Monday, November 11, 2013

8:45 - 9:15 am
SHEPC Learning Center

Committee of the Whole –
Call to Order/Introductions

Call to order: Leah Bornstein, chair

Welcome

Introduction of new commissioners and guests 2-3

Action Item Approval of the Committee of the Whole
meeting minutes of May 20-21, 2013 2-4

Report of the chair

Report of the president

Report of the Nominating Committee

Reminder to caucus on selection of 2014 committee members

Recess until November 12, 2013, at 8:45 am
New Commissioners

Dick Anderson is a general contractor who has been in business in Helena since 1976. He is the chairman and founder of Mountain West Bank. In addition, Anderson is an owner in the Great Northern Hotel, Holiday Inn Downtown, Capital City Health Club, Gordon Butte Wind Farm, and several commercial buildings, as well as a past owner of Summit Aerospace, which was recently sold to Boeing. He is a Helena native and a graduate of the University of Montana in business management.

Vance Farrow is the industry specialist for healthcare in the Nevada Governor’s Office of Economic Development. He is responsible for supporting the recruitment, retention, and expansion of healthcare professionals and businesses to strengthen the sector’s infrastructure within Nevada. Farrow previously served within the District of Columbia Department of Health and was primarily the chief of the Bureau of Cancer and Chronic Disease. There, he oversaw all statewide federal and locally funded initiatives addressing breast, cervical, colorectal, lung, and prostate cancer treatment, outreach and navigation, education, data, and survivorship. Additionally, he has been the health services coordinator for Detroit Head Start and was the manager of the Michigan Neighborhood Partnership African-American Male Health Initiative. Farrow earned his bachelor’s of science from Howard University in Washington, D.C. and his master’s in public health from the University of Michigan School of Public Health in Ann Arbor, and he has also attended the Temple University School of Medicine in Philadelphia.

J. Anthony (Tony) Fernandez became president of Lewis-Clark State College in 2011. He served as interim president for one year after serving as provost and vice president for academic affairs at the institution for seven years. Fernandez earned his B.A. degree in biological sciences from California State College, Fullerton, and his Ph.D. from Washington State University (WSU) in plant pathology. He continued at WSU as a postdoctoral research associate for two years and then served as an assistant/associate professor of plant pathology at the University of Wyoming for a decade. In 1986 Fernandez accepted a faculty position in plant sciences at the University of Hawai’i-Hilo and later became dean of the College of Continuing Education and Community Service. He then accepted the position of dean of educational technology and continuing education at Fort Hays State University in Kansas and later dean of the College of Health and Life Sciences. He left Fort Hays State University in 2003 to become the provost of Lewis-Clark State College. Fernandez just completed a four-year term on the Idaho Workforce Development Council, has served as chair on the Governor’s Idaho Health Professions Education Council, and is a member of the Regence Blue Shield of Idaho Board of Directors, St. Joseph Regional Medical Center Board of Directors, and the Valley Vision Board of Directors. He has served on a variety of professional health boards and task forces throughout his academic career.

Ray Holmberg has served in the North Dakota Senate since 1976. He is currently chairman of the Senate Appropriations Committee and the North Dakota Legislative Management Committee. Previously, Holmberg worked in the Grand Forks Public School District as a classroom teacher and guidance counselor. He has served as a board member for numerous organizations, such as the Grand Forks Community Theater, United Hospital, Agassiz Enterprises, North Dakota Special Olympics, and Prairie Public Broadcasting. Holmberg received a bachelor of science in social studies and a master of science in counseling and guidance from the University of North Dakota.
ACTION ITEM
Minutes of the Committee of the Whole

