Committee of the Whole Business Session

Tuesday, November 1, 2011
8:45 - 9:45 am
Aloha Center Ballroom
Tuesday, November 1, 2011

Committee of the Whole – Business Session

Agenda

Reconvene Committee of the Whole: Joe Garcia, chair

Report and recommended action of the Audit Committee:
Tom Buchanan, committee chair and immediate past
WICHE chair

FY 2011 audit report (separate document)

Report and recommended action of the Executive Committee:
Joe Garcia, WICHE chair

Report and recommended action of the Programs and Services
Committee: Carl Shaff, committee chair

Approval of the implementation plan:
new ways to apply Professional Student Exchange Program support fees [Tab 4]

Approval of standardizing PSEP support fees
in physician assistant and physical therapy fields [Tab 4]

Approval of the proposed project to revamp
Western Undergraduate Exchange marketing
and outreach strategies [Tab 4]

Approval of the proposed project to implement
a state authorization reciprocity program [Tab 4]

Report and recommended action of the Issue Analysis and
Research Committee: Robert Burns, committee chair

Approval of a project on teacher preparation
and professional development related to
the Common Core State Standards [Tab 5]

Approval of a project on building capacity
to support state college completion goals [Tab 5]

Report and recommended action of the Self-funded Units
Committee: Jim Hansen, committee vice chair
Committee of the Whole Action and Discussion Items

Action Item: Approval for developing the Predictive Analytics Reporting Framework [Tab 6]

Committee of the Whole Action and Discussion Items

Action Item: Approval of endorsement of the New Leadership Alliance for Student Learning and Accountability’s guidelines, detailed in “Assuring Quality, Accounting for Learning: Guidelines for Gathering and Reporting Evidence of Student Learning and Using It To Improve Outcomes,” and approval of the proposed WICHE endorsement process 10-3

Update on WICHE’s budget 10-12

Update on WICHE dues 10-15

Report on the Legislative Advisory Committee annual meeting – Senator Dave Nething, LAC member

Action Item: Election of chair, vice chair, and immediate past chair as officers of the WICHE Commission

Remarks of outgoing chair

Remarks of new chair

Selection of 2012 committee members

Meeting evaluation (electronic) (http://www.surveymonkey.com/s/FQ7JQPM)

Other business

Adjourn Committee of the Whole business session
ACTION ITEM

Endorsement of the New Leadership Alliance for Student Learning and Accountability’s Guidelines, Detailed in “Assuring Quality, Accounting for Learning: Guidelines for Gathering and Reporting Evidence of Student Learning and Using It To Improve Outcomes” and Approval of Proposed WICHE Endorsement Process

The New Leadership Alliance for Student Learning and Accountability, composed of significant national leadership organizations in higher education, seeks WICHE’s endorsement of the organization’s statement “Assuring Quality, Accounting for Learning: Guidelines for Gathering and Reporting Evidence of Student Learning and Using It To Improve Outcomes.” Staff has reviewed the statement and believes that this endorsement request should be approved. This new alliance intends to use the statement to guide its actions and those of its member institutions, in order to improve the quality and utility of student-learning outcomes measures.

This item is being brought to the full commission for its review and approval at the request of the three WICHE officers. At the current time, WICHE has no official procedure for review and approval of requests for endorsement. In the past President David Longanecker, as chief executive officer, has generally made a decision as to whether the organization should or should not endorse a request; examples included endorsement of the work of the Data Quality Campaign (DQC) and endorsement of Excellencia’s Latino College Completion Project. The officers’ request that this endorsement be approved by the full commission suggests the need for more clarity on how future requests for endorsements should be handled.

Given that these endorsements will carry the imprimatur of WICHE, the president concurs that they should be approved by the commission. The dilemma is that on occasion organizations seeking endorsement may not be able to wait until the next biannual commission meeting. The president’s recommendation, therefore, would be that we handle this in the same way other commission actions are handled: all actions will be handled by the Committee of the Whole at the biannual meetings unless more timely action is required, in which case the action can be taken on behalf of the Committee of the Whole by the Executive Committee.

