Committee of the Whole
Call to Order/
Introductions

Monday, November 5, 2007
8.45-9.00 am
Mount Elbert
Monday, November 5, 2007

Committee of the Whole, Call to Order

Agenda

Call to Order: Camille Preus, chair

Welcome

Introduction of new commissioners and guests 2-3

Action Item Approval of the Committee of the Whole meeting minutes of May 21-22, 2007 2-5

Report of the chair

Report of the executive director

Report of the Nominating Committee

Recess until November 6, 2007, at 10.00 am
NEW COMMISSIONERS

Reed Dasenbrock was named cabinet secretary of higher education for the State of New Mexico in May 2007. Governor Bill Richardson and the New Mexico Legislature elevated the former New Mexico Commission on Higher Education to the cabinet-level New Mexico Higher Education Department in 2005. Dasenbrock has worked in New Mexico higher education since 1981. Previously, he served as provost and executive vice president for academic affairs at the University of New Mexico (UNM). He also served as dean of UNM’s College of Arts and Sciences, head of the Department of English, and in faculty posts at UNM and New Mexico State University. He earned a Ph.D. and M.A. from Johns Hopkins University, a B.Phil. from Oxford University, and a B.A. from McGill University, all in English.

Joseph A. Garcia became the 13th president of Colorado State University–Pueblo in 2006. His background includes extensive legal, governmental, and management experience. He served on the Governor’s Cabinet as executive director of one of Colorado’s executive branch agencies and in the federal government as the regional director of one of the chief federal agencies, representing the White House and a cabinet secretary in the six Rocky Mountain states. Garcia has taught and lectured at Colorado College, CU–Colorado Springs, and CU–Denver. From 2001 to 2006, he was president of Pikes Peak Community College. He has earned numerous honors, including being selected as Hispanic Business magazine’s “Hispanic Legal Elite” and as “President of the Year” by the Colorado Community Colleges State Student Advisory Council. Garcia has been a board member for numerous nonprofit organizations: he’s currently the chair of the Colorado Housing and Finance Authority. In January, at the invitation of the Colorado Commission on Higher Education, he joined the presidents of Metropolitan State College and the Community College of Denver to represent Colorado at the National Leadership Summit on Advancing College Readiness in Washington, D.C. Garcia earned an undergraduate degree in business from the University of Colorado and a juris doctorate from Harvard Law School. He has also studied at Harvard University’s Kennedy School of Government and at Oxford University.

William (Bill) G. Goetz became chancellor of the North Dakota University System on July 1, 2007. Goetz served 30 years at Dickinson State University as a faculty member, dean of the School of Business, director of continuing education, and executive vice president for the Dickinson State University Foundation. Goetz served in both the House of Representatives and Senate of the North Dakota Legislature for 20 years. He was assistant leader in both chambers. Most recently, he served as chief of staff for both Governor Schafer and Governor Hoeven, serving in this position for 10 years. He currently serves on the Midwestern Higher Education Compact and holds the position of treasurer for the compact. Goetz holds a master’s in business from the University of North Dakota, bachelor’s in business administration from Minot State University, and an associate degree from Bismarck State College. He has been a member of the North Dakota Higher Education Roundtable since its inception. Goetz received a presidential appointment to the National Advisory Council on Educational Improvement. In 1990 the Greater North Dakota Association named him the North Dakota Educator of the Year, recognizing his leadership role in fostering an understanding of business through education of North Dakota’s future leaders.

Kaye Howe is the executive director of the Core Integration Group of the National Science Digital Library (NSDL), a position she’s held since 2004; she joined NSDL in 2001. She was a long-time faculty member and administrator at the University of Colorado at Boulder, serving as chair of the graduate program in comparative literature and vice chancellor for academic services. She was president of Western State College in Gunnison, CO, and president of Jones International University, a regionally accredited distance-learning organization. Howe received both her B.A. and her Ph.D. in comparative literature from Washington University in St. Louis. She has served on the National Council of the National Endowment for the Humanities and the board of the Association of American Colleges and Universities.
# ACTION ITEM