Session I: Call to Order
Monday, May 20, 2013

Commissioners Present
Leah Bornstein (AZ), chair
Bonnie Jean Beesley (UT), immediate past chair
Susan Anderson (AK)
Diane Barrans (AK)
Jim Johnsen (AK)
Chris Bustamante (AZ)
Eileen Klein (AZ)
Christopher Cabaldon (CA)
Loretta Martinez (CO)
Dene Thomas (CO)
Sharon Hart (CNMI)
Francisco Hernandez (HI)
Mike Rush (ID)
Clayton Christian (MT)
Kim Gillan (MT)
Sheila Stearns (MT)
José García (NM)
Mark Moores (NM)
Patricia Sullivan (NM)
Duaine Espegard (ND)
Dave Nething (ND)
Ham Shirvani (ND)
Vic Redding (NV)
Robert Burns (SD)
James Hansen (SD)
Ryan Deckert (OR)
Camille Preus (OR)
Hilda Rosselli (OR)
Don Buhler (UT)
Peter Knudson (UT)
Don Bennett (WA)
Jeanne Kohl-Welles (WA)
Larry Seaquist (WA)
Tom Buchanan (WY)
Karla Leach (WY)

Commissioners Absent
Dianne Harrison (CA)
Joe Garcia (CO)
Carol Mon Lee (HI)
Steven Wheelwright (HI)
M. Duane Nellis (ID)
Mack Shirley (ID)
Joe Hardy (NV)
Jack Warner (SD)
Sam Krone (WY)

Guests/Speakers
John Bowden, research analyst, Joint Legislative Audit and Review Committee
Jan Bowers, department chair, Family and Consumer Sciences, Central Washington University
Lisa Brown, Washington State University, Spokane
Xandre Chateaubriand, policy advisor, Office of Governor Jay Inslee
Cece Foxley, former commissioner of higher education and WICHE consultant, Utah Board of Regents
Debra Humphreys, vice president for policy and public engagement, Association of American Colleges and Universities
Christine Johnson, chancellor, Community Colleges of Spokane
Dennis Jones, president, National Center for Higher Education Management Systems (NCHEMS)
Paul Lingenfelter, president, State Higher Education Executive Officers (SHEEO)
Louise Lynch, certifying officer, Arizona Board of Regents
Darren Marshall, WICHE certifying officer, Utah System of Higher Education
Loreen Olney, executive assistant, Utah System of Higher Education
Jeanine Sherrick, certifying officer, Nevada System of Higher Education
Lisa Shipley, manager of student advising, University of Wyoming
Joseph Steiner, dean, College of Health Sciences, University of Wyoming
Eric Whitaker, research analyst, Joint Legislative Audit & Review Committee

Staff Present
Erin Barber, executive assistant to the president and to the commission
Margo Colalancia, director, Student Exchange Program
Carl Krueger, project coordinator, Policy Analysis and Research
David Longanecker, president
Mollie McGill, deputy director, WCET
Demarée Michelau, director of policy analysis, Policy Analysis and Research
Craig Milburn, chief financial officer
Dennis Mohatt, vice president for behavioral health, Mental Health Program
Brian Prescott, director of policy research, Policy Analysis and Research
Pat Shea, director, Western Alliance of Community College Academic Leaders (Alliance), Internet Course Exchange (WICHE ICE), and Western Academic Leadership Forum (Forum)
Chair Leah Bornstein called the meeting to order and welcomed the commissioners. She asked for a moment of silence in honor of Carl Shaff (NV), who recently passed away.

Chair Bornstein introduced newly appointed commissioners:

- Eileen Klein, Arizona
- Loretta Martinez, Colorado
- Sharon Hart, Commonwealth of the Northern Mariana Islands (CNMI)
- Jude Hofschneider, CNMI
- Joshua Sasamoto, CNMI
- Mark Moores, New Mexico
- Hilda Rosselli, Oregon
- Larry Seaquist, Washington

Commissioner Kohl-Welles introduced WSU Spokane Chancellor Lisa Brown. Brown welcomed meeting guests to the campus. Chair Bornstein introduced guests and listed commissioners whose terms are expiring after the May 2013 meeting.