Action Requested

Approval of endorsement of the New Leadership Alliance for Student Learning and Accountability’s guidelines, detailed in “Assuring Quality, Accounting for Learning: Guidelines for Gathering and Reporting Evidence of Student Learning and Using It To Improve Outcomes,” and approval of the proposed WICHE endorsement process.
Assuring Quality, Accounting for Learning:
Guidelines for Gathering and Reporting Evidence of Student Learning
and Using It To Improve Outcomes

The U.S. government recently made a commitment to lead the world in postsecondary degree achievement. This is a necessary and laudable goal that is critical to economic competitiveness, equal opportunity, and a healthy democracy.¹

Success in the 21st-century knowledge economy will require greater levels of formal education. Employer surveys indicate increased emphasis on hiring individuals with postsecondary degrees and a higher level of skills and knowledge. College graduates entering the workforce will increasingly be asked to apply a broader range of skills, think critically, solve problems, utilize existing knowledge, and learn on the job.²

By at least one estimate, the United States by 2018 will have several million fewer degree recipients than the economy needs. Closing this gap requires that more college students gain the knowledge and skills to become productive workers. It also requires that colleges and universities enroll and graduate students from previously underrepresented populations, including minority group, first-generation, and non-traditional-age students.³ Higher education’s commitment to access must include a commitment to helping students succeed in achieving degrees.

The value of a college education is not primarily economic. The experience, skills, and knowledge students develop through higher education contributes to their personal development and promotes their engagement in a democratic society. Breadth of knowledge, appreciation of diverse backgrounds and points of view, and analytical and problem-solving abilities all contribute to a student’s capacity for individual growth and responsible citizenship. Personal and family health and rates of civic and political participation are strongly correlated with levels of education.⁴

The achievement of these educational, economic, and political goals requires sustained attention to the quality of student learning. Awarding more degrees will only be meaningful if those degrees reflect a high level of student accomplishment. Persistence and learning are linked. Paying close attention to student engagement in learning and learning outcomes will likely help students remain enrolled and graduate.⁵

The primary responsibility for assessing and improving student learning falls on colleges and universities. Those granting educational credentials must assure that students have developed the requisite knowledge, skills, values, and attitudes that prepare them for work, life, and responsible citizenship. U.S. higher education must focus on both quantity and quality—increasing graduation rates and the learning represented in the degree.

The New Leadership Alliance for Student Learning and Accountability promotes and supports higher education’s efforts to gather, report on, and use evidence of student learning to improve outcomes in U.S. undergraduate education. The Alliance envisions a self-directed professional higher education community that produces an increasing number of college graduates with high-quality degrees. This, in turn, will support and increase public confidence in the quality of undergraduate education provided by U.S. colleges and universities.⁶

To aid in this effort, the Alliance has developed specific guidelines that set forth basic professional responsibilities for higher education in assessing and improving collegiate learning. These guidelines are a distillation of the good work that has already been done in higher education in defining goals, understanding students’ experiences and success, and assessing outcomes. The higher education organizations and institutions that endorse these principles encourage those working in higher education to: set ambitious goals for learning, gather evidence about how well goals are being achieved, use this evidence for improvement, and report results both within institutions and to the public. The Alliance invites other organizations, institutions, and individuals to join in this effort.
Guidelines for Assuring Quality and Accounting for Learning

Set Ambitious Goals

There is already substantial overlap in the many statements about what the intended outcomes of undergraduate education ought to be. This general consensus includes: the development of appropriate levels of knowledge and skills; the ability to integrate and apply knowledge to a variety of problems; and the acquisition of intellectual and social habits and dispositions in preparation for productive, responsible citizenship. Learning goals may vary according to an institution’s mission, resources, student population, and community setting, but they typically include: acquiring both broad learning and specialized knowledge; developing intellectual and practical skills; developing a sense of personal and social responsibility; and integrating and applying learning.

Each college and university is encouraged to articulate its specific goals for student learning and prominently announce these goals to various stakeholders and the public. Similarly, the major academic divisions and cocurricular departments within an institution are encouraged to state their goals and their connection to the broader institutional aims and to the constituencies they seek to serve. Faculty members, staff, and administrators should understand the relationship of their work to these learning goals. Students should also understand and be able to articulate the relationship of their coursework and cocurricular experiences to the learning goals.

