Executive Committee

Monday, 8.30 – 9.00 am (closed)
Spruce Room

9.00 – 10.00 am (open)
Centennial F

- Executive Committee Meeting Agendas, November 12, 2001
- Executive Committee Meeting Minutes, May 2001
- Executive Committee Conference Call Meeting Minutes, August 2001
- Executive Committee Conference Call Meeting Minutes, September 2001

**ACTION ITEM:** Audit Report for FY 2001 (distributed separately)

**ACTION ITEM:** Process for Building or Purchasing the WICHE Working and Learning Center

**WICHE Mental Health Program Update**
Executive Committee Agenda, Closed Session

Emily Stonington, Chair (MT)
Tad Perry, Vice Chair (SD)
Everett Frost, Immediate Past Chair (NM)

Diane Barrans (AK)
Linda Blessing (AZ)
Warren Fox (CA)
Tony Rechlitz (CO)
Doris Ching (HI)
Chuck Ruch (ID)
Richard Crofts (MT)
Carl Shaff (NV)
Bruce Hamlett (NM)
David Nething (ND)
Diane Vines (OR)
Robert Burns (SD)
David Gladwell (UT)
Don Carlson (WA)
Jenne Lee Twiford (WY)

Agenda

Informal Review of Executive Director’s Performance
AGENDA

Executive Committee Meeting Minutes, May 21, 2001 Meeting; Conference Call Meetings, August 28, 2001, September 27, 2001

Audit Report for FY 2001(distributed separately)

Process for Building or Purchasing the WICHE Working and Learning Center

Information Item:

Mental Health Program Update

Discussion Items:

Commission Meeting Agenda

Other Business and Current WICHE Issues
Vice Chair Perry called the meeting of the Executive Committee to order and announced there would be two additional agenda items: 1) Evaluation of the executive director and 2) WICHE's 50th anniversary.

Approval of the Executive Committee Minutes


Discussion Item: May 2001 Meeting Schedule Review

David Longanecker reviewed the schedule for the May 2001 meeting.

Discussion Item: November 2001 Meeting Format/Content

David Longanecker said the November 2001 meeting would be held at the Omni Interlocken Hotel in Broomfield, Colorado. Broomfield is about 10 miles from Boulder. He said some ideas for that meeting include: student success in college, the new administration's outlook on education, and holding a regional forum on accountability, and funding immediately following the commission meeting.

Evaluation of the Executive Director

Commissioner Frost presented a draft proposal for evaluating the executive director annually and long term. He said currently the process involves an examination and review of the workplan’s progress. He said a long term review should include other factors and garner input from external constituents and WICHE staff. The draft proposal included a policy statement and two draft surveys: one for external constituents and staff, and another for WICHE commissioners. The proposal suggests an annual evaluation focusing on objectives and the workplan, and a long term evaluation, occurring every four years, focusing on these areas:
1) basic job responsibilities; 2) annual performance objectives and the commission workplan; 3) management and leadership style; and 4) professional development objectives.

Several suggestions about the review process were made including:

- Be careful about the use of 360 degree evaluations; staff training prior to using this method would be helpful. Longanecker said an internal staff committee had discussed the use of this process and rejected it. However, he said he felt it was important that commissioners get some feedback from the senior staff about his performance. Staff involvement in the process would be helpful but should be limited and less formal. Questions posed to staff should be carefully constructed and responses filtered. The questions should focus on outcomes and not address personality or style. More thought needs to be given to the idea of doing a 360 degree evaluation.

- Limit the use of the questionnaire to commissioners only, and then evaluate its use prior to distributing it externally or to staff.

- Consideration needs to be given to which external groups would provide input on the executive director's evaluation.

- On the questionnaire: if a less than satisfactory answer is given, specific examples or comments should be requested. The questionnaire should also include the role and mission of the organization.

- Data collected from a survey would be helpful to Executive Committee members prior to meeting to review the executive director in May.

- After the survey is conducted, the officers should examine the data, including the fiscal health of the organization, and the executive director's self-evaluation, and present the Executive Committee with a recommendation for action. A more structured process would be helpful for those commissioners who are not closely involved in WICHE.

- It would be helpful for the Executive Committee representative to receive evaluative comments from the other two commissioners in their states prior to meeting in May to make decisions about the evaluation of the executive director. Executive Committee representatives should solicit this input. Email would be helpful to collect evaluative comments.

- Appoint a small commission committee to explore the process for the long-term review of the executive director.

It was decided that an expanded review of the executive director should be conducted every four to five years, and that all commissioners should have input on the annual review. Commissioners would like access to the executive director's self-evaluation, survey data (if any), input from their state delegations, and a recommendation from the officers, prior to meeting annually to review the executive director's performance. The officers will work on the long-term plan for evaluating the executive director, and the Executive Committee will discuss it further at a future meeting.
WICHE's 50th Anniversary

David Longanecker reported that the actual date of WICHE's 50th anniversary was in question and that it is either in 2002 or 2003. Some states signed the compact in 1952. The compact specifies that it would become effective once more than five states had signed it. In 1953, eight states had signed it. Longanecker said this gives WICHE an opportunity to celebrate the anniversary over an extended period of time. Such a celebration could assist WICHE in obtaining resources to build a facility. Individual states could mark the anniversary on the date they signed the compact. Longanecker asked if the Executive Committee agreed with the idea of marking WICHE's 50th anniversary in a large fashion. He said he would also like to know about key issues in the states, and that by 2002-2003 access and demand will be important issues, and, hopefully, there will be resources in hand to help address those issues.

The Executive Committee agreed that marking WICHE's 50th anniversary was a good opportunity and offered several suggestions for such a celebration:

- Focus on former WICHE students now working in the states, e.g., videotape or profile former students for presentation to state legislators. This could demonstrate WICHE's contribution to each state's business and economic growth. Legislators on the Executive Committee agreed this would be an effective approach in providing solid evidence of what WICHE has done to benefit states. It was also noted that some states are not allowed to have legislative appointees on the commission, and this would help those states involve their legislators in WICHE. Each state could have a Web site to showcase their state's students.

- Seek volunteers to write occasional papers about higher education in the West.

- Focus on each state's anniversary date for joining the compact.

- Focus on significant issues to show WICHE's constituents the organization's past accomplishments, current issues, and future focus.