**ACTION ITEM**

**Approval of the Minutes of the November 12-13, 2012, Committee of the Whole Meeting**

Commissioner Mike Rush moved TO APPROVE THE MINUTES OF THE NOVEMBER 12-13, 2012, COMMITTEE OF THE WHOLE MEETING. Commissioner Anderson seconded the motion. The minutes were approved unanimously.

Chair Beesley gave the report of the chair. The Executive Committee had met earlier in the morning to hear the five-year evaluation report for WICHE’s president from Cece Foxley and to conduct David Longanecker’s performance review. Bornstein asked commissioners to review the evaluation report in preparation for discussions during the Committee of the Whole business session.

Chair Bornstein called on David Longanecker for the report of the president. Longanecker presented “WICHE Inside Out,” which included updates on staff, diversity, IT, health insurance, and project activities.

The first session of the Committee of the Whole was concluded, and the committee went into recess until Tuesday, May 21, 2013.
Session II: Business Session
Tuesday, May 21, 2013

Commissioners Present
Leah Bornstein (AZ), chair
Bonnie Jean Beesley (UT), immediate past chair

Susan Anderson (AK)
Diane Barrans (AK)
Jim Johnsen (AK)
Chris Bustamante (AZ)
Eileen Klein (AZ)
Loretta Martinez (CO)
Dene Thomas (CO)
Sharon Hart (CNMI)
Joshua Sasamoto (CNMI)
Francisco Hernandez (HI)
Mike Rush (ID)
Clayton Christian (MT)
Kim Gillan (MT)
Sheila Stearns (MT)
José Garcia (NM)
Mark Moores (NM)
Patricia Sullivan (NM)
Duaine Espegard (ND)
Dave Nething (ND)
Vic Redding (NV)
Robert Burns (SD)
James Hansen (SD)
Ryan Deckert (OR)
Camille Preus (OR)
Hilda Rosselli (OR)
Dave Buhler (UT)
Don Bennett (WA)
Jeanne Kohl-Welles (WA)
Larry Seaquist (WA)
Tom Buchanan (WY)
Karla Leach (WY)

Commissioners Absent
Christopher Cabaldon (CA)
Dianne Harrison (CA)
Joe Garcia (CO)
Jude Hofschneider (CNMI)
Carol Mon Lee (HI)
Steven Wheelwright (HI)
M. Duane Nellis (ID)
Mack Shirley (ID)
Ham Shirvani (ND)
Joe Hardy (NV)
Jack Warner (SD)
Peter Knudson (UT)
Sam Krone (WY)

Guests
Jan Bowers, department chair, Family and Consumer Sciences, Central Washington University
Peter Eckel, vice president, Association of Governing Boards of Universities and Colleges
Paul Lingenfelter, president, SHEEO
Louise Lynch, certifying officer, Arizona Board of Regents
Darren Marshall, WICHE certifying officer, Utah System of Higher Education
Loreen Olney, executive assistant, Utah System of Higher Education
Lisa Shipley, manager of student advising, University of Wyoming
Joseph Steiner, dean, College of Health Sciences, University of Wyoming

WICHE Staff
Erin Barber, executive assistant to the president and to the commission
Margo Colalancia, director, Student Exchange Program
Carl Krueger, project coordinator, Policy Analysis and Research
David Longanecker, president
Mollie McGill, deputy director, WCET
Demarée Michelau, director of policy analysis, Policy Analysis and Research
Craig Milburn, chief financial officer
Dennis Mohatt, vice president for behavioral health, Mental Health Program
Brian Prescott, director of policy research, Policy Analysis and Research
Pat Shea, director, Western Alliance of Community College Academic Leaders (Alliance), Internet Course Exchange (WICHE ICE), and Western Academic Leadership Forum (Forum)
Chair Leah Bornstein called the meeting to order.

**Report and Recommended Action of the Audit Committee**

Chair Bornstein called on Commissioner Bonnie Jean Beesley to give the report of the Audit Committee. Commissioner Beesley reported that the Audit Committee has met twice since the November commission meeting.