Colleges and universities and their major programs can use the following guidelines to determine the degree to which they are setting ambitious goals:

- The institution’s statements of learning outcomes clearly articulate what students should be able to do, achieve, demonstrate, or know upon the completion of each undergraduate degree.

- The outcomes reflect appropriate higher education goals and are stated in a way that allows levels of achievement to be assessed against an externally informed or benchmarked level of achievement or assessed and compared with those of similar institutions.

- Institutional practices, such as program review, are in place to ensure that curricular and cocurricular goals are aligned with intended learning outcomes.

- The institution and its major academic and cocurricular units can identify places in the curriculum or cocurriculum where students encounter or are expected or required to achieve the stated outcomes.

- Learning outcome statements are presented in prominent locations and in ways that are easily understood by interested audiences.

Gather Evidence of Student Learning

Systematic processes for gathering evidence allow colleges and universities to discover how well students are progressing toward the institution’s overall and programmatic learning outcomes. Evidence-gathering efforts that are ongoing, sustainable, and integrated into the work of faculty and staff can suggest where the institution is succeeding and where improvement is needed.

Gathering evidence concerning the degree to which students are actively engaged in academically challenging work can also suggest ways in which student learning can be enhanced. There are significant differences within colleges and universities in the degree of academic engagement among students. Similarly, disaggregation and comparison of results by gender, race/ethnicity, and other variables permits an institution to monitor educational equity. Evidence of how well students are achieving learning outcomes (i.e., “What is ‘good enough?’”) against
externally informed or benchmarked assessments or against similar colleges and universities, where appropriate and possible, provides useful comparisons. At the same time, it is critical to keep in mind that the objective of comparison is not ranking but improvement.

Colleges and universities and their major programs can use the following guidelines to determine how effectively they are gathering evidence of student learning:

- Policies and procedures are in place that describe when, how, and how frequently learning outcomes will be assessed.
- Assessment processes are ongoing, sustainable, and integrated into the work of faculty, administrators, and staff.
- Evidence includes results that can be assessed against an externally informed or benchmarked level of achievement or compared with those of other institutions and programs.
- Evidence also includes assessments of levels of engagement in academically challenging work and active learning practices.
- Results can be used to examine differences in performance among significant subgroups of students, such as minority group, first-generation, and non-traditional-age students.

**Use Evidence to Improve Student Learning**

The purpose of gathering evidence of student learning is to use it to assure quality in student learning and to improve it. Using evidence effectively requires a plan that makes the analysis and use of evidence a prominent and consequential factor in the institution’s strategic planning and program review processes. Discussions about evidence can lead to recommendations for institutional improvement and taking action when appropriate and feasible. The cycle of making evidence-based changes in programs and practices promotes continuous review, evaluation, and reporting of institutional action and improvement.

Colleges and universities and their major programs can use the following guidelines to determine how effectively they are using evidence to improve student learning:

- Well-articulated policies and procedures are in place for using evidence to improve student learning at appropriate levels of the institution.
- Evidence is used to make recommendations for improvement of academic programs and co-curricular programs.
- There is an established process for discussing and analyzing these recommendations and moving from recommendation to action. Where feasible and appropriate, key recommendations for improvement are implemented.
- The impact of evidence-based changes in programs and practices is reviewed and evaluated regularly.
**Report Evidence and Results**

Reporting evidence and results of student learning to both internal and external constituents strengthens the institution’s commitment to improving programs and services that contribute to a high level of student accomplishment. Assessments of student learning can be shared with internal constituents (e.g., faculty members, staff, administrators, students) in a variety of ways, including through regularly scheduled and well-publicized meetings, which can lead to changes in program and pedagogy. The institution’s governing board should receive regular reports about the assessment of student learning and efforts to use evidence to improve programs. In addition, an institution can ensure transparency and accountability to the public by developing on its website a highly visible and easily accessible location that highlights evidence of student learning, its use, and other institutional indicators (e.g., retention rates, time to degree).