## Committee of the Whole Meeting Minutes

### First Session: Call to Order

**Monday, May 21, 2007**

**Commissioners Present**
- Diane Barrans (AK)
- Marshall Lind (AK)
- Patricia Heller (AK)
- Joel Sideman (AZ)
- David Lorenz (AZ)
- David Skaggs (CO)
- Bill Byers (CO)
- Helene Sokugawa (HI)
- Roy Ogawa (HI)
- Mary Sheehy Moe (MT)
- Ed Jasmin (MT)
- Dave Nething (ND)
- Carl Shaff (NV)
- Camille Preus (OR)
- Ryan Deckert (OR)
- Bonnie Jean Beesley (UT)
- Richard Kendall (UT)
- Peter Knudson (UT)
- Tad Perry (SD)
- James Hansen (SD)
- Robert Burns (SD)
- Ann Daley (WA)
- Jeanne Kohl-Welles (WA)
- Klaus Hanson (WY)

**Commissioners Unable to Attend**
- John Haeger (AZ)
- California
- Bill Hybl (CO)
- Roberta Richards (HI)
- Robert Kustra (ID)
- Arthur Vailas (ID)
- Dan Harrington (MT)
- James Sager (OR)
- Pamela Kostelecky (ND)
- Eddie Dunn (ND)
- Beverlee McClure (NM)
- Dede Feldman (NM)
- Patricia Sullivan (NM)
- Jane Nichols (NV)
- Warren Hardy (NV)
- Phyllis Guttierez Kenney (WA)
- Tom Buchanan (WY)
- Tex Boggs (WY)

**Staff Present**
- David Longanecker, executive director
- Erin Barber, assistant to the executive director and executive secretary to the WICHE Commission
- Craig Milburn, chief financial officer
- Jere Mock, senior program director, Programs and Services
- Dolores Mize, program director, Policy Analysis and Research
- Louis Fox, executive director, WCET
- Dennis Mohatt, program director, WICHE Mental Health Program
- Jenny Shaw, program coordinator, WICHE Mental Health Program
- Margo Schultz, program coordinator, Student Exchange Program
- Terese Rainwater, program director, State Scholars Initiative
- Jeanette Porter, administrative assistant, Policy Analysis and Research

Camille Preus, WICHE chair, called the meeting to order at 8:30 a.m. and introduced three newly appointed commissioners:

- David Skaggs, executive director of the Colorado Department of Higher Education.
- Peter Knudson, Utah state senator.

Chair Preus said several commissioners have left the commission: Jenna Langer (CO), Dwight Johnson (ID), Beverlee McClure (NM), and Jim Sulton (WA). She acknowledged that Bill Byers’s term had expired and thanked him for his service on the commission.

Chair Preus asked speakers, staff, and guests to introduce themselves.
ACTION ITEM
Approval of the Minutes of November 13-14, 2006


Report of the Chair
Camille Preus, Committee Chair

Chair Preus welcomed everyone to Montana and hoped everyone was having an enjoyable time. She then asked for the report of the executive director.

Report of the Executive Director
David Longanecker, Executive Director

David Longanecker introduced new WICHE staff members and mentioned staff changes:

- Dolores Mize is the new director of Policy Analysis and Research.
- Erin Barber, formerly administrative assistant in Policy Analysis and Research, is the executive assistant to the executive director and secretary to the commission.
- Jeanette Porter, formerly administrative assistant in the Mental Health Program, is the administrative assistant in Policy Analysis and Research.
- Laura Ewing is an administrative assistant in Programs and Services.
- Paul Huntsberger is a database/web developer.
- Peggy Green is an administrative specialist for WCET and accounting specialist for accounting services.

Longanecker reported that it has been an interesting and difficult year because we lost several senior staff members. We also lost three members and longtime supporters of the organization: Harold Enarson, executive director from 1954 to 1960; Phil Sirotkin, executive director from 1976 to 1989; and Frank Abbott, director of the Student Exchange Program for many years and also Longanecker’s senior advisor through 2006, all passed away. Although it has been difficult for the organization, Longanecker said he is looking forward to a good year as the organization moves forward. He thanked the commission for its support throughout the year.

Chair Preus thanked Longanecker for his report. The first session of the Committee of the Whole was concluded, and the committee went into recess until Tuesday, May 22, 2007, at 9:45 a.m.
Chair Preus reconvened the Committee of the Whole at 9:45 a.m.

Report and Recommended Action of the Audit Committee  
Dave Nething, Committee Chair

Dave Nething, chair of the Audit Committee, reported that the committee has decided that WICHE will retain Clifton Gunderson as the auditors for the FY 2007 audit.