Current Audit Committee members include:

- Bonnie Jean Beesley (chair)
- Diane Barrans, Alaska
- Dianne Harrison, California
- Mike Rush, Idaho
- Vic Redding, Nevada

The committee met in person on November 13, 2012, to discuss the engagement letter with auditing firm RubinBrown (WICHE's current auditors). The committee discussed and approved retaining RubinBrown for the 2013 audit of WICHE's financial statements. RubinBrown was selected as the auditing firm for WICHE in 2010.

The committee met again via teleconference on April 23, 2013. The committee reviewed the Audit Committee charter, calendar, and Commission Code of Ethics. They found these documents still to be relevant and contemporary, so no changes or revisions were made.

The committee will meet via teleconference in September or October to discuss the 2013 WICHE audit with representatives from RubinBrown and WICHE staff and in person in November in conjunction with the WICHE Commission meeting.

**Report and Recommended Action of the Executive Committee**

Chair Bornstein reported that the Executive Committee met on Monday before the Committee of the Whole. The committee approved minutes from the March 25, 2013, teleconference, and David Longanecker discussed the schedule for the meeting.

The committee then went into closed session. Cece Foxley, former WICHE commissioner and former commissioner of higher education with the Utah System of Higher Education, was invited to present her report on the five-year evaluation of David Longanecker. Two suggested areas of focus came out of the committee’s discussion of the evaluation and report:

1. There is a need to develop and put in place a CEO succession plan and policy, both for short-term disability and in the event that the CEO passes away.
2. Consideration needs to be given to the organizational structure as WICHE moves forward.

Longanecker also presented his self-evaluation for FY 2013 and performance objectives for FY 2014. The evaluation report and his self-evaluation and performance objectives were approved unanimously by the Executive Committee.

David Longanecker thanked Cece for her thorough evaluation. He said it was very helpful in terms of suggestions and feedback. He noted that the State Authorization Reciprocity Agreement (SARA) work took more time and effort than anticipated. He felt it was well worth the effort since there is now a nationwide approach in place, and he looks forward to the implementation phase. Chair Bornstein thanked Longanecker for his service.

**Report and Recommended Action of the Programs and Services Committee**

Chair Bornstein called on Commissioner Patricia Sullivan to give the report of the Programs and Services Committee. Commissioner Sullivan reported that the committee heard an overview of the FY 2014 workplan. The committee had questions for staff on the process for putting projects on the workplan. The committee was also interested in finding out how staff decide who to collaborate with and wondered if there could be a process for communicating with states so they could participate in more of the programs. Commissioner Sullivan reported that the committee would like to see a more systematic process for collecting commission input for developing the workplan. Commissioner Sullivan moved TO APPROVE THE FY 2014 PROGRAMS AND SERVICES WORKPLAN. Commissioner Seaquist seconded the motion. The motion was approved unanimously. Commissioner Sullivan reported that the committee also heard
updates on the Interstate Passport project and the Student Exchange Program. The Western Undergraduate Exchange (WUE) will be celebrating its 25th anniversary this year. Community colleges from Washington state will be joining WUE for the first time in the fall.

**Report and Recommended Action of the Issue Analysis and Research Committee**

Commissioner Jeanne Kohl-Welles reported that the Issue Analysis and Research Committee approved the FY 2014 workplan, including the following projects:

- Funding for a second phase of the *Facilitating Further Development of a Multistate Data Exchange* project.
- The proposed *A Fighting Chance at Success: Increasing College Completion and Reducing Recidivism through Correctional Education and Behavioral Health* project. The goal of the project is to expand and improve prison education programs in the region by developing stronger linkages between state higher education, behavioral health, and corrections systems to better prepare those who are released from prison for a productive, educated life outside of the corrections system. This project would be a partnership between WICHE’s Policy unit and Mental Health Program to execute the work and would include a competitive RFP process that would identify three states in which to pilot the project.
- The proposed *Fostering Successful Cooperative Education and Internship Programs to Improve Educational Outcomes and Meet Workforce Demands* project. This project will be aimed at fostering a fertile climate for co-op/ internship programs, with an emphasis on providing students with financial aid that simultaneously helps align their educational preparation and state workforce demands. It will likely have components for researching existing models, evaluating how state policy can facilitate or hinder the development of such programs (especially those related to existing financial aid policies like state work/study), and convening stakeholders. It will build off of the research on “best practices” in this area and proactively seek out the input of employers, who will have to be significant partners in the effort.