In recent years, significant steps have been taken toward greater transparency in reporting results for students. Associations representing both public and private institutions have developed reporting templates that provide important information about institutional demographics, persistence, and completion, as well as information about student experience and learning outcomes. Such templates aid understanding by using uniform definitions and reporting conventions. Colleges and universities should evaluate such templates and use them to support internal discussion and communication to the public.

Colleges and universities and their major programs can use the following guidelines to determine how effectively they are reporting evidence and results:

- Regular procedures are in place for sharing evidence of student learning with on- and off-campus groups.

- On-campus reporting includes regularly scheduled meetings, publications, and other mechanisms that are accessible to all relevant campus constituencies (e.g., faculty, staff, administrators, students, the governing body).

- Reporting to external constituencies via the institutional website includes evidence of learning as well as additional descriptive information and indicators of institutional performance (e.g. retention rates, time to degree).

- Reporting on student learning outcomes is both accessible to and appropriate for the relevant audience, whether on or off campus.

- The results of evidence-based changes in programs and practices are reported to appropriate internal and external constituencies.

**A Public Trust, The Public Good**

We in higher education continue to learn about effective educational practices. There are many examples of institutions that have made positive changes in programs and pedagogy. Now, we must demonstrate to ourselves and to the larger public that we are systematically gathering and reporting on evidence of student learning and using it to improve educational outcomes. Evidence-based understanding and improvement of practices will indicate how effectively colleges and universities are achieving ambitious goals for students.

For many generations, U.S. colleges and universities have been respected at home and admired and imitated abroad for their combination of wide diversity, broad access, and high quality. Our institutions of higher educa-
tion have provided students with opportunities to grow intellectually and socially, and in doing so have helped our society advance and prosper. The substantial direct and indirect state, federal, and philanthropic financial support for higher education indicates how crucial this system is to our economic, cultural, and political future.

Higher education has been entrusted with an important social responsibility. This responsibility calls for a commitment to see that all students reach high standards and fulfill their potential. Doing so requires us to gather and report on evidence of student learning and use it to improve student learning outcomes. If colleges and universities focus on evidence-based improvement of student learning outcomes, they will be true to their societal responsibilities and serve the common good. Our students and our nation deserve nothing less.
The members of the Board of Directors of the New Leadership Alliance for Student Learning and Accountability endorse these guidelines and recommend that associations, institutions, and individuals in and concerned with higher education also publicly endorse them.

Molly Corbett Broad  
President, American Council on Education

Walter Bumphus  
President and CEO, American Association of Community Colleges

W. Robert Connor  
Senior Scholar, The Teagle Foundation

Judith Eaton, Chair  
President, Council for Higher Education Accreditation

Richard Ekman  
President, Council of Independent Colleges

Peter Ewell  
Vice President, National Center for Higher Education Management Systems

Paul Lingenfelter  
President, State Higher Education Executive Officers

Sylvia Manning  
President, The Higher Learning Commission of the North Central Association

David Paris, ex officio  
Executive Director, New Leadership Alliance for Student Learning and Accountability

Carol Geary Schneider  
President, Association of American Colleges and Universities

David Shulenburger  
Senior Fellow, Association of Public and Land-grant Universities
Endnotes:


7 There are several national efforts to define educational outcomes, including the Liberal Education and America’s Promise (LEAP) initiative of the Association of American Colleges and Universities and the standards in CAS professional standards for higher education published by the Council for the Advancement of Standards. Similarly, a number of books and articles have discussed desirable student learning outcomes, such as Keeling, R. P. (Ed.). (2004). Learning reconsidered: A campus wide focus on the student experience. Washington, DC: National Association of Student Personnel Administrators and American College Personnel Association and Bok, D. (2006). Our underachieving colleges. Princeton, NJ: Princeton University Press, 58-81. The Lumina Foundation has recently published The degree qualifications profile articulating what students “should be expected to know and be able to do once they earn their degrees.”


