ACTION ITEM
Minutes of the Committee of the Whole

Session I: Call to Order
Monday, May 16, 2011

Commissioners Present
Joe Garcia (CO), chair
Bonnie Jean Beesley (UT), vice chair
Tom Buchanan (WY), immediate past chair
Susan Anderson (AK)
Diane Barrans (AK)
James Johnsen (AK)
Tom Anderes (AZ)
David Lorenz (AZ)
Christopher Cabaldon (CA)
Dianne Harrison (CA)
Michael Kirst (CA)
Kaye Howe (CO)
D. Rico Munn (CO)
Roy Ogawa (HI)
Roberta Richards (HI)
Steven Wheelwright (HI)
M. Duane Nellis (ID)
Clayton Christian (MT)
Kim Gillan (MT)
Sheila Stearns (MT)
José García (NM)
Patricia Sullivan (NM)
Carl Shaff (NV)
Duaine Espegard (ND)
Bill Goetz (ND)
Dave Nething (ND)
Robert Burns (SD)
James Hansen (SD)
Jack Warner (SD)
Ryan Deckert (OR)
Tim Nesbitt (OR)
Camille Preus (OR)
Peter Knudson (UT)
Don Bennett (WA)
Phyllis Gutierrez Kenney (WA)
Jeanne Kohl-Welles (WA)
Debbie Hammons (WY)

Guests/Speakers
Stephanie Butler, director of program operations, Alaska Commission on Postsecondary Education
Jimmy Clarke, senior consultant, HCM Strategists
Deborah Everhart, chief architect, Blackboard
Karen Humphrey, executive director, California Postsecondary Education Commission
Reyna Iwamoto, student services specialist, University of Hawai’i System
Louise Lynch, certifying officer, Arizona Board of Regents
Darren Marshall, manager of audit and financial services, Utah System of Higher Education
Karan Powell, senior vice president of academic affairs, American Public University System
Jeannine Sherrick, certifying officer, Nevada System of Higher Education
Lisa Shiple, certifying officer, University of Wyoming
Natalie Sidarous, policy analyst, California Postsecondary Education Commission
Burck Smith, chief executive officer and founder, StraighterLine
Ken Sorber, vice president of strategic relations, Western Governors University
Laurie Tobol, certifying officer, Montana Office of the Commissioner of Higher Education

Staff Present
Erin Barber, executive assistant to the president and to the commission
Margo Colalancia, director, Student Exchange Program
Louis Fox, senior associate, Technology & Innovation
Patrick Lane, 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
Jere Mock, vice president, Programs and Services
Dennis Mohatt, vice president for behavioral health, director, WICHE Mental Health Program
Russell Poulin, deputy director, WCET
Brian Prescott, director of policy research, Policy Analysis and Research
Pat Shea, director, WICHE ICE, the Forum, and the Alliance
Ellen Wagner, executive director, WCET

Commissioners Absent
Leah Bornstein (AZ)
Robert Kustra (ID)
Mike Rush (ID)
Susanna Murphy (NM)
Joe Hardy (NV)
William Sederburg (UT)
Chair Joe Garcia called the meeting to order and asked Karen Humphrey, executive director of the California Postsecondary Education Commission, to give opening remarks.

Chair Garcia introduced newly appointed commissioners:

- Tom Anderes, Arizona
- Christopher Cabaldon, California
- Dianne Harrison, California
- Michael Kirst, California
- José Garcia, New Mexico

Chair Garcia introduced guests attending the meeting and listed commissioners whose terms are expiring after the meeting.

**ACTION ITEM**

Approval of the Minutes of the November 8 - 9, 2010, Committee of the Whole Meeting

The minutes from the November 8-9, 2011, Committee of the Whole meeting were approved unanimously.
Chair Garcia called on David Longanecker for the report of the president. Longanecker introduced staff in attendance and discussed logistics for transportation to the Nexus Policy Research Center later that afternoon. He also invited commissioners and guests to a reception hosted by Jimmy Clarke from HCM Strategists in the evening. Longanecker told commissioners that sign-up sheets were available if anyone was interested in organizing groups for dinner.

