

Agenda Book

WICHE Commission Meeting • November 6-8, 2005 • Boulder, Colorado



Photo courtesy of Boulder Convention & Visitors Bureau

Monday, November 8, 2004

8.00 - 8.30 am

Pine

Executive Committee Meeting (closed)

Executive Committee Members:

Don Carlson, chair (WA)

Diane Barrans, vice chair (AK)

Chuck Ruch, immediate past chair (SD)

Committee vice chair (AK)

Larry Gudis (AZ)

Robert Moore (CA)

William Kuepper (CO)

Doris Ching (HI)

Gary Stivers (ID)

Sheila Stearns (MT)

Carl Shaff (NV)

Patricia Sullivan (NM)

David Nething (ND)

Camille Preus-Braly (OR)

Tad Perry (SD)

E. George Mantes (UT)

Debora Merle (WA)

Klaus Hanson (WY)

Agenda

Information Items:

Informal review of the executive director's performance 1-3

Executive director's activities 1-7

ACTION ITEM

Auditor's Report for the Fiscal Year 2004

A copy of the auditor's report for the year ended June 30, 2004, and a letter from the auditors regarding internal control are being sent to each commissioner, along with the agenda materials for this meeting. The Denver branch of the national CPA firm Clifton Gunderson, LLP, performed the audit for the second time.

The financial statement formats comply with the Government Auditing Standards issued by the Comptroller General of the United States.

Cover Letter from Auditors

The auditors commented that the limited number of office personnel prevents segregation of duties necessary to assure maximum internal control. As the auditors note, this situation is not uncommon for organizations of WICHE's size, and management involvement in certain areas reduces the organization's exposure to major error. This comment has been made by WICHE's auditors annually over the past several years.

For example, WICHE units receive a monthly detail of income and expenditures for their accounts, and by monitoring these statements on a regular basis, unit staff can check for proper recording of cash receipts and disbursements. Funds received for federal awards and interest are direct-deposited to WICHE's bank or money market accounts by the payor, and no cash comes into the WICHE office for these items.

Independent Auditor's Report (p. 1)

In the regular audit, which is performed annually, the auditors test whether the financial statements prepared by WICHE accurately portray our true financial position. The auditors report that these financial statements present fairly, in all material respects, the financial position of WICHE as of June 30, 2004, and are in conformity with U.S. generally accepted accounting principals.

Statement of Financial Position (p. 3)

This statement is a summary of the financial position of WICHE as of June 30, 2004.

The lower section titled "Liabilities and Net Assets" is similar to net worth for profit-making companies; "Net Assets Undesignated" consist of the general fund carryover of \$621,977; plus balances in the revolving funds for printing, information technology, and telephone services of \$61,145; the facilities expense fund of \$31,042; and the furniture and equipment fund of \$174,563, primarily the book value of WICHE-owned furniture and equipment.

"Net Assets Designated for the Future Program Activity" primarily reflects the balance in the Professional Student Exchange Program (PSEP).

"Net Assets Board Designated for Contingencies" is the \$228,562 minimum reserve, based upon 12 percent of budgeted expenditures, as approved by the commission in May of 2000.

Statement of Activities (p. 4)

This statement reports revenue by source and expenditures, divided between program services and supporting services. Expense totals for program services and supporting services are presented and detailed in the "Statement of Functional Expenses" (pp. 5 and 6). At the bottom of the page, the "Net Assets at the End of the Year" ties to the next to the last line of the previous page.

Statement of Functional Expenses (pp. 5 and 6)

This statement reports program areas by groupings of expenditure categories. The lower portion reports pass-through expenditures for the Student Exchange support fees, the internal charge-back allocations, and the indirect cost allocations.

Statement of Cash Flows (p. 7)

This statement provides an analysis of the changes during the year in cash and "cash equivalents." On June 30, 2004, cash and cash equivalents included funds in checking, interest-bearing savings, and the money market account.

Auditor's Report on Compliance and Internal Control in the Regular Audit (pp. 16 and 17)

In the regular audit, the auditors noted no matters involving the internal control over financial reporting and our operation that they considered to be material weaknesses. An opinion on internal control is expressed by the auditors in a separate letter (summarized above) regarding instances that they determined are not material. When the level of federal expenditures reaches the \$300,000 threshold, an additional audit (summarized below) is needed to test compliance with federal programs. The results of the auditors' tests disclosed no instances of noncompliance that are required to be reported under government auditing standards.

Auditor's Report on Compliance in the Required A-133 Federal Audit (pp. 18 and 19)

In addition to the regular audit, an audit of federal awards was conducted as required by the Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Non Profit Organizations." This audit tests whether WICHE is in compliance with the requirements of the major federal programs. The auditors report that WICHE was found to be in compliance in all material respects with the requirements of each of its major federal programs.

Action Requested

Approval of the auditor's report for fiscal year 2004.

ACTION ITEM

Executive Committee Conference Call Meeting Minutes

September 23, 2004

Committee Members Attending

Don Carlson, chair (WA)
Diane Barrans, vice chair (AK)
Chuck Ruch, immediate past chair (SD)
William Kuepper (CO)
Doris Ching (HI)
Cindy Younkin for Sheila Stearns (MT)
Carl Shaff (NV)
Patricia Sullivan (NM)
Diane Vines for Camille Preus-Braly (OR)
Tad Perry (SD)
E. George Mantes (UT)
Jim Sulton for Debora Merle (WA)
Klaus Hanson (WY)

Committee Members Unable to Attend

Larry Gudis (AZ)
Robert Moore (CA)
Gary Stivers (ID)
David Nething (ND)

Staff Attending

David Longanecker, executive director
Cheryl Blanco
Jere Mock
Marla Williams

Call to Order

Chairman Don Carlson called the meeting to order and asked if there were additions to the agenda. David Longanecker said there were two additions: announcement of a contingency conference call meeting of the executive committee; and announcement of an airfare sale by Alaska Airlines. Chair Carlson accepted the additional agenda items.