GUIDELINES ENDORSEMENT AND SOLICITATION LIST, AS OF 10/7/11

Current endorsements (23):

* American College Personnel Association
* American Association of Community Colleges
* American Association of State Colleges and Universities
* Association for the Assessment of Learning in Higher Education
* Association of American Colleges and Universities
* Association of College & Research Libraries (ACRL)
* Association of Institutional Researchers
* Community College Survey of Student Engagement
* Council for the Advancement of Standards
* Council for Aid to Education
* Council for Higher Education Accreditation
* Council of Independent Colleges
* Council of Regional Accrediting Commissions
* Higher Education Data Services
* Higher Education Research Institute
* Institute for Higher Education Policy
* Midwestern Higher Education Compact
* NASPA – Student Affairs administrators in Higher Education
* National Center for Higher Education Management Systems
* National Institute for Learning Outcomes Assessment
* National Survey of Student Engagement National Advisory Board
* New England Resource Center for Higher Education
* State Higher Education Executive Officers

Current solicitations (awaiting action) (20):

* American Chemical Society
* American Historical Association
* American Mathematical Association
* American Philosophical Association
* American Political Science Association
* American Psychological Association
* American Sociological Association
* Association of American Universities
* Association of Community College Trustees
* Business Higher Education Forum
* Committee for Economic Development
* Education Trust
* EDUCAUSE
* Modern Language Association
* National Association of Independent Colleges and Universities (NAICU)
* National Center for Public Policy and Higher Education
* New England Board of Higher Education
* Society for College and University Planning
* Southern Regional Education Board
* Western Interstate Commission for Higher Education
DISCUSSION ITEM
Update on WICHE’s Budget

WICHE did not budget for any deficits for FY 2011 and did not realize any in the general fund, as you can see on the report titled General Fund Budget Comparing FY 2011 with FY 2012. However, as can be seen on the report Program Area Revenue and Expense Summary, two of our program areas did realize a loss, but even that did not cause WICHE to realize a deficit in FY 2011.

Prior to the State Higher Education Policy Center (SHEPC) contributions, all WICHE programs combined resulted in a gain in net assets of $115,887. When WICHE is combined with the State Higher Education Policy Center (SHEPC), then the combined financial statement shows a gain of $257,694, most of which is in minority contributions to equity at SHEPC.

Programs and Services, Policy Analysis and Research, the Professional Student Exchange program (PSEP), and the Compact for Faculty Diversity all experienced small gains or no changes. No change is the normal result for programs like PSEP or the Bridges to the Professoriate, which are not designed to do anything other than pay their expenses.

The Mental Health Program experienced a gain of $75,904. Since they began the year with a fund balance of $42,435, they have increased their fund balance to $118,339.

WCET experienced a loss of $172,804. Since they began the year with a fund balance of $200,149, they are now at a fund balance of $27,345.

The Technology & Innovation initiative began the year with a fund balance of $50,000. They returned $30,000 to the WICHE general fund, which caused them to experience a loss of $31,312. They now have a fund balance of $18,688.

The general fund began the year with a reserve of $1,325,821, of which a total of $25,037 was spent by action of the commission. The reserve ended the year at $1,300,784, as seen on the report titled General Fund Budget Comparing FY 2011 with FY 2012.

Looking Ahead to Fiscal Year 2012
Again, WICHE did not budget for a deficit for FY 2012. Due to the tight economy, WICHE did not budget for any increases to revenue and did budget a 1.3 percent decrease in expenditures. It will be a challenge in all our program areas to manage these budgets, which have little or no room for excess spending.
### General Fund Budget

#### Comparing FY 2011 with FY 2012

#### Revenue and Expenditures

<table>
<thead>
<tr>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Budget</td>
</tr>
<tr>
<td>Indirect Cost Reimbursements</td>
<td>$260,000</td>
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<tr>
<td>Indirect Cost Sharing-WICHE</td>
<td>($60,000)</td>
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<tr>
<td>Members/States/Institutions</td>
<td>$1,875,000</td>
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<td>California Delinquent Dues</td>
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<td>Interest</td>
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<td>Publication Sales &amp; Refunds</td>
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<td>Other Income</td>
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<td>Credit Card Transaction Rev./Units</td>
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<td>Interfund Transfers</td>
<td>$30,000</td>
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<td>Total Revenue</td>
<td>$2,193,050</td>
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</table>