- Involve former WICHE commissioners.

- Concentrate on the future opportunities that WICHE can help states achieve through education of their residents.

- Showcase WICHE's mission and vision, which include the constant elements of student exchange, quality information, and policy advice to states.

- Continue the executive director's state visits.

When asked about an official historian, Longanecker said that Frank Abbott, former director of the Student Exchange Program, had been working on a history of WICHE, organized by the tenure of WICHE's former executive directors. Abbott has finished the Harold Enarson years and will soon finish the Robert Kroepsch years. Longanecker said some interesting facts could be coupled with a pictorial presentation on the Internet. He said it would also be good to have the former executive directors involved in the celebratory activities.

It was decided that David Longanecker should develop a strategy for a 50-year anniversary celebration for WICHE and present it to the Executive Committee.
Key Issues in the States

**Energy.** The cost of energy and its impact on institutions and the states and its subsequent effect on bonds and state debt, the general fund, and governors' budgets is a current issue for the states. WICHE could help the states by providing policy analysis in this area. David Longanecker said WICHE's workplan does include finance issues, and that funding for this project looks promising. It was also suggested that WICHE could host a roundtable discussion about what institutions and states are doing to meet their energy costs.

**Southern-Border Collaboration.** President Bush's interest in working with Mexico and opening United States institutions to Mexican residents at in-state tuition rates is another key issue, particularly for the states bordering Mexico. It was stated that this is an economic public policy issue because in-state tuition does not begin to cover the cost of education. David Longanecker said WICHE has a FIPSE (Fund for the Improvement of Postsecondary Education) grant through CONAHEC (Consortium for North American Higher Education Collaboration) called the Tuition Bank. The Tuition Bank project explores issues around the concept of students attending institutions across borders at the same rate they would have paid in their home country. Since this is a reciprocal concept, it wouldn't necessarily be a violation of the principles of in-state and out-of-state tuition. He said this is uniquely North American between the three countries - the United States, Mexico, and Canada. The United States' institutional financing structure relies very heavily on a differential tuition structure; far more than in Canada or Mexico. This is an embedded part of the way in which the United States finances higher education. There are equity issues that arise if a student from Texas has to pay more than a student from Mexico to attend school in Arizona. The Tuition Bank project will examine these issues and develop ideas to implement this concept. Longanecker said these initiatives would encourage more Americans to study in Mexico.

**Regional Tuition.** Proposed discussions about regional tuition could include virtual universities, state borders, and state interests. It could have a significant effect on the Professional Student Exchange Programs and the Western Undergraduate Exchange. It was stated (by a legislator) that legislators do not understand the issues of higher education being broader in scope than the state level. At the state level, they are concerned about providing the cost of education for the students in their home states and they don't see the value or the connection to this as a national investment. It is going to take a serious effort to bring together key legislators from the states to have this discussion regarding a regional approach to tuition.

**ADA.** The Americans with Disabilities Act (ADA) and its impact on higher education - including the Professional Student Exchange Program and the Western Undergraduate Exchange Program - are also key state and institutional issues.

**Executive Committee Conference Call Meetings**

David Longanecker said he thought the Executive Committee would only need one or two conference call meetings between now and the November commission meeting.

**Other**

Commissioner Frost asked the executive director to prepare a note of sympathy on behalf of the WICHE Commission to send to Emily Swanson concerning her horse-back riding accident.

The meeting adjourned.
Executive Committee Conference Call
Meeting Minutes
August 28, 2001

Committee Members Present

Emily Stonington, Chair (MT)
Tad Perry, Vice Chair (SD)
Diane Barrans (AK)
Linda Blessing (AZ)
Warren Fox (CA)
Tony Rechlitz (CO)
Doris Ching (HI)
Chuck Ruch (ID)
Dick Crofts (MT)
Carl Shaff (NV)
Bruce Hamlett (NM)
David Nething (ND)
Diane Vines (OR)
Robert Burns (SD)
Don Carlson (WA)
Jenne Lee Twiford (WY)

Members unable to attend:
Everett Frost, immediate past Chair (NM)
David Gladwell (UT)

Others present:
Louise Lynch (AZ)
Dave Harris (AZ)

Staff present:
Suzanne Benally
Cheryl Blanco
David Longanecker
Jere Mock
Marv Myers
Marla Williams

Chair Stonington called the meeting to order.

ACTION ITEM
Expanding Engagement: Public Policy to Meet State and Regional Needs

David Longanecker described the project "Expanding Engagement: Public Policy to Meet State and Regional Needs" (attachment 1). This project would continue WICHE's efforts to engage legislators in higher education policy. If approved by the Ford Foundation, it would be the third in a series of projects to strengthen legislative engagement. Longanecker said the foundation would review this request for continued funding during its September board meeting.

COMMISSIONERS FOX/CARLSON (M/S) APPROVAL TO SEEK, RECEIVE, AND EXPEND FUNDS FROM THE FORD FOUNDATION TO SUPPORT A PROJECT TO EXPAND WICHE'S CURRENT WORK AND HELP STATES BUILD THE CAPACITY FOR CHANGE AND TO INITIATE THAT CHANGE BY CONSENSUS BUILDING AND ACTION-ORIENTED WORK. The motion passed unanimously.

ACTION ITEM
The Western Higher Education Center

David Longanecker described WICHE's plans to seek financial assistance to build "The Western Higher Education Center" (attachment 2). Under the proposed plan, a new working and learning environment for WICHE and other nonprofit higher education organizations in the Boulder area would be built by 2004. It is estimated that a 40,000 square foot facility would be needed; 35,000 square feet will be used for workspace and the remaining 5,000 for a state-of-the-art learning center. Preliminary cost estimates developed by the Neenan
Companies indicate that the design and construction costs would be $9 million - $7.7 million for the office space and $1.3 million for the learning center. WICHE, and the other nonprofit organizations, would issue tax-exempt bonds to finance the workspace costs. Underwriting support would be sought from foundations to secure the bond financing and also to pursue capital grants from foundations to finance the learning center and its equipment.