Action Item

Approval of the Executive Committee Meeting Minutes of August 10, 2004

COMMISSIONERS PERRY/YOUNKIN (M/S) APPROVAL OF THE MINUTES OF THE EXECUTIVE COMMITTEE CONFERENCE CALL MEETING OF AUGUST 10, 2004. The motion passed unanimously. (Note: The minutes of the executive committee meeting in May and of subsequent executive committee conference call meetings will be contained in the November meeting agenda book.)

Discussion Item

November 2004 Commission Meeting Schedule

David Longanecker said a few changes have been made to the November meeting schedule since it was last reviewed by the executive committee. He said due to a scheduling conflict, Pam Inman, the director of the Western Governors' Association, will not be able to participate in the meeting. Instead, Julie Davis Bell who is the education program director of the National Conference of State Legislatures (NCSL), will present during the policy discussion, "Elections and Implications." He said in addition to this change, some shifts in presentation days and times were made to accommodate speakers' schedules, and the committee meetings have been divided to meet on both days to allow the committees additional meeting time. A new version of the November meeting schedule will be distributed to all commissioners.

Update and Prospective Approval

Office Building Purchase

David Longanecker reported that work is progressing on the purchase of the office building, located at 3035 Center Green Drive (Foothills Parkway and Valmont Street) in Boulder, CO. He said attorneys for the three organizations are reviewing the purchase contract and will be working together to construct a counter proposal.

Longanecker reported that Marv Myers has become ill and said this will definitely slow progress on this effort. He said since Myers isn't expected back in the office for some time; and then, at a reduced amount of time, he would be picking up the responsibility for this project.

Longanecker reported that he may need commission approval on the purchase of the office building prior to the November commission meeting. He said the need for commission approval depends on the timing of the sellers' acceptance of the counter contract and the associated due diligence requirements. He said because of this uncertainty, a contingency conference call meeting of the executive committee has been scheduled for October 21.

Chair Carlson asked about the purchase price for the office building. Longanecker said the price is \$4.4 million. Commissioner Sullivan asked if the cost of renovation was included in the price of the building. Longanecker said it is; \$31.50 per square foot for renovation is included in the price of the office building. Commissioner Hanson asked for clarification about the price of the office building because two amounts were reported in the August 10 meeting minutes. Marla Williams said the two prices reported in the minutes were the sale price of \$4.4 million and the price of \$4.0 million offered in the letter of intent. Longanecker said the sellers were not interested in negotiating on the price of the office building; therefore, the purchase price is \$4.4 million. Longanecker added that the annual cost of purchasing the office building will not exceed WICHE's annual budgeted amount for leasing office space.

Chair Carlson asked about the building's location. Longanecker said it is located approximately 1.5 miles northwest of WICHE's current facility. He said the new building is adjacent to the facilities of the National Center for Atmospheric Research (NCAR) and has the potential of providing direct Internet2 connections to WICHE and its partner organizations.

Commissioner Mantes asked about the facility's square footage. Longanecker said it is 32,000 square feet. He said it is a two-story building and WICHE will be located on the upper level with NCHEMS, SHEEO, and the learning center on the lower level. He said it is slightly more space than needed but it is priced lower than the facility that WICHE is currently leasing.

Commissioner Sullivan asked about the comparison of costs between the new facility, including utilities, etc., and the current leased facility. Longanecker said the total cost of the building payments, utilities, and maintenance, will be essentially the same for WICHE. He said that for NCHEMS and SHEEO, the cost will be substantially higher than what they currently pay for office facilities. He said this amount will go down over time because the only cost that will increase will be the cost of utilities and maintenance. He said he didn't have the figure for utilities and maintenance but he would provide that figure to Commissioner Sullivan.

Commissioner Kuepper said he had been by the new office facility; he thinks it is in a great location and is an attractive building with excellent parking facilities. He asked about arranging for a tour of the new office facility for interested commissioners during the November commission meeting. Longanecker said plans for a tour of the office facility in November will be made as soon as the partners are under contract to purchase the office building.

Chair Carlson asked about whether WICHE would need to purchase new furniture. Longanecker said WICHE would be using some of its existing furniture, especially the modular (cubical) furniture purchased for the current office facility. He said WICHE would use some of its other existing furniture and would also need to purchase some new furniture with funds that have been earmarked for his purpose.

Chair Carlson asked the executive committee members to put the October 21 contingency conference call on their calendars. David Longanecker said this conference call will not be held if it is determined that commission approval can wait until November.

Update Mental Health Program's Grant Approval

David Longanecker announced that WICHE's Mental Health Program has received notice of a grant award: a four-year, \$499,000-plus per year contract with the Health Resources and Services Administration. He said that while most of the funds will go to the University of Colorado Health Sciences Center in Denver and out to the states participating in the program, the grant will pay for some of the Mental Health Program's staffing and provide indirect cost recovery to WICHE. He said this is a good grant for the program.

Other

Announcements:

1. The October 21 contingency conference call meeting scheduled for the executive committee was announced during the discussion about the purchase of the office facility.
2. Alaska Airlines is having its annual PFD sale, and some may be able to take advantage of it to travel to the May 16-17, 2005, WICHE Commission meeting in Juneau, AK. Information about this sale will soon be distributed all commissioners. David Longanecker said he hoped to include a wrap-around event that would include a cruise either from Seattle to Juneau or from Juneau to Seattle around the dates of the Juneau meeting. He added he is not sure this will be possible. Vice Chair Barrans described some of the details of Alaska Airlines airfare sale, which can be found by going to www.alaskaair.com and then to the Alaska PFD sale. Barrans added that one-way fares usually are charged a premium and Alaska Air's sale is for round-trip tickets with travel between October 1, 2004, and September 6, 2005, with tickets purchased by November 4, 2004.

The meeting adjourned.

