,300. This deficiency was reported to the federal government, and the committee was assured by WICHE staff that the error had been corrected, the $2,300 had been returned to the grant for distribution to the subgrantee, and the process for collecting indirect charges had been changed to assure that this would never occur again. Nichols moved to approve the FY 2010 Audit Report. Commissioner Richards seconded the motion. The motion was approved unanimously. Commissioner Nichols also mentioned that the Audit Committee would be meeting immediately following the adjournment of the commission meeting.

Report of the Executive Committee
Chair Buchanan reported that the Executive Committee met on Monday, November 8, 2010. David Longanecker walked the committee through the November 2010 meeting schedule. The committee was updated on the deferred compensation plan for Longanecker’s position. The intent of the plan is to bring Longanecker’s salary in line with that of other leadership in similar organizations by 2015. The deferred compensation plan begins in 2011 and runs until 2015. It will be administered by TIAA-CREF in a 457F deferred compensation account for executives. The first payment will begin in 2011, and in any given year there is a specific salary amount to be placed into the deferred compensation account. The commission can opt to pay some of this amount as actual salary to Longanecker or solely as deferred compensation. Longanecker will not access the funds until he completes his tenure with WICHE in 2015. The deferred compensation plan will also enable the commission to offer a competitive salary for the next CEO of WICHE. The plan was developed with the assistance of the University of Wyoming and TIAA-CREF. There will be more paperwork to finalize further details, but most of the work required to begin the plan in 2011 has been done.

The Executive Committee was also updated on the results of the survey that was sent out to all commissioners earlier this fall to decide on whether or not to hold the fall 2011 meeting in Hawaii. The commission voted in favor of meeting in Hawaii in the fall of 2011 (by about 94 percent).

Report of the Programs and Services Committee
Committee Chair Carl Shaff reported that the Programs and Services Committee had heard an update on the Master Property Program (MPP), which is a model of collaboration between three of the regional associations. The program was created by the Midwest Higher Education Compact, which invited WICHE to join; the New England Board of Higher Education joined in 2009. David Letzelter, senior vice president at Marsh (the national administrator of the MPP), and Jon Hansen, former risk manager with the Nevada System of Higher Education (NSHE) and current WICHE consultant, shared with the committee the program benefits for both public and private institutions. NSHE was the first WICHE member of the MPP and has seen significant savings under the program. Jere Mock, vice president of Programs and Services, would be pleased to talk further with any commissioners interested in the program.

Shaff reported that Pat Shea, director of the Western Academic Leadership Forum (the Forum), the Western Alliance of Community College Academic Leaders (the Alliance), and WICHE ICE (Internet Course Exchange) shared a draft of the upcoming Forum meeting program, to be held in April 2011 in Fort Collins, CO. The program is focusing on student readiness and success. Shea also provided the committee with a description of the Alliance. In addition, she told the committee that the Interstate Passport proposal was not funded by the Fund for the Improvement of Postsecondary Education (FIPSE).

Stephen Handel, senior director of higher education relationship development and community college initiatives at the College Board, presented on transfer issues within community colleges and completion rates and how they relate to transfer issues. He also provided suggestions for transfer assistance for community college students.

Shaff reported that Margo Colalancia, director of Student Exchange Programs (SEP), had provided an SEP update. She reported that enrollment has increased, and states have experienced significant savings through the programs. This fall the Western Regional Graduate Program (WRGP) invited public institutions in the West to nominate their graduate programs for participation. WICHE staff is considering new models for support fees and will be preparing a proposal for the committee to consider at the May 2011 meeting. Shaff also reported that student testimonials are now on the WICHE website.
Report and Recommended Action of the Issue Analysis and Research Committee

Committee Chair Bob Burns reported that the Issue Analysis and Research Committee received an update on the status of the National Research and Development Center on Postsecondary Education and Employment grant proposal to the U.S. Department of Education Institute of Education Sciences. If funded, WICHE would receive $500,000 per year for five years. A funding decision is expected in January 2011. Information was shared about WICHE's collaboration with the National Governors Association (NGA) and Lumina Foundation to develop strategies for outreach to new governors. There will be nine new governors in the West. Some do not have any higher education experience, and almost all will inherit challenging fiscal conditions. WICHE is working with the NGA to facilitate discussions with the new governors about how to develop metrics specified in NGA's Complete to Compete initiative, while also looking for ways to help them think about how to preserve access and affordability and promote success in an environment of severe funding constraints. WICHE is producing one of NGA's policy briefs (on adult learners), which will be part of a packet distributed to governors.