The first session of the Committee of the Whole was concluded, and the committee went into recess until Tuesday, May 17.
Session II: Business Session
Tuesday, May 17, 2011

Commissioners Present
Joe Garcia (CO), chair
Tom Buchanan (WY), immediate past chair
Bonnie Jean Beesley (UT), vice chair
Peter Knudson (UT)
William Sederburg (UT)

Commissioners Absent
Susan Anderson (AK)
James Johnsen (AK)
Tom Anderes (AZ)
David Lorenz (AZ)
Christopher Cabaldon (CA)
Dianne Harrison (CA)
Michael Kirst (CA)
Kaye Howe (CO)
D. Rico Munn (CO)
Roy Ogawa (HI)
Roberta Richards (HI)
M. Duane Nellis (ID)
Kim Gillan (MT)
Sheila Stearns (MT)
José García (NM)
Patricia Sullivan (NM)
Carl Shaff (NV)
Duaine Espegard (ND)
Bill Goetz (ND)
Dave Nething (ND)
Robert Burns (SD)
James Hansen (SD)
Jack Warner (SD)
Tim Nesbitt (OR)
Camille Preus (OR)
Don Bennett (WA)
Debbie Hammons (WY)

Guests/Speakers
Stephanie Butler, director of program operations, Alaska Commission on Postsecondary Education
Jimmy Clarke, senior consultant, HCM Strategists
Reyna Iwamoto, student services specialist, University of Hawai‘i System
Louise Lynch, certifying officer, Arizona Board of Regents
Darren Marshall, manager of audit and financial services, Utah System of Higher Education
Jeannine Sherrick, certifying officer, Nevada System of Higher Education
Lisa Shipley, certifying officer, University of Wyoming
Natalie Sidarous, policy analyst, California Postsecondary Education Commission
Burck Smith, chief executive officer and founder, StraighterLine
Peter Smith, senior vice president of academic strategies and development, Kaplan Higher Education

Staff Present
Erin Barber, executive assistant to the president and to the commission
Margo Colalancia, director, Student Exchange Program
Louis Fox, senior consultant, Technology & Innovation
Patrick Lane, 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
Jere Mock, vice president, Programs and Services
Dennis Mohatt, vice president for behavioral health and director, Mental Health Program
Russell Poulin, deputy director, WCET
Brian Prescott, director of policy research, Policy Analysis and Research
Pat Shea, director, WICHE ICE, the Forum, and the Alliance
Ellen Wagner, executive director, WCET
Chair Joe Garcia called the meeting to order and reconvened the Committee of the Whole.

Report and Recommended Action of the Audit Committee
Committee Chair Tom Buchanan reported that the Audit Committee had met three times over the course of the year. After retaining Clifton Gunderson for nine years for the WICHE audit, the committee met via teleconference in March to review RFPs from other auditing firms. The committee selected Bondi & Co. as the new auditing firm; they will be conducting the FY 2011 audit this summer. The committee met on Sunday, May 15, prior to the commission meeting to review the committee charter, calendar, and code of ethics. No changes were made to these documents. The Audit Committee will meet in the fall to review the WICHE audit, and a report will be presented at the November commission meeting.

Report and Recommended Action of the Executive Committee
Chair Joe Garcia reported that the Executive Committee met on Monday morning, prior to the start of the commission meeting. The committee approved minutes from their March 23, 2011, teleconference, and David Longanecker discussed the meeting schedule. The committee went into a closed session to discuss Longanecker’s performance and self-evaluation. Garcia reported that the committee is generally satisfied with WICHE’s leadership and acknowledges that it’s facing some challenges.

Report and Recommended Action of the Programs and Services Committee
Committee Chair Carl Shaff reported that the Programs and Services Committee heard reports on various programs, including the Student Exchange Program. Updates were given on WICHE Internet Course Exchange (ICE) and the new North American Network of Science Labs Online (NANSLO) program, both directed by Pat Shea. Work being done with the Western Academic Leadership Forum (the Forum) and the Western Alliance for Community College Academic Leaders (the Alliance) includes regional initiatives to improve student mobility and transfer and articulation.