The committee heard updates on the Legislative Advisory Committee, WICHE-Center for Urban Education project, and the WICHE internship program. Referencing *A Fighting Chance at Success*, Commissioner Francisco Hernandez suggested that staff should consider a partnership with Mexican prison officials, which would be especially useful for working with prisons in the West.

**Report and Recommended Action of the Self-funded Units Committee**

Commissioner Jim Hansen reported that the Self-funded units are funded by grants, dues, and contracts. The WCET and Mental Health Program budgets are strong and healthy. The committee approved the FY 2014 workplans for both WCET and the Mental Health Program. They heard highlights from the Mental Health Program on the new internship project and work being done with Nevada State College to develop a health center for students and the surrounding community. The committee received an update on the Predictive Analytics Reporting (PAR) Framework and the WCET leadership summit being held in June. WCET is also involved with an e-learning Congressional caucus, chaired by Representative Jared Polis (CO) and Representative Kristi Noem (SD), with the hope of raising awareness in Congress about e-learning.

**ACTION ITEM**

**Approval of the FY 2014 Annual Operating Budget – General Fund and non-General Fund Budgets**

Chair Bornstein asked David Longanecker to present the budget. Longanecker said there were two budgets to consider: 1) the president’s recommended budget; and 2) a slim budget for FY 2014. It is anticipated that FY 2013 will end with a surplus of $132,855 because indirect cost recovery was higher than originally budgeted. The president’s recommended budget for FY 2014 proposes revenues of $2,474,050 and expenses at $2,473,081, leaving a surplus of $969. This reflects a budget higher than FY 2013 by $193,786. For FY 2014 the organization anticipates lower indirect cost recovery because the PAR grant will expire. There will also be $96,000 in revenue from a $6,000 state increase in dues for FY 2014 and $93,750 increase in dues resulting from the additional membership of CNMI. The FY 2014 budget presumes payment from the California Community Colleges for delinquent dues. There will be an increase in expenditures for FY 2014 of about $325,000 for the following reasons: 1) $40,000 was allocated for CNMI travel, both for commissioners and staff; 2) $12,000 is allocated for moving the HR coordinator to a full-time position; 3) .33 FTE ($35,000) is allocated for the Policy Analysis and Research unit to increase capacity to serve commissioners and states when general fund requests come in; and 4) a 3 percent merit salary increase pool of $40,000 was created.
Longanecker noted that staff do not receive cost of living increases and are paid very modestly compared to other organizations. In addition, staff will see significant increases to their cost of health insurance (between 16 percent and 18 percent, depending upon the plan). Finally, $10,000 has been allocated for a 60th anniversary dinner in the fall during the commission meeting.

Longanecker went through the reserve dedications and told the committee that the officers suggested dedicating a portion of the reserves for payment of the building. He noted the dedication to increase software development and said staff was asking that it remain dedicated since the money was not spent in FY 2013 due to lack of staffing capacity. A new dedication was added for purchasing programs, which would allow additional staffing and focus on this program area. The president’s recommended budget would leave money in the reserves for minimum requirements and unexpected shortfalls.

Longanecker said he was asked by the officers to develop a slim budget. The difference between the recommended budget and the slim budget would be: 1) salary increases for staff would be eliminated; 2) there would not be a 60th anniversary celebration; 3) the HR coordinator would remain at a part-time position; and 4) there would be no increase in staffing capacity in the Policy Analysis and Research unit. Longanecker said he did not believe those reductions would serve the organization well.

Commissioner Barrans moved TO APPROVE THE PRESIDENT’S RECOMMENDED FY 2014 BUDGET. Commissioner Christian seconded the motion.