Monday, November 8, 2004

8.30 - 9.30 am

Interlocken B

Executive Committee Meeting (open)

Executive Committee Members:

Don Carlson, chair (WA)

Diane Barrans, vice chair (AK)

Chuck Ruch, immediate past chair (SD)

Committee vice chair (AK)

Larry Gudis (AZ)

Robert Moore (CA)

William Kuepper (CO)

Doris Ching (HI)

Gary Stivers (ID)

Sheila Stearns (MT)

Carl Shaff (NV)

Patricia Sullivan (NM)

David Nething (ND)

Camille Preus-Braly (OR)

Tad Perry (SD)

E. George Mantes (UT)

Debora Merle (WA)

Klaus Hanson (WY)

Agenda



Executive Committee
minutes of September 23

1-13



Auditor's report for fiscal year 2004

1-17



The purchase of the office building
(tentative item – may be distributed
separately)

Information Items:

Mental Health Program update

1-19

Commission meeting agenda

Other Business

Executive Director's Activities

January 2004

- 9 Regionals' meeting: MHEC (Midwest Higher Education Compact), SREB (Southern Regional Education Board), NEBHE (New England Board for Higher Education), and WICHE, Boulder, CO
- 16 ACE (American Council on Education) Futures Project meeting, Washington, D.C.,
- 16-18 WICHE officers retreat, Seattle, WA
- 21 ACE Center for Policy Analysis Advisory Committee, Washington, D.C.
- 23-24 Northwest Community College Consortium annual meeting, Bellevue, WA
- 26 Meeting with Boeing Company, Seattle, WA
- 28-29 Press release for *Knocking at the College Door*, Washington, D.C.

February

- 2 Testify at Utah Joint Legislative Committee meeting, Salt Lake City, UT
- 3 Nevada Committee to Evaluate Higher Education Programs consultation, Las Vegas, NV
- 5 New Mexico's WICHE 50th anniversary celebration, Santa Fe, NM
- 6-7 ACT (American College Testing Program) Educational Division Advisory Board meeting, New Orleans, LA
- 9-10 NPEC (National Postsecondary Education Cooperative) Executive Committee Meeting, Washington, D.C.
- 14-16 NSCL (National Conference of State Legislatures) conference on "Funding Education in Challenging Times," Santa Fe, NM
- 18 Alaska's 50th WICHE anniversary celebration, Juneau, AK
- 20 Presentation, Colorado Mountain College, Eagle, CO
- 20-22 National Center for Public Policy and Higher Education Associates Program meeting, Coronado, CA
- 26 Macromedia Corporation meeting, San Francisco, CA

March

- 10 Idaho's WICHE 50th anniversary celebration, Boise, ID
- 11-12 Utah State Board of Regents meeting, Cedar City, UT
- 13 NGA (National Governors Association) Pathways to Advancement Cross-State Academy meeting, National Conference Center, Lansdowne, VA
- 16-20 CONAHEC (Consortium for North American Higher Education Collaboration) Board of Directors and annual meeting, Guadalajara, Mexico
- 24 Nevada Committee to Evaluate Higher Education Programs consultation, Las Vegas, NV
- 27- April 2 U.S./U.K. meetings, Bradford, London, England

April

- 15-16 Northwest Academic Forum annual meeting, Reno, NV
- 19 Spencer Foundation meeting, Chicago, IL
- 20 Meeting with Larry Isaak, MHEC, Minneapolis, MN, regarding MHEC's property insurance program
- 23-24 National Articulation and Transfer Network (NATN) 2004 annual conference, Minneapolis, MN
- 26 President Chuck Ruch's inauguration as the 17th president of the South Dakota School of Mines and Technology, Rapid City, SD
- 29 Nevada Committee to Evaluate Higher Education Programs consultation, Las Vegas, NV

May

- 6 Future of Community Colleges, OCCA (Oregon Community College Association) panel discussion, Eugene, OR
- 7 OCCA work session: "National Community College Trends," Eugene, OR
- 16-18 WICHE Commission meeting, Boise, ID
- 20 Facilitator for a Utah Board of Regents meeting, Ogden, UT
- 25-26 "Data Quality, Currency, and Availability" meeting by the National Center for Public Policy and Higher Education, San Francisco, CA

June

- 3 Arizona Board of Regents study session, Tempe, AZ
- 7-9 WICHE meeting: "Changing Direction: Aligning Finance Policies to Increase Access and Success," Seattle, WA
- 12-13 Keynote address to the National University Telecommunications Network (NUTN) "Quality in Distance Learning" meeting, Kennebunkport, ME
- 14-15 AAHE (American Association for Higher Education) assessment conference, Denver, CO
- 17 Nevada Committee to Evaluate Higher Education Programs consultation, Las Vegas, NV
- 20-22 "Governance Roundtable 2004" by the Center for Higher Education Policy Analysis at the University of Southern California's Rossier School of Education, held in Santa Fe, NM
- 24 ACE Brownfellows meeting, Washington, D.C.
- 28-29 WICHE meeting: "Changing Direction: Integrating Higher Education Financial Aid and Financing Policy Technical Assistance Workshop," Denver, CO
- 30 WICHE/NEON (Northwest Educational Outreach Network) planning meeting, Denver, CO

July

- 7 Nevada Committee to Evaluate Higher Education Programs, Las Vegas, NV
- 14 New Mexico Commission on Higher Education consultation, Santa Fe, NM
- 15 New Mexico legislative hearings, Albuquerque, NM
- 19 WICHE's Legislative Advisory Committee meeting, Salt Lake City, UT
- 20 Arizona Board of Regents "First Watch" meetings, Phoenix, AZ
- 21 National Conference of State Legislators (NCSL), Salt Lake City, UT
- 22-25 State Higher Education Executive Officers (SHEEO) annual meeting, Portland, OR
- 26-27 NPEC Executive Board meeting, Washington, D.C.