COMMISSIONER NETING MOVED ACCEPTANCE OF THE AUDIT COMMITTEE REVIEWING THE CODE OF ETHICS FOR THE EXECUTIVE DIRECTOR AND WICHE STAFF. COMMISSIONER ED JASMIN SECONDED THE MOTION. The motion carried unanimously.

Commissioner Nething reported that the auditors will be selected during the first week of October instead of in December. He also reported that the committee reviewed the Audit Committee Charter. It was noted that the charter required only the executive director to report significant financial violations, frauds, and breaches of conduct to the Audit Committee. The committee added the chief financial officer as a second person required to report these matters to the Audit Committee.

Commissioner Nething reported that the next meeting of the Audit Committee will be during the first week of October to consider the results of the audit. Commissioner Jasmin suggested that the Audit Committee have a face-to-face meeting prior to the November commission meeting. He suggested the committee meet Sunday evening before the commission meeting begins. Commissioner Nething said that Sunday evening conflicts with the responsibility that the executive director has to orient new commissioners, but he understood the need for a face-to-face meeting. David Longanecker suggested that the Audit Committee could meet right after the commission meeting adjourns. Commissioner Nething thought that was a good idea but wanted to leave it up to the new chair of the Audit Committee.

Report and Recommended Action of the Executive Committee  
Roy Ogawa, Committee Chair

COMMISSIONER OGAWA MOVED ACCEPTANCE OF THE EXECUTIVE COMMITTEE’S RECOMMENDED 7 PERCENT INCREASE IN THE EXECUTIVE DIRECTOR’S SALARY FOR FY 2008. COMMISSIONER SHAFF SECONDED THE MOTION.

Commissioner Kendell brought up the issue of creating a clear plan of parity in order to bring the executive director’s salary in line with those of executive directors of other organizations. Commissioner Sideman asked about changing the executive director’s title. Commissioner Perry said that the executive director title should reflect the organizational role in an appropriate manner. He recommended reviewing the bylaws and bringing the issue back to the 2007 November commission meeting with information on how to change the executive director’s title. Commissioner Jasmin said that an amendment to the bylaws would be needed to change the executive director’s title.

The motion to approve the executive director’s salary increase was carried unanimously.

Commissioner Ogawa said that a change in the executive director’s title is also important in how the organization is viewed by its outside constituents. The designation of “executive director” doesn’t fit David Longanecker’s job, role, or performance. The Executive Committee will bring the title change as an action item to the 2007 November commission meeting.
COMMISSIONER OGAWA MOVED THAT A CHANGE IN TITLE FOR THE EXECUTIVE DIRECTOR BE BROUGHT AS AN ACTION ITEM TO THE 2007 NOVEMBER COMMISSION MEETING. COMMISSIONER PERRY SECONDED THE MOTION. The motion was carried unanimously.

 Reported and Recommended Action of the Disaster Recovery Committee  
 Diane Barrans, Committee Chair

Commissioner Barrans gave a report of the Disaster Recovery Committee. Volunteer staff members have developed a proposal to share with foundations for possible support for this activity. She hopes that there will be greater progress to report at the fall 2007 commission meeting in Colorado.

Reported and Recommended Action of the Programs and Services Committee  
 Carl Shaff, Committee Chair

Changes to the Professional Student Exchange Program (PSEP) support fees will be brought back to the commission in May 2008. The pharmacy program will eventually be moved into Group A, and students will pay Group A-level fees.

COMMISSIONER SHAFF MOVED THE APPROVAL OF THE PROGRAMS AND SERVICES WORKPLAN. COMMISSIONER HANSEN SECONDED THE MOTION. The motion carried unanimously.

COMMISSIONER SHAFF MOVED THE APPROVAL OF PSEP RESTRUCTURING TO INACTIVATE LIBRARY AND ARCHITECTURE AS GROUP B FIELDS AND INVITE GRADUATE NURSING AND PUBLIC HEALTH PROGRAMS INTO WRGP. THE MOTION WAS SECONDED BY COMMISSIONER HANSEN. The motion carried unanimously.

Report and Recommended Action of the Issue Analysis and Research Committee  
 Mary Sheehy Moe for Ryan Deckert, Committee Vice Chair

COMMISSIONER MOE MOVED THE APPROVAL OF THE POLICY ANALYSIS AND RESEARCH WORKPLAN. COMMISSIONER BYERS SECONDED THE MOTION. The motion carried unanimously.