Ensuing discussion focused on bond financing, design/build methods of construction, and the Executive Committee's authority to approve this action item as submitted. The committee decided that it needed more information about the details of the proposed office facility and that the final approval should be addressed by the entire commission. Longanecker said the action item had been presented at this time because the El Pomar Foundation had expressed an interest in possibly securing the bonds for the project and their board would meet in November to review this possibility. Longanecker said the commission would have a more detailed discussion about the facility during the November meeting. The action requested sought approval to seek, receive, and expend funds to design, finance, and build a new working and learning environment for WICHE and other nonprofit higher education organizations in the Boulder area. The motion was subsequently amended and approved as follows:

COMMISSIONERS BLESSING/SHAFF (M/S) APPROVAL FOR WICHE TO SEEK FUNDING FOR A NEW WORKING AND LEARNING ENVIRONMENT FOR WICHE AND OTHER NONPROFIT HIGHER EDUCATION ORGANIZATIONS IN THE BOULDER AREA. The motion passed unanimously.

DISCUSSION ITEM
Proposed Change in Indirect Cost Recovery and Compensation Policies for Self-Supporting Units

David Longanecker reported that the Western Cooperative for Educational Telecommunications' board had raised questions about the amount of "indirect costs" the cooperative is providing WICHE. He said the cooperative's board is interested in exploring some other arrangement that would allow the cooperative to recoup some of this income for its own purposes, which might include: staff compensation, special projects, and strengthening its reserve. Several committee members expressed support for exploring this proposal further. Longanecker said he would develop a discussion item for consideration during the September meeting of the Executive Committee. If favorably received by the Executive Committee, the item would be advanced to the full commission at the November meeting.

INFORMATION ITEM
Final Budget Figures for FY 2001

Marv Myers reviewed the final budget for FY 2001. He said the budget surplus was $181,284 above projections, primarily due to an increase in indirect cost recovery associated with approved grants and contracts. He said in many instances, these grants and contracts allow WICHE to shift portions of staff salaries to them, thus relieving the impact on the General Fund. He also reviewed the commission-approved one-time expenditures related to WICHE's office move in July and consultation fees related to exploring the purchase of an Association Management Software package.
INFORMATION ITEM
November Commission Meeting Schedule

The committee reviewed the draft schedule for the November 2001 commission meeting that includes policy discussions focused around issues related to the transition from high school to college.

INFORMATION ITEM
Meeting Date Conflicts for November Commission Meetings

David Longanecker said several national meetings tend to cause problems for some WICHE commissioners because they conflict with the commission's November meetings. It was decided not to change the established commission meeting dates, but to keep these conflicts in mind for future planning.

INFORMATION ITEM
Program and Project Updates Lumina Foundation for Education

Cheryl Blanco reported that a proposal to seek funding related to higher education finance had been submitted to the Lumina Foundation for Education. The proposed project seeks $400,000 over an 18-month period to examine financial aid structures and finance policies to maximize participation, access, and success for students. WICHE's project partners would be the American Council on Education and the State Higher Education Executive Officers. A decision about the foundation's funding for this project is expected in September.

The Andrew W. Mellon Foundation

Cheryl Blanco reported that the Andrew W. Mellon Foundation had approved a request for funding in the amount of $45,000 for the U.S.-U.K. Postsecondary Education Policy Dialogue. This meeting, to be held on September 21-22, will continue the collaborative dialogue that began in 1999 as a partnership between two British partners, the Higher Education Funding Council for England and the British Council, and two U.S. partners, the State Higher Education Executive Officers, and WICHE.

Advanced Placement Grant

Cheryl Blanco reported that nine WICHE states are participating in the U.S. Dept. of Education-funded project on Advanced Placement Incentives being administered by WICHE. She added that some states, such as California, had decided to participate independently and directly with the Dept. of Education.

Doctoral Scholars Program

Suzanne Benally reported that the Doctoral Scholars Program has been operating at a minimal level due to a lack of funding. She said the annual "institute" meeting of scholars would be held on October 25-28, in Atlanta. She said efforts continue, in partnership with the New England Board of Higher Education and the Southern Regional Education Board, to seek transitional funding to redesign and continue this program.

WICHE's 50th Anniversary

David Longanecker said plans now call for WICHE to begin its 50th anniversary celebration in November 2002 and to end this activity in November 2003. He said individual states may want to consider celebrating this anniversary based on the date their state originally signed the Compact for Education. He said he may request funding from the budget surplus to staff this activity, and that this item may appear on the September agenda for the Executive Committee.
Other
David Longanecker announced that a new commissioner orientation session would be held on Sunday, Nov. 11, just prior to the start of the November commission meeting and that all interested commissioners, regardless of their appointment date, would be invited to attend.

Adjournment
The meeting adjourned.
ACTION ITEM

Expanding Engagement: Public Policy to Meet State and Regional Needs

Summary

Staff requests approval to seek, receive, and expend funds to support continuation of a project initially funded by the Ford Foundation in 1999 and 2000. The new initiative, the third in this funding series, will build on our current Ford Foundation projects, Strengthening Legislative Engagement in Higher Education: Public Policy for Transformation and Change and Public Policy for Higher Education: Beyond Talk to Action. The continuation project is designed to expand the work we have started both in terms of key issue areas and the involvement of policymakers. Our goal is to help states build the capacity for change and to initiate that change by consensus building and action-oriented work.

Relationship to WICHE Mission

This project directly supports WICHE's mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. The policy emphasis of this project will focus on several state-level issues and facilitate collaboration on concerns around the collision between demand, access, and financial constraints as well as higher education quality and accountability, financing of information technology, workforce issues, and emerging but not clearly identified critical issues.

Background

Ford Foundation support was awarded in 1999 for a two-year project called Strengthening Legislative Engagement in Higher Education: Public Policy for Transformation and Change. The project focused on two important higher education policy issues:

- How to adapt state higher education financing structures to accommodate the use of advanced information technology to meet expanding and changing student demand and respond to a newly competitive marketplace for higher education.

- The role of higher education in providing K-12 schools with a supply of highly skilled teachers sufficient to meet the needs of a rapidly growing and diverse school-aged population.