Commissioner Barrans asked what was planned for the 60th anniversary celebration. Longanecker said the commissioners would be staying at a nicer facility in downtown Boulder and a dinner would take place during the commission meeting. He also noted the history of higher education in the West book project might be completed by that time. Commissioner Anderson wondered if the money dedicated for the 60th anniversary dinner should be instead used for staff salaries. Longanecker noted that most of the planning for the dinner was already tied into a contract with the hotel, which would be difficult to change at this point.

Commissioner Barrans also asked about the investment in IT infrastructure and what was included in that investment. Longanecker said that the organization was running behind on software development. The dedication from reserves would provide capacity to increase staffing and catch up on projects. Many new grants and projects require an IT component, so they get priority while other projects might be put aside.

Commissioner Redding asked about the effects of sequestration on WICHE’s budget. Longanecker said the organization has not experienced effects in the Policy or Programs units. Areas where there’ve been federal grants, especially in the Mental Health Program, might be more vulnerable. Commissioner Rush asked for clarification on the indirect cost recovery portion of the budget. Longanecker said the Mental Health Program and WCET receive grants and share a portion of the indirect with WICHE. Commissioner Rush also asked if the president’s recommended budget was structurally sound and if it can be supported in the future. Longanecker said that all recurring expenditures would be funded from enduring funding streams, so the budget was, in fact, supportable into the future.

Commissioner Anderson asked about the capacity of the organization and wondered how staff prioritizes when looking at people and infrastructure. She said that the commissioners need to understand the philosophy behind the budget planning. Longanecker said budgeting over the past five years has been challenging, and any increases to the budget have been modest. He noted that in 2015 the building will be paid off and the organization will have an opportunity to think about how it recasts itself as it moves forward. Commissioner Kohl-Welles asked if the salary increases were sequential. Longanecker said the current proposed increase would be built into the salary base of employees. Commissioner Martinez asked about the requests that have come in from states that staff have not been able to respond to, due to lack of capacity, and what the compact says about services states might receive outside of the Student Exchange Program. Longanecker said the compact talks in general about higher education but does not mention the Student Exchange Program or other services specifically. He said the organization follows what the states and community want and ask for. Staff is working above capacity at this time, and Longanecker said he is doing more in the Policy unit because the staff is beyond capacity. He felt the work might not be as complete or comprehensive as it could be because they don’t say no very often.

Commissioner Moores asked about WICHE’s interest and investment policy. Longanecker responded that the interest is made on the reserves. Interest is also earned on the $14 million in PSEP support fees for a few months before the...
funds are passed on to the institutions that enroll PSEP students. Interest used to be a significant line of revenue for the organization until interest rates fell. Commissioner Moores asked why we’re not paying off the building now. Craig Milburn responded that there is no provision for prepayment in the loan agreements.

The president’s recommended budget for FY 2014 was approved unanimously.

Longanecker introduced the salary and benefit recommendations for FY 2014. Commissioner Hansen moved TO APPROVE THE SALARY/BENEFIT RECOMMENDATIONS FOR FY 2014. Commissioner Buchanan seconded the motion. The motion was approved unanimously.

Chair Bornstein asked Longanecker to talk about the FY 2014 workplan. Longanecker said it is in a new format, based upon revisions and suggestions brought by commissioners in committee meetings. The FY 2014 workplan is ambitious. Commissioner Johnsen moved TO APPROVE THE FY 2014 WORKPLAN. Commissioner Anderson seconded the motion and thanked staff for the changes and new format. The FY 2014 workplan was approved unanimously.

Chair Bornstein reminded the commission to review the Commission Code of Ethics included in the agenda book. A meeting evaluation would be sent out electronically after the meeting. She asked for other business. Commissioner Anderson thanked Chair Bornstein. Longanecker reminded the commission of the dates and location of the next meeting and thanked the CNMI commissioners for their gracious gifts.

The meeting was adjourned.