Commissioner Shaff moved TO APPROVE THE FY 2012 WORKPLAN SECTIONS PERTAINING TO THE PROGRAMS AND SERVICES UNIT’S ACTIVITIES. Commissioner Harrison seconded the motion. The motion was approved unanimously.

Commissioner Shaff reported that the committee heard proposals from staff for updating the structure of the Professional Student Exchange Program (PSEP) support fees. The current support fees are not meeting out-of-state differentials, creating an increased risk of schools pulling out of PSEP, which would limit students’ access to healthcare education. This issue is also eroding preferential admission given to WICHE students in the PSEP fields. The Programs and Services staff has had numerous conversations over the past year to come up with options for the commission to consider. In the first option, all public institutions would be required to credit the support fee against full nonresident tuition, and the student would pay the balance. In the second option, the program would allow public institutions whose differential we are not meeting to credit support fees against full nonresident tuition, and the student would pay the balance; this would allow WICHE candidates to maintain some level of preference in the admission process, and institutions would retain their incentives. The second option was approved by the Programs and Services Committee. Staff will provide a complete proposal for this option at the November meeting. Commission Shaff continued to report that the committee was presented with information on the need to update the student exchange databases to be more contemporary, efficient, and user-friendly. The cost of the upgrade is estimated at $60,000 and is part of budget carry-over considerations that will be presented during the business session.

Report and Recommended Action of the Issue Analysis and Research Committee
Committee Chair Bob Burns reported that several changes were made to the FY 2012 workplan for the Policy Analysis and Research unit: 1) the committee struck the proposed Western Consortium for Accelerated Learning Opportunities (WCALO) project because of limitations regarding WICHE’s ability to subgrant to states; and 2) the committee removed the “Completion” item from “On The Horizon” because it is already listed in “Existing Activities.”

Commissioner Burns moved TO APPROVE THE FY 2012 WORKPLAN SECTIONS PERTAINING TO ISSUE ANALYSIS AND RESEARCH ACTIVITIES, AS AMENDED. Commissioner Anderson seconded the motion. The motion was approved unanimously.

Commissioner Burns reported that the committee had discussions about the current format of the workplan and expressed a need to clarify projects by providing more information on their scope, scale, funding source, and duration. He said the committee discussed the idea of looking into campus safety and security as a possible activity for the Policy Analysis and Research unit. The committee felt that this was not a priority issue for the Policy unit due to Homeland Security’s work in this area, and it wasn’t clear that the Policy unit could add value to this issue. The
committee acknowledged that guns are a significant issue on campuses, but it was not clear how the Policy unit could work in this area.

Commissioner Burns added that an outline for a data and policy brief on undocumented students was presented. There is an array of issues on this topic, and the policy brief will look at current policy and data. The committee was given updates on the methodology review of the projections of high school graduates; the data analysis project in Nevada with the Center for Urban Education; the state data exchange project in Idaho, Hawai‘i, Washington, and Oregon; the adult learners project; and a policy brief on issues around the Common Core State Standards. Finally, the committee discussed the Legislative Advisory Council (LAC); staff will be seeking assistance from commissioners to fill current vacancies.

Report and Recommended Action of the Self-funded Units Committee

Committee Chair Kaye Howe moved TO APPROVE THE FY 2012 WORKPLAN SECTIONS PERTAINING TO THE SELF-FUNDED UNITS’ ACTIVITIES. Commissioner Nething seconded the motion. The motion was approved unanimously.

Commissioner Howe reported that Ellen Wager gave an update on WCET activities, including their work with the State Authorization Network and multiple membership services, such as listservs, common interest groups, and blogs. WCET was also pleased to announce that they recently received a $1 million grant from the Bill & Melinda Gates Foundation for the first phase of a project called the Predictive Analytics Reporting (PAR) Framework. They hope to be funded for a second phase upon successful completion of this project. Commissioner Howe reported that the Mental Health Program’s budget has come out of the red, with revenues exceeding current projections. They have helped fund WICHE with indirect costs from grants and contracts. The Mental Health Program’s work spanned the WICHE region in FY 2011. Currently, two of their professional staff are being replaced by two postdocs. They currently have a technical assistance project in Doña Ana County in New Mexico, developing crisis intervention for the county. Staff is providing training in mental health first aid and workforce professional development for healthcare leaders.