Later in 1999, through additional funding from the Ford Foundation, the project was expanded to focus on issues related to the impact of information technology on Latin American universities. In 2000, a supplemental grant from the Ford Foundation enabled WICHE to extend the scope of its work to encompass two new activities: first, the addition of a third policy focus on the issue of accountability; and second, the creation of a unique partnership between higher education and public policy leaders in the United States and the United Kingdom called the U.S.-U.K. Postsecondary Education Policy Dialogue. Current projects end on December 31, 2001.
From the beginning, WICHE’s projects have been based on the understanding that state legislatures are critical to the formulation of higher education policy because they enact the laws and define the regulatory environment under which higher education is governed and because they also provide the appropriations that drive public college and university plans and budgets. Project activities were designed to ensure that key state higher education policy players, especially legislators and legislative staff, became better informed about the internal and external forces confronting higher education and to ensure that they understood how these forces related to broader state goals and priorities. The project being recommended here, Expanding Engagement: Public Policy to Meet State and Regional Needs, will continue these guiding principles.

Project Description

WICHE’s overall goal for Expanding Engagement is to strengthen state policymaking in higher education. Project objectives include:

- To work proactively to engage key legislators and legislative staff in productive discussions of important higher education issues.
- To provide information and venues to encourage analysis of needed changes in educational policy at the state level.
- To foster interstate collaboration and joint solutions to shared challenges among Western states.
- To facilitate legislative and other policy changes in higher education state policies.
- To develop state-specific initiatives to address the key issues of the project.

Because the West cannot be characterized as a single entity, we plan to focus more sharply on the most important issues in each participating state or group of states. The following issues are on the horizon for a number of WICHE states and thus will be the focus of this project.

1. The collision between demand, access, and financial constraints. This issue is paramount in three of our states, the most challenging problem facing seven states, and irrelevant in five. These concerns, more than any others, will dominate policymaking in most of our states.

2. Higher education quality and accountability in a time of stable or declining enrollments. In states where enrollments are leveling off or declining rather than growing, this is the most important issue. Concomitant concerns in these states are the economy and how potentially slowing economic conditions will affect the quality and accountability of the state's higher education institutions.

3. Financing of information technology. Results of the Technology Costing Methodology project are only now becoming available, and focused efforts are needed to assist states in understanding and utilizing the model. These results, including papers that specifically address the policy applications of using costing data, will foster an informed discussion of this important issue.

4. Workforce issues and higher education. This topic is now high on the agenda of policymakers in all states. Rapidly changing economic conditions, layoffs in critical information technology fields, slowing labor force needs in related fields - all are issues that demand immediate attention and all are linked to higher education.

5. Emerging, undefined issues. We have learned that it is impossible to know what issues may emerge as crucial over the two-year life of a project. We hope to have the flexibility over the
next granting period to respond to "incubator issues" that are just below the horizon at present but may emerge as front-page concerns over the life of the project.

We will continue to employ some of the same tools because we believe they are effective both in informing policymakers and in moving the change process forward. Based on what we have learned in our recent projects, we also propose to make some adjustments in our use of these tools. Continued tools will include state roundtables, regional forums, and the WICHE Fellows Program. Additional approaches designed to meet the project's goals and objectives will be:

- Subregional Forums. These meetings will bring together policymakers from groups of states facing similar challenges to their higher education systems. This approach will facilitate WICHE's strong commitment to assisting policymakers through shared information and cooperative planning across states. Subregional forums will allow states with common demands on their educational systems to face these issues together and plan for productive approaches to solving them.

- Small, High-Level Meetings. As part of our intention to be more active in cultivating engagement that will facilitate policy change, state focus groups will bring together a few, carefully selected top-level policymakers in individual states to define the issues. The objective of these meetings is to create a community of support at the top by assembling such leaders as the governor, speaker of the House, president of the Senate, state higher education executive officer, and prominent business or tribal leaders to discuss current challenges facing the state and to identify some potential solutions. Such meetings, held prior to developing a roundtable in a state, should set the context and provide an empirical base for further discussions at roundtables.

- An Internship in Communication Technology and Higher Education Policy. In addition to continuing and strengthening the current WICHE Fellows Program, WICHE will seek funding to support an intern position to work with the Western Cooperative for Educational Telecommunications (WCET) on the emerging importance of higher education policy on communication technology.

Throughout the project, we will work closely with leaders from both the legislative and executive branches of government and the State Higher Education Executive Officers (SHEEOs), as well as with related regional and national organizations such as the National Conference of State Legislatures, Council of State Governments-WEST, and the National Governors' Association. These partners will expand and enrich the scope of the project, helping us to reach out to all 50 states and to national experts on these issues. Some of our partners will strengthen the policy work through their constituency base; others will bring research and policy expertise to the project.

**Staff and Fiscal Impact**

This project will be supported primarily by grant funds. Staff estimate the project will require approximately $450,000 over three years in external funding.

**Action Requested**

Approval to seek, receive, and expend funds from the Ford Foundation to support a project to expand our current work and help states build the capacity for change and to initiate that change by consensus building and action-oriented work.
ACTION ITEM

The Western Higher Education Center

Summary

Staff request approval for WICHE to seek, receive, and expend funds to design, finance, and build the Western Higher Education Center, a new working and learning environment for WICHE and other nonprofit higher education organizations in the Boulder area, by 2004. A 40,000 square foot facility is needed; 35,000 square feet will be used for workspace and the remaining 5,000 for a state-of-the-art learning center. Preliminary cost estimates developed by the Neenan Companies indicate that the design and construction costs would be $9 million - $7.7 million for the office space and $1.3 million for the learning center. WICHE, and the other nonprofit organizations, would issue tax-exempt bonds to finance the workspace costs. We would seek underwriting support from foundations to secure the bond financing and also to pursue capital grants from foundations to finance the learning center and its equipment.

Relationship to the WICHE Mission

The project directly supports WICHE's mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. Our plan is to build a Western Higher Education Center that will create an environment for staff that promotes innovation and productivity supported by leading-edge technology. For our constituents, we hope to build a learning center that offers a host of real-world and virtual tools to enhance the work of the West's higher education professionals and governing board members.

Description

The Western Higher Education Center would serve two important purposes. First, it would provide a contemporary working environment for WICHE and other nonprofit higher education organizations, creating opportunities for staff collaboration around policy research and programs. The first partner in this joint venture would be the National Center for Higher Education Management Systems (NCHEMS), which until recently was colocated with WICHE in University of Colorado facilities and has indicated that it hopes to be a part of any future facility that WICHE secures or builds. WICHE would occupy approximately 18,000 square feet and NCHEMS would require an additional 7,000 square feet, leaving approximately 10,000 square feet for other as yet uncommitted organizations. Though no other organizations have yet committed to occupying this space, a number have indicated substantial interest and excitement about the possibility of doing so.