Staff updated the committee about a new grant from Lumina Foundation ($1.1 million grant over four years), in which WICHE will serve as the intermediary organization for the foundation’s Adult Degree Completion Strategy. WICHE will convene meetings, develop an interactive website, create listservs, and engage in other activities to foster communication between states, institutions, municipalities, and others who are working to bring individuals who have left college with about 75 percent of the credits they need to earn a degree back to finish college.

Staff also informed the committee about the results of the data resources review focused on Fact Book, Benchmarks, and Tuition and Fees, which included a survey of commissioners and other data users. Finally, staff described progress being made toward the FY 2011 workplan.

Report and Recommended Action of the Self-funded Units Committee

Committee chair Jim Hansen reported that Louis Fox, senior associate for Technology and Innovation, described recent developments in research and education broadband networking in the West. The most significant development is the Broadband Technology Opportunities Program (BTOP) administered by the Department of Commerce, which made $4.6 billion in grants available for broadband infrastructure. Most grants have gone to state initiatives, and many WICHE states have received multiple BTOP grants. Fox also noted that Internet2 received $63 million (with a $30 million match) to refresh the national research and education backbone infrastructure. In return for this investment, Internet2 committed to connect over 200,000 anchor institutions in the coming years. (Currently, Internet2 connects approximately 70,000 schools, libraries, colleges, and universities). This is a significant commitment. Fox noted that David Longanecker and the WICHE Commission contributed $50,000 from the WICHE reserves to Technology and Innovation, and these funds remain untouched, with Technology and Innovation ending the year with a $50,000 fund balance. Funding for Technology and Innovation efforts comes mainly from contracts with Internet2.

Dennis Mohatt, vice president of behavioral health and director of the Mental Health Program, told the committee that the program had eliminated the FY 2009 negative fund balance of approximately $70,000 during FY 2010 and finished the year with a $132,000 positive fund balance. The negative fund balance was the result of late payments for a couple of projects. The Mental Health Program operated on approximately $1.6 million for FY 2010. The program has been successful in securing new technical assistance contracts and research support for FY 2011 and is on track for a banner year.

Ellen Wagner, executive director of WCET, summarized what has been done over the past year since she joined the organization. WCET has been in restart mode and determining how to leverage technology by ensuring a focus on the needs of its members (WCET currently has 300 institutional members). Currently, WCET has a budget deficit, but Wagner has identified a potential revenue source: WICHE web conferencing. One area in need of improvement was the WCET website, which has been successfully rebuilt. WCET is also exposing members to new technology via Twitter, blogs, and webcasts; and it’s using webcasts and publications as a channel to talk about what WICHE is doing as well. Currently, WCET is preparing for the 22nd annual conference in La Jolla, CA, on November 10-13.

DISCUSSION ITEM

Update on the Legislative Advisory Committee Annual Meeting

Chair Buchanan called on Commissioner Nething for an update on the Legislative Advisory Committee (LAC) annual meeting. Commissioner Nething gave a brief summary of the LAC for new commissioners. The LAC held its most recent meeting on October 2010 in Denver. The title of the meeting was “Going the Distance: Strategies for Reaching College Completion Goals.” The agenda featured a number of high-profile speakers, including Patrick Kelly from the
National Center for Higher Education Management Systems, Davis Jenkins from the Community College Research Center, Travis Reindl of the National Governors Association, and Tom Sugar from Complete College America. Thirteen legislators from nine states participated (plus a legislator from Arkansas who was a speaker), but several more would have come if it wasn’t the election season. Given the recent elections, there are now some vacancies on the LAC, and staff will be in contact to fill those as soon as possible. Commissioner Nething said that information about the LAC, its meetings, and its members is available on the WICHE website. Commissioner Deckert asked if it would be possible to hold the LAC meeting twice a year. Longanecker said that adding a second meeting would be a constraint on the budget but mentioned the possibility of doing webinars throughout the year as an alternative.