August

- 3 Diversity Scorecard meeting at Fort Lewis College, Durango, CO
- 16-17 APASS (Academic Pathways to Access and Student Success) Advisory Committee meeting, Champaign IL
- 18 University Presidents meeting, Boise, ID
- 19-20 WICHE/MHEC forum: "Increasing Access and Retention in Times of Limited Growth," Minneapolis, MN
- 27-28 Oregon President's Council retreat, Welches, OR

September

- 1 Montana strategic-planning discussion for P-20 education, Helena, MT
- 16 New Mexico Commission on Higher Education, boards and commissions meeting, Santa Fe, NM
- 17-18 Northwest Academic Forum Executive Committee meeting, Richland, WA

- 29 Arizona State University meetings: "Evaluation Criteria" subcommittee meeting, "Feasibility and Planning Study" work group meeting, and "State Experiences" subcommittee meeting, Phoenix, AZ
- 30 Keynote dinner speaker, "Policy Happens! But What if it Works?" at the 2004 Broadmoor Roundtable "Exploring Trends in Higher Education" in Colorado Springs, CO

October

- 4-5 WICHE/AGB (Association of Governing Boards) meeting: "Changing Direction: An Invitational Leadership Institute," Chicago, IL
- 5-6 Lumina grantee meeting, sponsored by CAEL (Council for Adult and Experiential Learning), Chicago, IL
- 10-11 AAHE Board, 2004 fall meeting, Washington, D.C.
- 13-14 Keynote speaker, Pacific Northwest Association for Institutional Research and Planning annual conference, Kelowna, B.C., Canada
- 21 ACT annual meeting, Iowa City, IA
- 22-24 Hechinger Institute on Education and the Media, Teachers College, Columbia University, seminar for higher education reporters, New York, NY
- 26 Lumina 2, Changing Direction partners meeting, Boulder, CO
- 27 Arizona Board of Regents Feasibility and Planning Study Work Group meeting, Phoenix, AZ

November

- 3 "Shared Leadership for a Stronger Montana Economy" presentation, Helena, MT
- 4 Oregon State Board of Higher Education's Access and Affordability Working Group (AAWG), Beaverton, OR
- 7-9 WICHE Commission meeting, Broomfield, CO
- 10-13 WCET annual meeting, San Antonio, TX
- 30-Dec. 1 NPEC Executive Committee meeting, Washington, DC

December

- 2-3 Western Regional Policy Forum, WICHE/NCHEMS Meeting, Denver, CO
- 8 University of Colorado Board of Regents tuition study presentation, Boulder, CO

INFORMATION ITEM
Executive Director's Performance Objectives
For Fiscal Year 2005 (July 1, 2004 - June 30, 2005)
As Approved by the WICHE Commission on May 17, 2004

Administering the WICHE Organization:

Objectives for "maintaining" the organization

- Internal management
 1. Maintain a balanced budget for fiscal year 2005 and beyond. Also work with the commission to establish targets for staff compensation, compared to comparable agencies within the West.
 2. Attend directly to ways to more appropriately align responsibilities among unit directors and their respective staff to continue to serve the agency efficiently, but to do so within realistic limits. Commit to improving the share of minority staff, even though that will be difficult considering the downsizing of staff that lies ahead.
 3. Improve the morale of WICHE staff to achieve the highest possible level of productivity.
- Commission maintenance
 1. Present to the commission at the May meeting an annual workplan that reflects the mission and priorities of WICHE, as established by the commission.
- State relations
 1. Participate, either in official state visits or WICHE-relevant events, in activities in at least one half of the WICHE states. All state visits should include at least one public-speaking or public engagement session.
 2. Sustain the role of WICHE's legislative advisors and secure funding to maintain that activity.

Objectives for "development and innovation" within the organization

- Internal management
 1. Successfully purchase and occupy a new facility for WICHE, in partnership with the National Center for Higher Education Management Systems (NCHEMS) and the State Higher Education Executive Officers (SHEEO) organizations, including a state-of-the-art learning center/small conferencing facility for optimal use by the three organizations, recognizing that fiscal constraints may require completing the full implementation of the learning center/conferencing component beyond FY 2005.
 2. Organize WICHE staff to operate in a more team-oriented work environment, with greater collegiality and less unnecessary redundancy.
- Commission development and innovation
 1. Collaborate with the Association of Governing Boards on strategies that will better inform and engage the commission and governing board members throughout the West and that will improve their understanding of emerging higher education issues.

2. Work with the governors, as appointment opportunities develop, to increase the diversity of the commission's membership.
- State relations development and innovation
 1. Expand our legislative relations activity to include more direct involvement with legislative and executive staff.
 2. Expand partnership relationships, where appropriate, with other organizations, such as NCHEMS, CSG-West, NCSL, WGA, SREB, NEBHE, MHEC, ECS, SHEEO, AGB, the College Board, the Center for the New West, the Center for the Rocky Mountain West, the Center for the American West, EduCause, etc.

Providing Program Services to the Western States:

Objectives for "maintaining" the organization

- Student Exchange Programs
 1. Accomplish those aspects of the commission-adopted workplan that fit within this objective, including particular focus on:
 - a. Stemming the decline in PSEP participation by focusing program more on states' individual needs and interests.
 - b. Managing growth of WUE within existing staff and financial resources, and examining ways in which WICHE can be more proactive in facilitating exchange in areas of projected workforce needs and in areas of imbalance with respect to issues of supply and demand of educational opportunities.

Objectives for "development and innovation" of programs to serve the states

1. Accomplish those aspects of the commission-adopted workplan that fit within this objective.
2. Complete an evaluation of the WUE program and design an appropriate evaluation for PSEP. While I believe that I should continue to seek funding for this initiative, and have imbedded such an evaluation in the student mobility study that is proposed for the workplan, I believe it is our responsibility to evaluate our programs periodically, and we should pursue such program evaluations from within existing WICHE operating budget resources, rather than expecting to do so with outside funding.
3. Implement in stellar fashion the new initiatives for which we secure funding, and possibly develop an additional multistate collaborative program.

Providing Policy, Research, and Technical Assistance to the Western States:

Objectives for "maintaining" policy, research, and technical-assistance services

1. Accomplish those aspects of the commission-adopted workplan that fit within this objective.
2. Continue WICHE's exceptional work as the regional source for higher education information and policy analysis.
3. Continue the Western Policy Exchange as an initiative to strengthen our policy agenda.
4. Maintain the strength and vitality of WCET, the Mental Health Program, and CONAHEC, and do so without general fund support.

Objectives for “development and innovation” of policy, research, and technical-assistance services

1. Accomplish those aspects of the commission-adopted workplan that fit within this objective.
2. Secure external financial support for at least two major policy, research, or technical-assistance projects consistent with WICHE’s mission and priorities.
3. Further develop and sustain WICHE’s technical-assistance capacity to support specific state and interstate needs for expertise on policy issues.