The center would also include a state-of-the-art learning facility for both lay and professional leaders in higher education to meet, think, and plan together. The learning center would provide a unique setting where groups from five to 50 could meet in well-equipped facilities for leadership forums, small seminars, governing board meetings, and planning retreats. It would incorporate the most contemporary technology (grants will be sought from foundations to fund the required equipment) to provide the best of face-to-face and virtual-learning opportunities. Virtual-learning opportunities would be available for those who could not or chose not to travel to join others in the face-to-face setting, but who still want and need to be a part of the learning opportunity.
We have had preliminary conversations with staff of the El Pomar Foundation regarding our need to have a foundation secure the bond financing for the facility. A site visit to WICHE by a program officer from El Pomar will likely occur in early September; our request would also need to be presented to the foundation's board of trustees.

We have asked the El Pomar Foundation to pledge a portion of its endowed resources to secure the bonds; the foundation would continue to retain full control of the earnings on these assets. The risk is that WICHE and its partners could default on the loan, leaving the foundation with the responsibility to pay off the loan. This risk is minimal - a recent assessment by our financial advisors, George K. Baum & Co. of Denver shows that the cost of the proposed building is financially feasible for our organizations. In the unlikely event of a default, the foundation would obtain valuable property in Boulder. George K. Baum & Co. has indicated to us that standing alone, our organizations would be bondable but not at a preferred rate in the tax-exempt bond market because, despite our years of solid financial operations, our organizations have no equity base (beyond uniformly substantial reserves).

**Action Requested**

Approval for WICHE to seek funding for a new working and learning environment for WICHE and other nonprofit higher education organizations in the Boulder area.

**Fiscal Impact**

The estimated cost of the 40,000 square foot facility is $9 million, based upon $220 per square foot costs for the workspace and $260 per square foot costs for the learning center. The cost estimates include land, the building core and shell, tenant finish, architectural design, interest during construction, financing and a construction contingency allowance.

WICHE and the other nonprofit organizations would finance the facility by issuing tax-exempt bonds for $7.7 million dollars; foundation underwriting will be sought to secure the bonds and foundation grants will be pursued to cover the costs of the learning center construction and its equipment.
Chair Stonington called the meeting to order.

David Longanecker apologized for allowing the Executive Committee conference call to be scheduled on Yom Kippur, a Jewish holiday. He said he would be sensitive to that in the future.

INTRODUCTION
Dennis Mohatt, Mental Health Program Director

David Longanecker introduced Dennis Mohatt, who joined WICHE on July 1, as the director of the Mental Health Program.

DISCUSSION ITEMS

Proposed Change in Indirect Cost Recovery and Compensation Policies for WICHE’s Self-Supporting Units and Expense Accounts for Unit Directors

David Longanecker reported he has been working with the unit directors on two important issues: 1) Indirect cost recovery and compensation issues related to the two self-supporting units within WICHE - the Western Cooperative for Educational Telecommunications (WCET) and the WICHE Mental Health Unit; and 2) the creation of expense accounts for unit directors.

Indirect Cost Recovery Policy

David Longanecker said the notion of a redistribution of indirect cost income had been initiated by the Western Cooperative for Educational Telecommunications' executive board,
and this idea had been briefly discussed during the August conference call meeting of the WICHE's Executive Committee.

WICHE currently charges indirect costs of 15 percent against most contracts, grants, and other externally funded activities. This income has been viewed as the cost of WICHE providing accounting, budgeting, human resources, publications/mailing, facilities management, editorial/graphic design, and other services to the units. In addition, units are also charged direct costs for office rent, computer support, printing, telephone, etc. Some years, units do very well in obtaining external funding and the associated indirect cost income is fairly high. The first issue is that this income may be more than needed to cover WICHE’s costs to administer the projects/grants and support the units. The second issue is whether or not this income, above a certain level, should be shared between WICHE and the self-supporting units (only applies to the WCET and the Mental Health Program). The written discussion item, presented as background material for this conference call, describes a plan to change the distribution of indirect cost income. Under this plan, WICHE would receive indirect costs of $7,500 for nonfederal grants/contracts and $15,000 for federal grants/contracts (the differentiation is due to the amount of time required to administer federally funded projects). If the indirect amount is above these amounts, the balance would be split with 80 percent going to the units and 20 percent going to WICHE. In addition, self-supporting units would be allowed to use a portion of the indirect cost recovery funds from non-grant funded projects and activities to provide performance-based bonuses. The bonuses would be up to 20 percent of the annual base salary for key staff. The unit director or executive director would approve these bonuses based on annually-established performance objectives and results. Unit directors would determine how these “split” funds would be appropriated through budgeted items, such as performance-based staff compensation, special projects, or increasing unit reserves.

The budgetary impact of this proposed change during the current fiscal year (FY 2002) would be to return $99,126 of WICHE’s indirect cost recovery to the WCET. There would not be a similar sharing of indirect cost recoveries with the Mental Health Unit at the present time because none of their current grants reach the proposed threshold. The proposed change would reduce WICHE’s General Fund budget by nearly $100,000, but projected revenues in excess of expenditures (a surplus) would be approximately $40,000 in FY 2002.

Longanecker recommended this new policy be re-evaluated in two years (FY 2004).

Commissioner Kerins, on behalf of Commissioner Crofts, who also serves on the executive board of the WCET, said Crofts is very much in support of this proposed policy change. He said the WCET board also feels very strongly about this policy change. Following clarification questions concerning the proposal, unit directors (both those affected and not affected by this policy) were asked their opinions about this proposed change in policy. The two unit directors who would be affected by this change (Johnstone/Mohatt) said they believed it was a good opportunity for them to build their unit's reserves, to reward and, in some instances, retain exceptional staff, and to pursue special projects for which no other funding is available. The three unit directors who would not be affected by this change (Blanco/Mock/Myers) said they understood the concept and the entrepreneurial nature of these units. The units' survival depends on their ability to obtain external funding. Conversely, the unaffected units are financed by General Fund dollars, and consequently, they enjoy a certain amount of security for themselves and their staff.
Expense Accounts For Unit Directors

WICHE provides the executive director with a $3,500 expense account to defray job-related expenses (meal expenses for guests, etc.). Unit directors, however, do not have resources for these expenses, even though they are often incurred. In many instances these expenses come from their own pockets if the items are above the established staff travel limits.