**DISCUSSION ITEM**

**Update on the WICHE Budget**

Chair Buchanan asked Craig Milburn to update the commission on the WICHE budget. Milburn explained that each unit had added to their fund balances with the exception of WCET, which lost $182,000 and had $100,000 added to their reserves from WICHE. He reported that the Mental Health Program had made up its deficit and was doing very well this year. Milburn further explained that WCET was provided with $100,000 that was not used last year but will be used this year. The projections are showing that they won’t need to use all of these funds, and it’s hoped that WCET will be on solid ground by this time next year. Technology and Innovation received $50,000 from reserves, but that amount was funded back to WICHE this year.

Milburn reported that the FY 2010 general fund budget ended with a surplus of $138,000. Some of the WICHE reserves are dedicated to various places, such as facility payments, unexpected shortfalls, and the Colorado Educational and Cultural Facilities Authority bond. After the surplus was allocated to the dedicated reserves, $11,000 was added to the general reserves. A few months into FY 2011, the budget expenditures are looking to be in good shape, but there may be need to go into reserves for revenue shortfall. All dues have been paid with the exception of New Mexico, which has paid half of its dues. WICHE staff continues to seek resolution for the past-due California dues.

Longanecker said that as they work on putting the FY 2012 budget together, he will be mindful of how the states are doing. Commissioner Hanson asked about the reduction in WICHE’s percentage of space in the building. Longanecker said that it was a very minimal reduction (1 percent), due to remodeling done in the State Higher Education Executive Officers (SHEEO) offices that incorporated space WICHE once shared with the other State Higher Education Policy Center (SHEPC) organizations. Commissioner Hammons asked if there was an average amount higher education institutions have experienced in budget cuts. Longanecker said that the definition of a cut has been difficult to define. When looking at cuts to state appropriations, most of the institutions did not face substantial cuts because of stabilization funding. Budgets and budget cuts have been extremely variable around the West. Nevada has probably experienced the worst cuts, followed by Washington and Oregon, along with modest cuts in Colorado. Commissioner Kohl-Welles said that in Washington there was a huge cut overall in the budget, and then all state agencies received further cuts as well. Commissioner Hammons commented that WICHE’s budget should reflect what the states are experiencing in their budgets. Longanecker said that the organization cannot function without resources. Currently, the dues are frozen, and next year’s budget will not propose a reduction in dues. Commissioner Barrans offered two comments: first, she agreed that doing a webinar to keep LAC members engaged in between annual meetings was a good idea, since two meetings aren’t possible with the current budget; and second, she told the committee that she had observed WICHE over many years and has seen the organization operate on a lean budget that has kept expenditures low and the budget balanced even in difficult times.

**ACTION ITEM**

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

Chair Buchanan asked for a motion to nominate the 2011 WICHE officers. Commissioner Nichols made a motion TO APPROVE THE NOMINATION OF JOSEPH GARCIA FOR 2011 WICHE CHAIR, BONNIE JEAN BEESLEY FOR 2011 VICE CHAIR AND 2012 CHAIR-ELECT, AND THOMAS BUCHANAN AS THE 2011 IMMEDIATE PAST CHAIR. Commissioner Nething seconded the motion. The motion was approved unanimously.

Longanecker thanked Chair Buchanan for his leadership and service as chair of WICHE. He also extended thanks to Tara Nelson Evans and Susan Weidel for their work on the deferred compensation plan.

Chair Buchanan adjourned the Committee of the Whole Business Session.