#### Expenditures

<table>
<thead>
<tr>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>0102 Student Exchange Program</td>
<td>$300,092</td>
</tr>
<tr>
<td>0104 Policy Analysis &amp; Research</td>
<td>$308,146</td>
</tr>
<tr>
<td>0105 Communications &amp; Public Affairs</td>
<td>$435,605</td>
</tr>
<tr>
<td>0107 Technology &amp; Innovation</td>
<td>$29,686</td>
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<tr>
<td>0110 President’s Office</td>
<td>$355,120</td>
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<td>0111 Commission Meeting Expense</td>
<td>$129,975</td>
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<td>0112 Administrative Services</td>
<td>$435,923</td>
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<td>0115 Miscellaneous Gen. Fund</td>
<td>$160,001</td>
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<td>0116 Program Development</td>
<td>$13,502</td>
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<td>0130 Expense California Unpaid Dues</td>
<td>$260,000</td>
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<tr>
<td>0131 LAC Meeting</td>
<td>$25,000</td>
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<tr>
<td>Total Expenditures</td>
<td>$2,193,050</td>
</tr>
</tbody>
</table>

#### Surplus (Deficit) for the Fiscal Year

- **FY 2011:** $212,688
- **FY 2012:** $277,126

#### Reserves at Beginning of Year

<table>
<thead>
<tr>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Reserve</td>
<td>$263,166</td>
</tr>
<tr>
<td>Reserve for Facility Payments</td>
<td>$184,000</td>
</tr>
<tr>
<td>Reserve for Unexpected Shortfall</td>
<td>$219,305</td>
</tr>
<tr>
<td>Reserve required for CECFA Bond</td>
<td>$70,000</td>
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<tr>
<td>Reserve Available for Allocation</td>
<td>$579,350</td>
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</tbody>
</table>

#### Reserves Dedicated during Year

- **FY 2011:** $1,325,821
- **FY 2012:** $1,325,821

#### Reserves at End of Year

- **FY 2011:** $2,193,050
- **FY 2012:** $2,193,050

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(a) FY 2011 Dues set by Commission to $130K in May 2008; and reduced by Commission to $125K in May 2009. In May 2010, Commission set FY 2012 Dues to $125K and FY 2013 Dues to $131K. If half of the WICHE states do not project revenue increases by the Nov 2011 meeting, then the FY 2013 dues will remain at $125K for the fourth straight year.

(b) California unpaid Dues.

(c) In discussion with Auditors at end of FY2011, it was decided to expense the continuing accounts receivable for the unpaid 2005 California Dues.

(d) Minimum reserve set by the commission is 12% of Budgeted Expenses. Set May 2000.

(e) Facility Payments reserve set by commission at 6 months of cost. Set May 2007.

(f) Unexpected Shortfall reserve set by commission at 10% of Budgeted Expenses. To be used only if anticipated funding does not materialize. Set May 2007.

(g) CECFA Bond reserve. Legal requirement of bond financing.

(h) Internet 2 installation into WICHE offices approved by Commission at May 2010 meeting.

(i) Deferred compensation plan for President approved by Commission at the November 2010 meeting.

(j) Deferred carryover from May 2011 meeting. One time carryover for budgeted expenses not made in the current year. $25K SPIDO, $20K PSEP, $10K Commission Meeting, $25K LAC meeting, $12K Staff bonus.

(k) Adopted at the May 2011 Commission meeting. Special allocation for additional programming to update software needed to keep current.