David Longanecker said he would like to provide unit directors with up to $2,500 for expense accounts to defray job-related expenses. Funding for the expense accounts will not increase the unit's budget; rather a reallocation of unit expenditures would support the expense accounts. It was noted that this would represent a change in WICHE's policy.

The Executive Committee agreed both of these items should be presented as action items at the November commission meeting.

DISCUSSION ITEM
FY 2002 Budget Update

Marv Myers reported that there were not any changes to the FY 2001 budget over what had previously been presented. He said some of the FY 2002 budget figures are different in the following areas: salary and benefits (higher due to staffing changes), office rent (higher due to the lease rate at the new office location), interest income (lower due to the continued drop in interest rates), and indirect cost recovery (lower due to factoring in the proposed policy on indirect costs) resulting in a surplus of $40,000 rather than $140,000.

Commissioner Carlson asked for clarification about the staffing changes. David Longanecker reported that with Dewayne Matthews' departure, and the distribution of his duties among Jere Mock (increased to 1.0 FTE-full time), Cheryl Blanco, and himself, the Policy Analysis and Research unit staffing was increased by .5 FTE (half-time). Longanecker added that it is his intention to keep income/expenses at the same level and not to appreciate a substantial surplus.

INFORMATION ITEM
November Commission Meeting Schedule

David Longanecker described some changes in the November commission meeting schedule since the last Executive Committee conference call.

INFORMATION ITEM
WICHE's 50th Anniversary

David Longanecker said after researching WICHE's true anniversary date he has determined it is 1952. The Compact for Education states that it would become effective after more than five states had signed it. By January 1953, five states had signed it, by May of 1953, eight states had signed it. In August 1953, it was approved by Congress and signed into law by the president of the United States. Given this information, Longanecker proposes WICHE kick off its 50th anniversary beginning with the November 2002 commission meeting and ending with the November 2003 commission meeting. He said he may present the commission with an action item at the May 2002 meeting requesting funds to staff this effort. In the meantime, the commission will be involved in discussions around plans for this celebration. The Executive Committee was in general agreement about this plan.
INFORMATION ITEM
Nominating Committee Appointed

Chair Stonington announced that the Nominating Committee had been appointed. Diane Vines (OR) will serve as chair of the committee with Robert Burns (SD), Pauline Gubbels (NM) and Carl Shaff (NV) serving as members. She said a call for nominations for the 2002 vice chair will be distributed soon. The Nominating Committee will announce its nomination for vice chair at the November meeting where Tad Perry (SD) will become the chair.

INFORMATION ITEM
Future WICHE Facility

David Longanecker reported that plans for WICHE's future office facility will be discussed by the Executive Committee at the November meeting. Lee White, a former WICHE commissioner and a financial advisor for George K. Baum and Associates in Denver, will attend this meeting to discuss the finances for the facility. Longanecker also reported that Matt Carpenter, a program officer at the El Pomar Foundation in Colorado Springs, had visited WICHE today. The foundation's board of directors will meet in November to consider two proposals: 1) a request that the foundation secure WICHE's bond indebtedness for the building, giving WICHE a "preferred rate" in the tax-exempt bond market and significantly reducing WICHE's interest rate; and 2) a request for financial assistance to create a "Western Higher Education Learning Center," a meeting facility with state-of-the-art technology and design, as part of WICHE's office facilities. Longanecker said additional sources for assistance with these proposals are being sought as well.

Other

It was announced that grant approval notification had been received on the following projects:

- Legislative Engagement by the Ford Foundation ($450,000)
- Higher Education Finance by the Lumina Foundation for Education ($400,000)
- The Western Cooperative's Learning Anytime Anywhere Partnerships by the U.S. Department of Education ($264,500)

Adjournment

The meeting adjourned.
ACTION ITEM

Process for Building or Purchasing the WICHE Working and Learning Center

For the past one-and-a-half years, WICHE has been pursuing the possibility of building or purchasing a facility that would serve the dual purpose of providing a high-quality work environment for its staff and also providing a state-of-the-art small-scale learning and conferencing center for use by WICHE and other higher education organizations and institutions. The facility would be used for seminars, retreats, decision support sessions, and other activities.

At the November 2000 meeting, the commission approved consideration of a specific partnership between WICHE, other prospective organizational partners — the Education Commission of the States (ECS), National Center for Higher Education Management Systems (NCHEMS), State Higher Education Executive Officers (SHEEO), and the University of Colorado at Boulder — for development of a facility on a specific piece of property owned by the University known as Pod J. Unfortunately, WICHE was unable to successfully broker a desirable partnership, and as a result ended up leasing office space in a new facility located at 2520 55th Street in Boulder, approximately two miles east of our previous location.

These new offices provide an exceptionally nice working environment but fail to meet our original objectives in three ways. First, this is leased office space, which prevents WICHE from building its own equity and enhancing the organization's long-term financial condition. Second, the office space provides no opportunity for development of a learning center. Third, the office space is substantially smaller than our previous facility and provides no opportunity for the expansion that we're already experiencing.

Therefore, we have continued to plan for development of a new facility to achieve our full objectives by the end of our current lease, which expires in September 2004. Practically, this means that we have the next 18 months to plan such a facility and secure its financing. The remaining 18 months would be used to purchase and prepare the land and to construct the facility.

During its August 2001 conference call meeting, the Executive Committee adopted a motion to allow staff to seek and secure funding from private philanthropic sources to help finance the facility. A number of members of the Executive Committee, however, felt that there needed to be a more defined process for greater commission involvement in decisions about precisely how such a facility would be financed. Given the prospective size of this investment — $9 to $10 million — many commissioners felt that the commission needed to be very vigilant in overseeing such a substantial financial venture.

Subsequent discussions on this topic between the officers of WICHE and the executive director addressed how greater commission involvement could be achieved while still providing staff the flexibility to explore alternatives in a rapidly changing financial marketplace. The most promising option evolving from these discussions was to have the commission charge the officers with this responsibility, which they would discharge as a temporary Office Space Planning Subcommittee of the Executive Committee. The officers would confer with staff and any financial advisors to WICHE on all options being considered and would regularly report to the Executive Committee and the commission. This subcommittee would have the authority to approve actions by staff to move forward on all aspects of the prospective partnership and
financing, except that final approval of the project would require action by the Committee of the Whole.