Information Item

Mental Health Program Update

The mission of the WICHE Mental Health Program is to support service improvement in the public mental health systems of the WICHE states and to work with higher education to ensure that a high quality workforce is prepared to support and sustain these systems of care. FY2003 strained the resources of the program to meet its mission.

While the program accomplished many positive contributions, the continued crisis in state revenues has limited the ability of state mental health programs to either support their own mission or that of the WICHE Mental Health Program. The program based its operational budget on the assumption that several significant contracts that have been secured would begin producing revenue during the third and fourth fiscal quarters. Delays in contract implementation resulted in these contracts not starting until near the end of FY04 or the beginning of FY05. As a result, the program was not able to reduce or eliminate its negative fund balance. This negative fund balance is expected to be eliminated during FY05.

During FY 2004 the Mental Health Program accomplished several significant projects to support public mental health systems in the WICHE West.

- Cohosted the annual conference of the National Association for Rural Mental Health (NARMH) in Boulder, attended by a record number of participants.
- Facilitated South Dakota's efforts to improve workforce development of mental health professionals through the design of continuing education opportunities.
- Completed the consumer-focused performance appraisal of the South Dakota and Wyoming public mental health systems.
- Prepared the needs assessment and gap analysis for public mental health services in Oregon, Utah, and California.
- Assisted the United States Department of Health and Human Services (HHS) in dissemination of the written report of the Rural Issues Subcommittee of the President's New Freedom Commission for Mental Health.
- Performed a community readiness evaluation for the redesign of the children's system of care for the Division of Mental Health in Wyoming.
- Provided the keynote address, focused on the integration of primary care and mental health services, for several national meetings sponsored by the Health Resources and Services Administration (HRSA).
- Collaborated with the University of Alaska System in facilitating statewide strategic planning to improve mental health workforce development.
- Conducted a regional roundtable policy forum on mental health workforce development in Reno, attended by both higher education and mental health leaders.

During FY 2005 the Mental Health Program anticipates several new and continuing activities. The program will:

- Complete a book, under an 18-month contract with HRSA, to be published by the U.S. Government Printing Office, that provides an overview and annotated bibliography focused on rural mental health.
- Continue to work with the University of Alaska System to facilitate implementation of their strategic-planning initiative, focused on mental health workforce training strategies.
- Continue to support children's mental health system innovation in Wyoming and South Dakota.
- Negotiate a contract to support a pilot behavioral health integrated care program for the Division of Behavioral Health in Alaska.
- Work on a two-year Medicaid data project: staff member Chuck McGee will have .50 FTE shifted to contract work with the State of Wyoming for this project.
- Provide technical assistance on rural mental health workforce development to the State of Arizona Behavioral Health Agency, and assist in the facilitation of "Higher Education and Public Mental Health" dialogues.
- Implement the newly funded Rural Mental Health Research Center, a collaboration between WICHE, the University of Colorado Health Sciences Center, and the University of Arkansas Medical Center (a four-year, \$499,000.00+ per year contract with HRSA).
- Develop a project to promote evidence-based mental health practice in partnership with the Human Services Research Institute at Harvard.
- Continue efforts to develop the Mental Health Program's capacity to serve its member states.

Monday, November 8, 2004

9.45 - 10.00 am

Interlocken B

Committee of the Whole

Call to Order: Don Carlson, chair

Introduction of new commissioners and guests 2-3



Committee of the Whole minutes,
May 17-18, 2004

2-5

Report of the Chair

Report of the Executive Director

Report of the Nominating Committee

Recess until November 9, 2004, at 11.30 am

New Commissioners

Letitia Chambers is the executive director of the New Mexico Commission on Higher Education. She also chairs the New Mexico Educational Trust Board and serves as a board member of the New Mexico Student Loan and Guarantee Corp. Previous to this, as founder and CEO of Chambers Associates, a public policy consulting firm based in Washington, D.C., Chambers managed research engagements related to both public policy and litigation analysis, leading a team of economists, statisticians, lawyers, and political scientists and working with corporate, association, and government leaders to seek creative solutions to complex problems. Chambers has also served as a U.S. representative to the U.N. General Assembly; as chief budget advisor on the Clinton/Gore transition team; as staff director of the Senate Committee on Labor and Human Resources; and in other positions, as well as on numerous corporate, educational, and philanthropic boards. A graduate of the University of Oklahoma, she holds a doctoral degree from Oklahoma State University.

Edwin H. Jasmin is the immediate past chair of the Montana Board of Regents. He is a board member of the Student Assistance Foundation of Montana and sits on the University of Montana President's Advisory Council and on the Family Education Savings Program Oversight Committee. During his more than 30 years in the field of banking, he held numerous positions, including the presidency of Norwest Investment Management and Trust. He received his degree in business administration from the University of Montana.

Robert Kustra is the sixth president of Boise State University, the largest institution of higher learning in Idaho and the state's only metropolitan university. He has served in both academic and public-service posts: as president of Eastern Kentucky University; as a two-term lieutenant governor in Illinois; and as a legislator in the Illinois House and Senate, where he rose to the position of assistant minority leader. In both the legislative and executive branch, Kustra was a leader in education reform; while as lieutenant governor, he was appointed by the governor to chair the Illinois Board of Higher Education, the first lieutenant governor to serve in that post. Before entering elective office, he held faculty positions at the University of Illinois at Springfield, Lincoln Land Community College, and Loyola University of Chicago, where he was also director of the Center for Research in Urban Government. In addition, just prior to joining Boise State, he served a one-year term as president of the Midwestern Higher Education Commission. He received his bachelor's degree from Benedictine College in Atchison, KS, his master's from Southern Illinois University, and his doctorate from the University of Illinois, Urbana-Champaign, all in political science.

Rick O'Donnell is the executive director of the Colorado Commission on Higher Education in Denver. He's also president of The Fund for Colorado's Future, a nonprofit that's working to improve K-12 student achievement in low-performing public schools, as well a member of the boards of the Leadership Program of the Rockies and the Seeds of Hope Charitable Trust. Previously, he served as executive director of the Colorado Department of Regulatory Agencies; as director of Governor Bill Owens's Office of Policy and Initiatives; as executive director of the Center for the New West; and in other posts. A senior fellow at the UCLA School of Public Policy and Social Research, O'Donnell is a graduate of The Colorado College and also studied at Boston College and the London School of Economics and Political Science.