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#### Note

Laie, Hawai‘i

10-13
## Program Area Revenue and Expense Summary for FY 2011

<table>
<thead>
<tr>
<th>Programs &amp; Services</th>
<th>Policy Analysis</th>
<th>PSEP &amp; Bridges</th>
<th>Mental Health</th>
<th>WCET</th>
<th>Innovation &amp; Technology</th>
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</thead>
<tbody>
<tr>
<td>Membership Dues and Fees</td>
<td>$164,036</td>
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<td></td>
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<tr>
<td>Conference Registration Fees</td>
<td>$3,250</td>
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<tr>
<td>Grants and Contracts</td>
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<td>$1,021,264</td>
<td>$195,001</td>
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<td>Indirect Cost Sharing</td>
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<td>$4,633</td>
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<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
<td>$101</td>
<td></td>
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<tr>
<td>Miscellaneous Income</td>
<td>$15,977</td>
<td>$16,546</td>
<td></td>
<td>$60,346</td>
<td>$20,381</td>
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<tr>
<td>General Fund Allocation</td>
<td>$435,605</td>
<td>$308,146</td>
<td>$300,092</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$1,244,819</strong></td>
<td><strong>$1,346,331</strong></td>
<td><strong>$495,093</strong></td>
<td><strong>$2,118,950</strong></td>
<td><strong>$1,115,497</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$305,785</td>
</tr>
<tr>
<td>Benefits</td>
<td>$107,433</td>
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<tr>
<td>Audit, Legal &amp; Consulting</td>
<td>$37,148</td>
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<tr>
<td>Subcontracts</td>
<td>$556,617</td>
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<tr>
<td>Travel</td>
<td>$72,455</td>
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<tr>
<td>Printing and Copying</td>
<td>$3,238</td>
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<tr>
<td>Rent</td>
<td>$36,006</td>
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<tr>
<td>Computer/Network</td>
<td>$34,511</td>
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<td>Communications</td>
<td>$8,169</td>
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<tr>
<td>Supplies and Expense</td>
<td>$6,021</td>
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<tr>
<td>Marketing</td>
<td>$715</td>
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<td>Indirect Costs</td>
<td>$28,544</td>
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<tr>
<td>Credits for other programs</td>
<td>$17,721</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$1,214,363</strong></td>
</tr>
</tbody>
</table>

| Excess Revenue (Loss) | $30,456 | $83,863 | $31,967 | $75,905 | $(172,804) | $(31,312) |
DISCUSSION ITEM
WICHE Dues Update

At the May 2008 meeting, the commission set the WICHE dues for the next biennium to $125,000 for FY10 and $130,000 for FY11. At the May 2009 meeting, in the midst of state financial distress, the commission reduced the FY11 dues to the prior year level of $125,000. Last year, at the May 2010 meeting in Portland, OR, the commission set the WICHE dues for the next biennium, maintaining the $125,000 level for FY12 (the current year) and setting dues for FY13 at $131,000, contingent upon at least half the member states projecting revenue increases by the November 2011 commission meeting.

Data from the National Conference of State Legislatures (NCSL) shows that estimated state tax revenues for fiscal year 2011 grew nationally by an average 6.1 percent, compared to fiscal year 2010. Fourteen WICHE states had increased revenues, with only Wyoming experiencing a reduction (-7.2 percent). WICHE states averaged an increase of 5.25 percent. Despite these revenue increases, most states continue to face substantial fiscal distress. According to the Center for Budget and Policy Priorities, nine WICHE states (Arizona (-39 percent), California (-21 percent), Colorado (-25 percent), Hawaii (-16 percent), Idaho (-4 percent), Nevada (-5 percent), New Mexico (-9 percent), Oregon (-32 percent), and Washington (-15 percent)) had to close major shortfalls in FY11, in the amount of funding that would have been necessary to maintain current levels of service.

For fiscal year 2012, WICHE states again are projected, on average, to have increased revenues of 1.65 percent. NSCL reports, however, that three states are expected to have declining revenues during FY12 (California (-6.7 percent), Nevada (-9.3 percent), and North Dakota (-8.6 percent)). Again, despite average projected revenue increases, NSCL reports that 10 WICHE states have budgeted for shortfalls in fiscal year 2012 (Arizona (-12 percent), California (-28 percent), Colorado (-9 percent), Hawaii (-6 percent), Idaho (-9 percent), Nevada (-31 percent), New Mexico (-4 percent), Oregon (-19 percent), Utah (-9 percent), and Washington (-15 percent)). Four WICHE states are already projecting current services budget shortfalls for FY13 (California (-7 percent), Nevada (-35 percent), and Oregon (-19 percent) and Washington (-15 percent)).

Under the terms of the May 2010 action of the commission, which is based on revenue projections, not projected budget shortfalls, dues for the current year, fiscal year 2012, were maintained at the $125,000 level; but dues will increase to $131,000 for fiscal year 2013 because most states anticipate appreciating revenue increases in FY12, unless action is taken by the commission to reconsider its prior action.