Action Requested

Approval that commission directs the officers to serve as a temporary Office Space Planning Subcommittee of the Executive Committee. The subcommittee would have the responsibility to confer with staff and WICHE's financial advisors on all options being considered, and would regularly report to the Executive Committee and the commission. This subcommittee would have the authority to approve actions by staff to move forward on all aspects of the prospective partnership and financing, with the exception that final approval of the project would require action by the Committee of the Whole.
WICHE Mental Health Program

PROGRAM UPDATE

OCTOBER 2001

PROGRAM DIRECTOR

Dennis Mohatt has been retained as the new program director for the WICHE Mental Health Program. He began work on July 9, 2001. Family transition to the Boulder area will not occur until at least summer 2002, and during the interim Dennis will usually work four 10-hour days in Boulder, Monday through Thursday. Fridays he is usually available at his home in Lincoln, Neb. at (402) 420-6833. He has access to his WICHE voice mail and email while off-site.

Dennis has nearly 20 years of experience in public mental health, having served in both clinical and administrative positions. His experience has included being a community mental health care director in rural Michigan and Nebraska's health and human services deputy director and designated mental health commissioner. He served on the National Rural Health Advisory Committee under Secretary Shalala from 1993-1997. Dennis has been very active in rural and frontier mental health research and advocacy, including a four-year term as the president of the National Association for Rural Mental Health.

PROGRAM ACTIVITIES

Western States Decision Support Group

The WICHE Mental Health Program is the Western states' liaison with the federal Center for Mental Health Services’ (CMHS) Mental Health Statistics Improvement Program (MHSIP). CMHS supports two annual meetings for the Western States Decision Support Group (WSDSG), and WICHE supports a third meeting each year. These meetings are designed to share expertise in the development and implementation of MHSIP performance indicators in each state.

Consultation With the States

Assessing need has been a main effort of WICHE. This entails generating prevalence estimates, analyzing service utilization data, and developing a strategy to estimate met and unmet need. The State of Arizona had WICHE do a presentation on a model for assessing state mental health needs. WICHE has worked with the State of Colorado on a legislatively funded project to assess the population in need of services. Another project has been for the State of Nebraska. In both the Colorado and Nebraska cases, an epidemiologist was employed to generate estimates of adults with serious mental illness and youths with serious emotional disturbance. Other contractors helped combine service utilization data across multiple departments. WICHE worked with these states to develop a strategy to combine these data and estimate unmet need. The plan is to build on these efforts and develop a model to assess need in all Western states.

Staff supports using quantitative and qualitative data in state mental health systems management in other ways. WICHE staff provides technical support for implementing consumer surveys to two states. In Wyoming, staff continues to provide technical assistance to
a private, nonprofit organization conducting surveys of consumers to evaluate services. As part of contracts with South Dakota and Wyoming, staff developed a computer application to enter and analyze data from consumer surveys; the results have been used to develop performance indicators. Staff also conducted evaluations of federal Knowledge Development and Application (KDA) grants in California and Wyoming. And finally, WICHE integrated state data from mental health, substance abuse, and Medicaid to generate unduplicated counts of consumers and develop performance indicators in Nebraska.

Consultation with Boston University

The WICHE Mental Health Program has been working for several years with two different programs at Boston University. The goal of the first project is to implement a culturally competent exemplary practice in university psychiatric residence training programs. A lot of interest has been generated by this project to move a cultural competence model from a mental health program to a university setting. Starting with two universities, the effort expanded to four after the first year. WICHE is evaluating this KDA grant.

The second project, run by BU's Sargent College of Health and Rehabilitation Sciences, involves enhancing the cultural competence of a BU graduate clinical practice curriculum on establishing effective interpersonal relations in rehabilitation counseling. Members of the WICHE panels that created the national standards in Cultural Competence in Mental Health will review the curriculum and suggest needed cultural competence inserts. After incorporating the suggested changes, WICHE will assist BU in pilot testing the curriculum.

WICHE's involvement with these two Boston University projects was perceived as an entry into expanding our expertise in cultural competence into the practical arena of professional health sciences curriculum and training. While the financial reward for our participation has been modest, these projects are a good example of WICHE expertise in cultural competence being valued as a national asset.

Other Activities

WICHE/MHP continues to host the Frontier Mental Health Resources Network Web site and respond to related requests for information. The federal Center for Mental Health Services has not provided ongoing support for these activities; however, the program continues to seek such support from federal and private sources.

Jim Stockdill has represented the WICHE/MHP on the planning committee for the annual conference of the National Association for Rural Mental Health, to be held August 26-29, 2002, in Santa Fe. Jim will continue to participate in this activity.

The program has been approached by the federal Office for the Advancement of Telehealth (HRSA/OAT) to provide consultation to a North Dakota grantee (Northland Health Alliance) relating to identifying exemplary tele-mental health programs and practices, performance objectives, and outcomes. The contract would provide $32,500 for related consultation activities and preparation of a report.

The National Institutes of Mental Health (NIMH) Office of Rural Mental Health Research has agreed to provide logistical support for travel in connection with a WICHE/MHP sponsored series of regional meetings to focus on Rural Mental Health Research and enhancing linkages...
between researchers, the public mental health programs in the West, and community systems of care. We plan to hold one meeting in Boulder during the Spring of 2002 and another in connection with the National Association of Rural Mental Health (NARMH) Annual Conference in Santa Fe in August. In other research related activities, Dennis Mohatt has been asked by the National Association of State Mental Health Program Directors (NASMHPD) to serve on the Executive Steering Committee for their Developing Center for Intervention and Services Research, should this be funded by NIMH. The potential for additional collaboration, and subcontracts, with NASMHPD has been discussed between Dennis and Bob Glover.

FISCAL RESOURCES

The Budget Summary for the WICHE/MHP is attached to this narrative. The program shows a degradation of cash reserves since 1999. The projects outlined above for the states and other entities, if funded and executed, will reverse this degradation. The goal of rebuilding a cash reserve of at least $225,000, which would be equal to one-year of full dues support, is a program priority. It will take three to five years to rebuild the reserve.