The committee heard a report from Louis Fox on the work being done in Technology & Innovation. He is currently working with Dennis Mohatt on an “e-psych” effort in Alaska to provide acute in-patient care online so that patients can receive treatment in their local community hospitals instead of being transferred to a state mental health facility. Fox is also working on a project with Internet 2, building the backbone to connect anchor institutions with the healthcare community and public safety. Commissioner Howe also reported on Northern Tier’s effort to connect states between Chicago and Seattle.

ACTION ITEMS

Approval of the FY 2012 Annual Operating Budget and Approval of the Request to Carry Forward Funds from FY 2011 to FY 2012

Chair Joe Garcia asked David Longanecker and Craig Milburn to walk the commissioners through the budget. Milburn noted that there was a $215,000 projected surplus in the FY 2011 budget due to frugal expenditures in the units. He said that revenues did not change, but expenditures were down in the organization. Milburn said there were several projects left uncompleted in FY 2011 due to staffing issues, so staff would be asking for some of the surplus to be carried over to the FY 2012 budget, instead of going into reserves. For FY 2012 Milburn noted that they were projecting $27,000 in excess revenues. The reserves are currently at $1.3 million and are an accumulation of prior year budgets.

He said $45,000 of the reserves are dedicated for the Internet 2 installation and the president’s deferred compensation. In lines 8-9 on the general fund budget worksheet, additional dedications are listed.

Longanecker shared that of the $1.3 million in reserves, a minimum reserve requirement of 12 percent of the general fund operating budget (comment c) was established in May 2000. An amount established in 2007 is reserved for the equivalent to six months of facilities payments, as part of the Ford Foundation loan for WICHE’s ownership share of the State Higher Education Policy Center (SHEPC) building, owned with NCHEMS and SHEEO (comment d). In addition, action was taken a few years ago by the commission to dedicate some of the reserves for unexpected shortfalls in the case of unanticipated events. The unexpected shortfall line provides staff with the capacity to spend $219,000, or 10 percent of the operating budget, with commission approval (comment e). To date, reserves have not been used for unexpected shortfalls. Finally, there are reserves dedicated as part of the loan requirement with the Colorado Educational and Cultural Facilities Authority, a loan secured to cover a portion of WICHE’s financial
responsibilities in funding SHEPC (comment f). This loan is expected to be paid off in 2015. Longanecker reported that the installation of Internet2 (line 6 of dedicated reserves) is close to completion. The Boulder Research and Administration Network is in the process of getting all of the approvals necessary to move forward.

Longanecker explained the projects listed in lines 8-9. These were activities planned and budgeted for FY 2011 but not completed, due to staffing constraints. Two of these projects included $25,000 for the State Policy Inventory Database Online (SPIDO) database update and $25,000 for the PSEP database update. WICHE currently only has two professional staff members in IT, and a major project from WCET (the installation of Salesforce) shifted IT staff time and resources away from other projects. Longanecker said staff was seeking approval to have money carried forward from FY 2011 to FY 2012 so these planned projects can be completed. Additionally, Longanecker asked that $10,000 from the commission meeting budget surplus be transferred to FY 2012 to cover the additional expenses projected for holding the fall meeting in Hawai‘i. He also asked that $25,000 in the general fund be transferred over to FY 2012 for the LAC meeting. The LAC meeting was budgeted at $25,000 in FY 2011, but the meeting was paid for by one of the grants from the Policy unit, leaving the $25,000 in the general fund budget.