Roy T. Ogawa, an attorney, is president and director of Oliver Lau Lawhn Ogawa & Nakamura in Honolulu. He has also served as a deputy public defender for the State of Hawaii, an arbitrator with the Court Annexed Arbitration Program, and in other positions. He received his B.A. in mathematics/sociology from the University of Hawaii at Manoa and his J.D. from Indiana University Bloomington.

Robert L. Potts became chancellor and CEO of the North Dakota University System this summer. Previous to this, he served for over 14 years as president of the University of North Alabama (UNA) and for six years as general counsel of the University of Alabama System. His career has also included clerking for the U.S. District Court chief judge for the Northern District of Alabama; practicing law in Florence, AL, where educational issues were a significant part of his work; and teaching at Boston University, the University of Alabama, and UNA. He is a member of the North Dakota Commerce Cabinet and of the board of directors of the American Association of State Colleges and Universities, as well as a commissioner with the Midwestern Higher Education Compact and immediate past chair of the Alabama Council of College and University Presidents. Potts received a B.A. from Southern Adventist University in Tennessee, a J.D. from the

University of Alabama School of Law, and a master of laws from Harvard. He has lectured widely on legal and education topics and is the author of several published articles.

James K. Sager, senior education policy advisor at Oregon's Education & Workforce Policy Office in Salem, has experience as both an administrator and an educator. He previously served on former Governor Kitzhaber's Quality Education Commission and was a classroom teacher, the principal of Riverdale Grade School in the Portland area, the president of the Oregon Education Association and the Portland Association of Teachers, and a member of the Portland Teachers Credit Union Board of Directors.

ACTION ITEM

Committee of the Whole

Meeting Minutes

May 17-18, 2004

Participants	2-6
Announcement: Sandy Jackson retires	2-10
Committee of the Whole minutes, November 10-11, 2003.....	2-10
Report of the chair	2-10
Report of the executive director	2-11
Report of the Executive Committee	2-11
Action Item: Executive Committee meeting minutes, November 10, 2003, and Executive Committee conference call meeting minutes, February 3, March 5, and April 6, 2004	2-11
Action Item: FY 2005 salary and benefit recommendations	2-12
Action Item: FY 2005 general fund budget.....	2-12
Action Item: Establishing dues for the FY 2006 and FY 2007 biennium	2-12
Action Item: Role of the WICHE commissioner and proposed changes to the bylaws.....	2-12
Report of the Programs and Services Committee.....	2-12
Action Item: The Professional Student Exchange Program support fees for 2005-2006 and 2006-2007 biennium	2-12
Action Item: Programs and Services FY 2005 workplan	2-13
Action Item: Creating an insurance and risk management venture in the WICHE region (See Attachment 1 – Page 2-17)	2-13
Discussion Item: Exploring a WICHE service repayment program.....	2-13
Discussion Item: Exploring a WICHE licensure and credentialing service	2-13
Discussion Item: Report on WUE and the student mobility research project	2-13
Report of the Issue Analysis and Research Committee	2-13
Action Item: Issue Analysis and Research FY 2005 workplan	2-13
Action Item: Ford proposal on escalating legislative engagement	2-14
Action Item: Review of high school graduates projection methodology.....	2-14
Action Item: FY 2005 WICHE workplan.....	2-14
Action Item: Report on the status of WICHE's office facility	2-14
Other business	2-15
Meeting in Juneau in May 2005	2-15
Meeting evaluation	2-15
Nominating Committee announced	2-15
Special thanks	2-15
Special events held during this meeting	2-16

Participants

Commissioners

ALASKA

Diane M. Barrans, WICHE Vice Chair
(Chair 2005)
Executive Director
Alaska Commission on Postsecondary Education
Juneau

Johnny Ellis
State Senator
Anchorage

ARIZONA

John Haeger
President
Northern Arizona University
Flagstaff

CALIFORNIA

Robert Moore
Former Executive Director
California Postsecondary Education
Commission
Sacramento

COLORADO

William F. Byers
Consumer and Public Relations Manager
Grand Valley Power
Fruita

William G. Kuepper, III
Senior Policy Analyst
Colorado Commission on Higher Education
Denver
Guest: Janet Kuepper

HAWAII

Doris Ching
Vice President for Student Affairs
University of Hawaii
Honolulu

Roberta Richards
State Officer
Hawaii Department of Education
Honolulu

IDAHO

Gary W. Stivers
Executive Director
State Board of Education
Boise
Guest: Linda Stivers

MONTANA

Francis J. Kerins
Former President
Carroll College
Helena

Sheila Stearns
Commissioner of Higher Education
Montana University System
Helena

Cindy Younkin
State Representative
Bozeman

NEVADA

Jane A. Nichols
Chancellor
University and Community College
System of Nevada
Reno

Carl Shaff
Educational Consultant
Nevada State Department of Education
Reno

NEW MEXICO

Everett Frost (WICHE Chair 2000)
Professor/President Emeritus
Eastern New Mexico University
Portales
Guest: Janet Frost

Patricia Sullivan
Assistant Director
Waste-Management Education and Research Consortium
(WERC)
New Mexico State University
Las Cruces

NORTH DAKOTA

Michel Hillman
Interim Chancellor
North Dakota University System
Bismarck

Richard Kunkel
President
State Board of Higher Education
Devils Lake

NORTH DAKOTA (continued)

David E. Nething
State Senator
Jamestown

OREGON

Ryan P. Deckert
State Senator
Portland

Cam Preus-Braly
Commissioner
Oregon Department of Community
Colleges and Workforce Development
Salem

Diane Vines (WICHE Chair 1997)
Coordinator
Governor's Health Care Initiative
Portland

SOUTH DAKOTA

Robert Burns
Distinguished Professor
Political Science Department
South Dakota State University
Brookings

Robert T. (Tad) Perry (WICHE Chair 2002)
Executive Director
South Dakota Board of Regents
Pierre