David Longanecker mentioned that specific areas of workforce development (health and allied health) will likely be themes of the upcoming year and at the November commission meeting. He stated that each state has a stake in these areas and that we need to have a serious discussion on implications for the West and WICHE. This could be a focus at the November meeting and within the workplan.

ACTION ITEM  
Approval of Changes in Reserve Policy and Requirements

David Longanecker presented the three elements of the proposed reserve policy and requirements. First, he described the current policy, which requires that WICHE maintain a reserve account equal to at least 12 percent of the approved budget as protection against catastrophic circumstances. Second, he discussed the new responsibility associated with the purchase of WICHE’s share of the State Higher Education Policy Center. With this purchase WICHE now needs to protect both WICHE’s financial interest in this facility and the financial security of the two other organizations who share the facility. The proposed change would set aside a share of the reserves to protect payments for the facility: an amount equal to one half of the payments per year, which is approximately $250,000. Third, Longanecker described the proposed “rainy day” dedication of reserves, an idea first proposed by Cece Foxley, Rich Kendell’s predecessor from Utah. As Foxley pointed out, the current reserve policy is for one-time expenditures but doesn’t allow any flexibility when unanticipated circumstances arise other than a truly major catastrophe. As a result the only recourse in such a circumstance is to reduce expenditures, which in a labor-intensive organization like WICHE means laying off staff members – often a poor solution to a temporary situation. It has been proposed that in addition to the 12 percent of the budget reserved for catastrophic coverage, another 10 percent be available as a rainy day fund, with the proviso that this could only be expended with the explicit approval of the commission and would not be available at the discretion of the staff. Self-funded units would work to create reserves equal to 25 percent of their budgets, after which the reserve amount available in the rainy day fund would be reduced to 5 percent for the WICHE reserves.
Longanecker explained that our portion of the facility is currently funded through a loan from the Ford Foundation and the Colorado Housing and Finance Authority (CHFA). It is possible that WICHE might be able to defease the bonds on the CHFA loan within the next couple of years, which will provide some financial relief.

Commissioner Beasley asked if WICHE has an investment policy which governs the investment in the reserve funds. Longanecker asked Chief Financial Officer Craig Milburn to reiterate WICHE’s investment policy. Milburn explained that we invest in the Colorado Surplus Assets Funds Trust, which is 100 percent collateralized with U.S. government funds and is really safe. The fund was established by the state of Colorado for government organizations. We have some funds for operating capital, which are maintained in our banks and are more at risk: they’re FDIC insured up to $100,000, but sometimes our outstanding checks exceed that, so there is a small risk.

COMMISSIONER BARRANS MOVED TO ACCEPT THE CHANGES IN RESERVE POLICY AND REQUIREMENTS. COMMISSIONER LORENZ SECONDED THE MOTION. The motion was approved unanimously.

**ACTION ITEM**

**Approval of Salary and Benefit Recommendations for FY 2008**

David Longanecker said that staff has recommended a salary increase pool of 3.5 percent for merit increases, with an additional 0.5 percent increase for one-time bonuses for exceptional performance. This is consistent with the same percentage that has been provided over the past two years. There is also a proposed increase in salary grade of 5 percent to keep salary grades contemporary with the increases that would be allowable among staff. WICHE provides no cost of living increases; all increases are provided on the basis of merit. We establish different levels of merit accomplishment for the previous year and provide an increase commensurate with each staff member’s performance level.

COMMISSIONER NETHING MOVED TO ACCEPT THE APPROVAL OF SALARY AND BENEFIT RECOMMENDATIONS FOR FY 2008. COMMISSIONER KENDELL SECONDED THE MOTION.

Commissioner Skaggs asked about the rejection of the cost of living approach to salary increases. David Longanecker said that there has been a long-standing tradition of awarding staff raises based on merit. Most staff members receive an increase that covers the increase in the cost of living but not all staff. If there is an issue of performance, some staff may receive no increase in salary. The salary increase based on merit has been in place since before he became executive director. WICHE has also had no increases at all during difficult years. Commissioner Skaggs asked if it was safe to assume that adequate performance implies at least a cost of living increase. Longanecker concurred.

Longanecker discussed the opportunity for more substantial bonuses, based on performance and availability of funds from activities not supported by the general fund. Current WICHE policy allows for such bonuses, up to 20 percent of base salary for the two units within WICHE that are wholly funded from outside sources – WCET and Mental Health. He proposed extending this opportunity to the general funded units and administrative staff. Commissioner Moe asked if this item was reflected in the action item. Longanecker pointed out that this was under the third bullet point of the action item.