In addition to the proposed carry-over funds for projects, Longanecker asked that $12,000 be carried over for staff bonuses. He told the committee that there would be no salary increases this year, but the costs of health benefits are increasing and staff are losing their base salaries with these increases. The amount of the bonuses given to staff would help to defray the cost in increased health insurance premiums. Finally, Longanecker mentioned the special allocation to install Salesforce for WICHE and to update the Student Exchange Program database. The total amount of carryover being requested is $192,000, taking the reserves down by $21,000, after accounting for these new dedications.

Commissioner Nething asked Milburn about the variance column summations in each of the unit budgets. Milburn said that the variance for each revenue and expense line is accurate, as is the sum of the revenue and sum of the expense variances; but the sum of the sum of the variances has no useful meaning. Milburn noted that a page was missing from the Mental Health Program budgets and said that Mental Health planned to spend or defer all of the revenue they bring in.

Commissioner Nething asked about WCET’s budget on p. 11-7 and how the $190,000 deficit was being covered. Longanecker said that $100,000 had been provided to WCET during their transition and a portion will come out of their reserves. The $100,000 in transition funding will eventually be paid back to WICHE. Longanecker also noted that the WCET budgets in the agenda book do not reflect the new funding they have received from the Bill & Melinda Gates Foundation. He hoped that the new funding would help balance WCET’s budgets. Ellen Wagner said that they hoped to be back in the black next year and thought that the new grant would also accelerate memberships, sponsorships, and inquiries.

Commissioner Hansen moved TO APPROVE THE FY 2012 ANNUAL OPERATING BUDGET (GENERAL AND NON-GENERAL FUND BUDGETS). Commission Shaff seconded the motion. The motion was approved unanimously.

Commissioner Nething moved TO APPROVE THE REQUEST TO CARRY FORWARD FUNDS FROM FY 2011 TO FY 2012. Commissioner Espegard seconded the motion. The motion was approved unanimously.

**ACTION ITEM**

**Approval of Salary and Benefit Recommendations for FY 2012**

Longanecker told the committee that he was proposing no increases to staff salaries for FY 2012. WICHE staff do not receive cost-of-living increases, and all salary increases are based on merit or equity only instruments. The financial circumstances of the organization and the states it serves dictate that no increases be given for salaries. There is no increase in WICHE dues in FY 2012, so the organization is not is a position to adjust staff salaries. Longanecker noted that bonuses would be provided to staff under the previous action item.

Commissioner Preus moved TO APPROVE THE SALARY AND BENEFIT RECOMMENDATIONS FOR FY 2012. Commissioner Johnsen seconded the motion. The motion was approved unanimously.
Longanecker told the committee that the fall meeting would be held in Laie, HI. Meeting participants will be staying at Turtle Bay Resort, and the meeting will be held at Brigham Young University (BYU)-Hawaii. On Monday evening guests will attend a luau at the Polynesian Cultural Center, which is run by BYU-Hawaii. The proposed location of the May 2012 meeting is Fort Collins, CO, because of the relationship between WICHE and Colorado State University-Fort Collins’s veterinary medicine program. The proposed November 2012 meeting location is Salt Lake City; the proposed location for May 2013 is Seattle. The May dates avoid conflict with Mother’s Day. The fall meetings in 2012 and 2014 fall on Veteran’s Day, and Longanecker asked if that would pose any difficulty among the commission.

Commissioner Hansen moved TO APPROVE THE FUTURE DATES AND LOCATIONS FOR WICHE COMMISSION MEETINGS. Commissioner Anderson seconded the motion. The motion was approved unanimously.

**ACTION ITEM**
Approval of the FY 2012 Workplan

Commissioner Shaff moved TO APPROVE THE FY 2012 WORKPLAN. Commissioner Anderson seconded the motion. The motion was approved unanimously.

Chair Garcia reminded commissioners that the Commissioner Code of Ethics was located in their agenda books. Commissioner Anderson asked if the document needs to be signed by commissioners. Longanecker said that the commission decided that signatures are not needed. The Commissioner Code of Ethics is a voluntary activity, and it’s fine to review it each year. Longanecker signs the President’s Code of Ethics each year.

Chair Garcia reminded the commissioners that the meeting evaluation would be sent to them electronically and adjourned the Committee of the Whole Business Session.