Charles Ruch (WICHE Chair 2003)
President
South Dakota School of Mines and Technology
Rapid City
Guest: Sally Ruch

UTAH

Richard Kendell
Commissioner of Higher Education
Utah System of Higher Education
Salt Lake City
Guest: Joan Kendell

E. George Mantes
Regent
State Board of Regents
Salt Lake City
Guest: Mary Ann Mantes

WASHINGTON

Don Carlson, WICHE Chair 2004
State Senator
Vancouver
Guest: Jan Carlson

James Sulton, Jr.
Executive Director
Higher Education Coordinating Board
Olympia

WYOMING

Tex Boggs
State Senator and President
Western Wyoming Community College
Rock Springs

Philip L. Dubois
President
University of Wyoming
Laramie

Klaus Hanson
Professor of German and Chair
Department of Modern and Classical Languages
University of Wyoming
Laramie

GUESTS

Kathleen Anderson
Management Assistant
Affirmative Action/Training & Development
Office of Affirmative Action
Boise State University
Boise, Idaho

Warwick Bayly
Dean
College of Veterinary Medicine
Washington State University
Pullman, Washington

Barbara Beno (speaker)
Executive Director
Western Association of Schools and Colleges
Novato, California

Don Carpenter
Executive Assistant to the Commissioner
Certifying Officer for Utah
Utah State Board of Regents
Salt Lake City, Utah

Dawn Cypriano-McAfee
Incoming Certifying Officer for Washington
Higher Education Coordinating Board
Olympia, Washington

Sandra Elman (speaker)
Executive Director
Northwest Association of Schools and Colleges and Universities
Redmond, Washington

GUESTS (continued)

Karen Gustafson
Policy and Governmental Affairs Officer
State Board of Education
Boise, Idaho

Becky Henke
Executive Assistant/HR Generalist
State Board of Education
Boise, Idaho

Joe Johnston (speaker)
Vice President for Institutional Relations
Washington Center for Internships and Academic
Seminars
Washington, D.C.

Dennis Jones (speaker)
President
National Center for Higher Education Management
Systems (NCHEMS)
Boulder, Colorado

Dana Kelly
Certifying Officer for Idaho
Student Affairs Program Manager
Idaho State Board of Education
Boise, Idaho

Robert O. Kelley
Certifying Officer for Wyoming and Dean, College of
Health Sciences
University of Wyoming
Laramie, Wyoming

Bob Kustra
President
Boise State University
Boise, Idaho

Louise Lynch
Certifying Officer for Arizona and
Educational Loan Officer
Arizona Board of Regents
Phoenix, Arizona

Annie McLeod
Administrative Assistant
State Board of Education
Boise, Idaho

Margaret Miller (speaker)
Professor
University of Virginia and former
President, American Association of Higher Education
(AAHE)
Charlottesville, Virginia

Lance Perryman
Dean
College of Veterinary Medicine and Biomedical Sciences
Colorado State University
Fort Collins, Colorado

Marianne Phelps (speaker)
Educational Consultant
Washington, D.C.

Jeff Shinn
Chief Fiscal Officer
State Board of Education
Boise, Idaho

Lisa Shipley
Coordinator, Wyoming Certifying Office
College of Health Sciences
University of Wyoming
Laramie, Wyoming

Joel Sideman
Deputy Director and Legal Counsel
Arizona Board of Regents
Phoenix, Arizona

Michael Smith (speaker)
Executive Vice President
Washington Center for Internships and Academic Seminars
Washington, D.C.

Ron Sparks, II
Certifying Officer for Nevada
The University of Nevada-Reno
Reno, Nevada

Randy Thompson
Chief Academic Officer
Idaho State Board of Education
Boise, Idaho

Luci Willits
Communications Officer
State Board of Education
Boise, Idaho

Ralph Wolff (speaker)
Executive Director
Western Association of Schools
Alameda, California

STAFF

Cheryl Blanco
Director
Policy Analysis and Research

Caroline Hilk
Administrative Assistant
Policy Analysis and Research

Sandy Jackson
Program Coordinator
Student Exchange Programs
Programs and Services/Communications

Sally Johnstone
Director
WCET

David Longanecker
Executive Director

Jere Mock
Director
Programs and Services/Communications

Chris Morphew
WICHE Consultant and
Associate Professor of Higher Education Administration
University of Kansas

Marv Myers
Director
Administrative Services

Marla Williams
Assistant to the Executive Director

Committee of the Whole – Call to Order, May 17, 2004

Chair Carlson called the May 17, 2004, Committee of the Whole meeting to order.

Announcement

Sandy Jackson Retires

Chair Don Carlson asked the commissioners to recognize one who's given many years, 29 to be exact, to WICHE as a staff person – Sandy Jackson. He gave the floor to David Longanecker so that he could describe her accomplishments.

David Longanecker said that Sandy Jackson had decided to retire after 29 years; she has been a wonderful and unique asset for WICHE. To many people, Sandy was the voice and the face of WICHE. During the 50th anniversary celebrations, people would come up and say how appreciative they were of the work that WICHE had done and how grateful they were to Sandy, who was the person they had dealt with through the Professional Student Exchange or other program. WICHE greatly appreciated her service and is going to miss her a lot, he said, both the commissioners and the staff. He thanked Sandy for her service and wished her luck as she moved into her next stage in life.

Vice Chair Diane Barrans said that, as someone who first worked with Sandy Jackson in 1986 as a state certifying officer for Alaska, she wanted to thank her for keeping everyone in line, on track, and on time most of the time. She added that Sandy had been a great asset to the organization and that, on a personal level, she wanted to thank her for all of her years of service to this wonderful organization.

Action Item

Committee of the Whole Minutes, November 10-11, 2003

COMMISSIONERS KERINS/VINES (M/S) APPROVAL OF THE MEETING MINUTES OF THE COMMITTEE OF THE WHOLE ON NOVEMBER 10-11, 2003. The motion passed unanimously.