The funding for the program continues to be a mixture of affiliation dues, contracts, and grants. Each year three to four states fail to meet their dues obligation. Currently North Dakota, Montana, and Nevada have each failed to pay their affiliation dues for multiple years. The program director has initiated discussions with officials in these states to seek their active participation, both in the activities of the program and payment of dues.

PROPOSED MENTAL HEALTH PROJECTS

The West is a region defined by vast spaces, expanding urban areas, and diverse cultures. It is also a region where the connections between behavioral science research, public policy, workforce development, and practice are tenuous at best. The WICHE Mental Health Program targets those areas of need in mental health which significantly impact Western society and can be best addressed through regional partnerships.

Cultural Competence Technical Assistance

Providing effective behavioral health services in an increasingly racially and culturally diverse West is of keen interest to the WICHE Mental Health Program. Since the early 1990s, WICHE has led the nation in exploring core racial/ethnic competencies necessary for both mental health programs and individuals to operate effectively with diverse populations. The cultural competency standards developed by WICHE-led work groups have been adopted by the federal Center for Mental Health Services.

The WICHE Mental Health Program proposes to host a major knowledge exchange conference on cultural competency as a next step toward implementing the standards broadly. The conference will bring together leading experts on cultural competence, public mental health policy, and representatives of higher education responsible for designing and operating academic programs for behavioral health professionals. Through a structured exchange of information and focused small group activities, we plan to generate a set of action plans for higher education to use in assisting the states in building a culturally competent workforce.
The Frontier Mental Health Network

The WICHE Mental Health Program seeks to revitalize and expand the work of the Frontier Mental Health Services Resource Network. The initial activities of the network greatly expanded the information base for better understanding the issues of providing quality mental health services in frontier America. Building on this, we propose to make technical assistance available for improving these systems of care for mental health in frontier areas by focusing on interconnected and mutually supporting activities. Knowledge & Information Exchange activities will refresh and maintain the network Web site, so that information and links are current. Advancement of Telehealth activities will: 1) expand our knowledge of existing resources; 2) ensure consumer and practitioner awareness of those resources; and 3) facilitate expanding affordable and accessible telehealth resources through collaborative partnerships. Outreach to Primary Care will build links between the network, state mental health, rural health offices, and primary care associations. Technical Assistance will: 1) establish a cadre of experts to provide direct assistance to the field; 2) create a "train the trainer" consortium linking exemplary frontier systems to those needing assistance; 3) facilitate inter- and intra-state exchange of expertise; and 4) develop Technical Assistance Briefs based on actual field activities.

Supported Education

The WICHE Mental Health Program proposes to develop and pilot a statewide system of supported education for persons recovering from serious mental illness. Serious mental illness is often first identified between the ages of 15 and 24, when most people are just planning or beginning their higher education. With modern medication and psychotherapy, many young people recover from these illnesses but need educational support to succeed in school, qualify for productive employment, and become fully contributing community members. Boston University started the first supported education program in 1981. A few Western community colleges and universities have implemented supported education, but the concept is not well known in the region. A statewide policy development and planning process is vitally needed to make supported education services available to more students with disabilities. WICHE Mental Health would implement this in two Western states and establish closer collaboration between state mental health agencies and higher education systems. The model and results would be distributed across the West.

Knowledge Exchange

The WICHE Mental Health Program proposes to conduct three invitational knowledge exchange roundtables across the West to develop a better regional connection. These events, part of the Western Regional Conference to Promote the Integration of State Policy, Research, and Knowledge Exchange in Rural/Frontier Behavioral Health, will bring together behavioral scientists from higher education, public mental health officials, consumers of mental health services, and other stakeholders. The meetings will include presentations by experts on current efforts; panel discussions by researchers, consumers, and policymakers providing overviews of research and future directions; and breakout sessions examining how best to promote integration. The roundtables will be conducted in the WICHE states, with one held in the intermountain region (North Dakota, South Dakota, Montana, Wyoming, Colorado, and
Idaho); one in the Southwest (Arizona, New Mexico, Utah, and Nevada); and one in the Pacific region: (California, Oregon, Washington, Alaska, and Hawaii). WICHE will publish a proceedings based on the conference findings, disseminating it in print and via the WICHE Web site.

**Behavioral Health Needs Assessment**

The WICHE Mental Health Program proposes to assess these needs as a means of supporting public behavioral health policy formation and developing objective performance indicators. The project will estimate the prevalence of behavioral health disorders, using a proven synthetic analysis technique. Results from the National Comorbidity Survey (NCS) will provide the core of the analysis to be applied to counties, using Y2K census population data and other census estimates to establish behavioral health need projections. These projections, coupled with state public mental health service utilization data, will greatly enhance the ability of the public mental health system in the West to establish performance standards associated with real need, resource distribution, underserved populations, and accessibility. The assessment results will be shared directly with public mental health personnel and be made available to the public domain via Web site publication.

**Western Mental Health Intervention and Services Research Institute**

The WICHE Mental Health Program proposes to develop a multi-institutional collaborative intervention and services research institute on rural and frontier mental health. The institute would facilitate a unique dialogue and knowledge exchange network covering a continuum starting with developing research projects, then disseminating the findings, and ending with technical assistance to support their adoption in the field among researchers, public policy officials, practitioners, and consumers across the West. Further, WICHE envisions this as a sustainable rural/frontier center of excellence that would focus on improving existing community practices, promoting innovative solutions, and nurturing and developing new researchers. The institute would build partnerships in rural/frontier research and generally expand the range of research activities in the West beyond the boundaries or agenda of any one research institution or behavioral science paradigm.

**Workforce Development**

The West's public mental health system is challenged to meet the workforce deployment needs of a diverse and rapidly changing environment. New professionals, as well as those already deployed, frequently struggle to adapt to these changes. Strengthening the linkages between higher education programs that prepare mental health professionals and the public mental health systems that deploy them is a vital component in meeting these challenges.

The WICHE Mental Health Program proposes developing an action plan for increasing collaboration between higher education and the public mental health system through a three-step process. WICHE would: 1) establish a work group of stakeholders to identify practice components key to meeting public mental health practice needs; 2) assess perceptions of stakeholders about current curriculum and student competencies for practice in the West; and 3) convene the work group to review assessment results and form an action plan to enhance higher education and public mental health collaboration on workforce development.