Commissioner Ogawa pointed out that the request actually reads “Approval of an overall increase in the performance-based salary pool of 3.5 percent, including 0.5 percent for one-time bonuses for exceptional performance.” Longanecker said that it should read “3.5 percent and 0.5 percent for one-time bonuses.” Commissioner Ogawa asked for an amendment to the motion.

COMMISSIONER PERRY MOVED TO AMEND THE MOTION. NETHING SECONDED THE MOTION. The motion was approved unanimously.

Chair Preus asked for approval of the amended motion, accepting salary and benefit recommendations for FY 2008. The motion was approved unanimously.
ACTION ITEM
Approval of the Annual Operating Budget for General Fund and Self-Funded Activities for FY 2008

David Longanecker introduced Craig Milburn as the chief financial officer. Chair Preus asked for a count to make sure a quorum of eight states was still present. It was determined that there was still a quorum.

Longanecker walked through the proposed budget for FY 2008, noting that WICHE had proposed $2,332,190 in revenue, $2,329,213 in expenditures, and a surplus of $2,977. These are conservative estimates. Even with the decisions that were made at the meeting that were slightly different than what was originally planned, the organization will still provide a balanced budget. For FY 2007 we projected a surplus of around $250,000, which Longanecker said he is working to spend. Longanecker anticipates that the year will finish with a slightly lower surplus than is currently reflected, though certainly a still substantial one. Staff will complete the year with more than a balanced budget. The full budget is reflected in the following pages, which include the departmental budgets.

Commissioner Hanson pointed out that one of the objectives in the workplan was to furnish the Learning Center and asked if any of the surplus in the budget can be used to fund that project. Longanecker responded that he may want to consider that, but that there is new energy to pursue outside funding for the Learning Center – much of it associated with Louis Fox. WICHE is planning on pursuing funding from organizations that Fox has had contact with in the past before we expend any of our current resources on the space. It is a potential area for WICHE investment; but the other SHEPC (State Higher Education Policy Center) organizations also have a responsibility for providing their share towards furnishing the Learning Center and are very interested in working with us on this project. Commissioner Hanson suggested seeking matching funds as a possibility.

COMMISSIONER BARRANS MOVED TO APPROVE THE ANNUAL BUDGET FOR GENERAL FUND AND SELF-FUNDED ACTIVITIES FOR FY 2008. COMMISSIONER MOE SECONDED THE MOTION. The motion was approved unanimously.

Commissioner Perry brought up that WICHE has lost three longtime supporters: Phil Sirotkin, Harold Enarson, and Frank Abbott. He moved that WICHE recognize their excellent service and set aside $1,000 out of the surplus of the budget for each of their memorials.

COMMISSIONER BARRANS MOVED TO AMEND (TO INCLUDE THE $3,000 IN MEMORIALS) AND APPROVE THE ANNUAL BUDGET FOR GENERAL FUND AND SELF-FUNDED ACTIVITIES FOR FY 2008. COMMISSIONER HANSON SECONDED THE MOTION. The motion was approved unanimously.

ACTION ITEM
Approval of the Workplan for FY 2008

Longanecker walked through the meaning behind “A Powerful Trust.” One meaning is that higher education is a very powerful entity within the states and that this “power” is sometimes used in ways that are not always appreciated by other partners within the state. Another meaning of the phrase is that with a “powerful trust” comes a powerful responsibility to help our states in a major way. It is important that we pursue our workplan so that we help higher education be an integral part of the state and not an end in itself. This is reflected in our mission statement and in the way we pursue our business, and it is a lot of what is currently driving our workforce development activities.

COMMISSIONER HANSEN MOVED TO ACCEPT THE FY 2008 WORKPLAN. COMMISSIONER LIND SECONDED THE MOTION. The motion was approved unanimously.

Other Business

Chair Preus asked for other business. Commissioner Lorenz asked if the meeting dates for the 2007 November meeting have been set. Longanecker responded that the dates for the November meeting are set. Jeanette Porter was recognized for her service in putting the meeting together. Candy Allen and Annie Finnigan were recognized for their service in putting together the agenda book.

Chair Preus adjourned the Committee of the Whole at 11 a.m.