Report of the Chair Don Carlson, WICHE Chair

Chair Don Carlson said his remarks for today's report are also contained in the message from the chair for the annual report. The challenges before us in higher education in the Western states are not unlike challenges for higher education across the nation, he said. Where we want to stay the course are in areas of access, financial aid, and student exchange, and WICHE certainly has provided leadership in those areas. Demographically, we understand that in many of our states, not all, but many, there is going to be continuing, substantial growth in higher education needs. We really need to think outside the box in trying to figure out how we are going to serve those needs, especially when this may be true for the next 10 years and then growth may possibly drop off as we continue into the 21st century. There are questions we need to think about in our individual states, such as:

- What is the role of distance learning, as we continue to strive to serve the higher education needs of our states?
- What are the roles of private universities and proprietary schools in meeting the high need/high demand requirements that are coming before us and the curriculum needs of our states?
- How does workforce training fit into the issue of employment requirements for the citizens for the 21st century?
- Should financial aid that we provide to students in our states follow the student and help to provide for use of some of the capacity that some of our private institutions argue that they have?
- At least in Washington, and probably in other states, there is a problem with remedial education. There are students coming out of high school who cannot pass the entrance requirements for our community colleges and our four-year schools. What is the role, responsibility, and connection between the K-12 and the higher education system?
- On the other side of the coin, what about those students who are taking Advanced Placement, Running Start, and other kinds of programs that have given them a beginning taste of college? How can we be sure that the International Baccalaureate or Running Start or College in the High School programs are going to be accepted

and transferred across state lines? The whole concept of transfer and articulation between community colleges, proprietary colleges, and our four-year schools is an issue in a number of Western states.

Chair Carlson said that he was raising these questions though he didn't have a lot of answers; but he thought it was something that WICHE commissioners needed to think about and, in some cases, to ask WICHE staff for assistance in working them through. WICHE is extraordinarily fortunate to have staff leadership, David Longanecker, and other senior staff, to help us to address these questions in the future.

Report of the Executive Director David Longanecker, WICHE Executive Director

David Longanecker said the only item he wanted to report on is the 50th anniversary celebrations. Between January of last year and March of this year, every one of WICHE's 15 states had an event celebrating the 50th anniversary of the organization. Those events varied from very small to very large events, from very open and engaging events to ones that were for a smaller community. They were extremely rewarding for him and for many of the people who were involved; it gave him a chance to really come to appreciate how much this organization has meant to so many individuals and to our states over the past 50 years. It was a wonderful experience (albeit somewhat tiring at times) to be going around the country and finding out more about the organization. As he mentioned when talking about Sandy Jackson, the Professional Student Exchange Program has been important to many individuals, and to many influential individuals, throughout the West. It was really heartening to have a chance to see how much difference it made in the lives of people. It was also very heartening to see that many people believe our work on policy issues and our technical assistance to the states are important. It also turns out that these celebrations were a pretty nifty way to get a higher profile for the organization within states. So the people who sort of knew about WICHE but didn't know much about it got a chance to see how important WICHE has been to their states. This was an extremely successful activity, both in terms for celebration but also in terms of profiling a very important organization that serves the Western states.

Chair Carlson recessed the Committee of the Whole until Tuesday, May 18, at 11:00 a.m.

Committee of the Whole, May 18, 2004 (continued)

Chair Carlson reconvened the Committee of the Whole.

Report of the Executive Committee Diane Barrans, WICHE Vice Chair

Vice Chair Barrans reported on the closed meeting of the Executive Committee held on Monday, May 17, 2004. During that meeting the Executive Committee reviewed David Longanecker's self-evaluation, located on pp. 1-3 to 1-10 of the agenda book. She said the committee has strong views about the quality of David's leadership and the desire to compensate him for his performance. However, during the closed meeting, Longanecker told the Executive Committee that he would rather his salary increase go into the pool for all staff because he believes more of a salary increase for staff is warranted than what is provided for in the 3.5 percent pool. He said one way to achieve more of an increase for the staff is to forego one for himself, allowing for a larger pool for merit salary increases for other staff.

Vice Chair Barrans reported on the open meeting of the Executive Committee held on Monday, May 17, 2004. During that meeting, the committee approved the advancement of several action items, recommending approval by the full commission, as follows:

Action Item: Executive Committee Meeting Minutes

VICE CHAIR BARRANS ON BEHALF OF THE EXECUTIVE COMMITTEE MOVED APPROVAL OF THE EXECUTIVE COMMITTEE MEETING MINUTES OF NOVEMBER 10, 2003, AND CONFERENCE CALL MEETING MINUTES OF FEBRUARY 3, MARCH 5, AND APRIL 6, 2004. The motion passed unanimously.

Action Item: FY 2005 Salary and Benefit Recommendations

VICE CHAIR BARRANS ON BEHALF OF THE EXECUTIVE COMMITTEE MOVED APPROVAL OF THE SALARY AND BENEFIT RECOMMENDATIONS FOR FY 2005 AS DETAILED ON PP. 1-45 AND 1-46 OF THE AGENDA BOOK, PROVIDING FOR A SALARY INCREASE POOL OF 3.5 PERCENT OF ALL STAFF SALARIES, INCLUDING THE EXECUTIVE DIRECTOR'S SALARY, BUT EXCLUDING THE EXECUTIVE DIRECTOR FROM A SALARY INCREASE, AS REQUESTED BY THE EXECUTIVE DIRECTOR. The motion passed unanimously.

Action Item: FY 2005 General Fund Budget

VICE CHAIR BARRANS ON BEHALF OF THE EXECUTIVE COMMITTEE MOVED APPROVAL OF THE FY 2005 BUDGET AS DETAILED ON PP. 1-47 TO 1-50 OF THE AGENDA BOOK. The motion passed unanimously.

Action Item: Establishing Dues for the FY 2006 and FY 2007 Biennium

VICE CHAIR BARRANS ON BEHALF OF THE EXECUTIVE COMMITTEE MOVED APPROVAL OF THE DUES INCREASE PROPOSED ON PP. 1-52 TO 1-54 OF THE AGENDA BOOK, BRINGING THE DUES PER STATE TO \$108,000 IN FY 2006 AND TO \$112,000 IN FY 2007. The motion passed unanimously.

Action Item: Role of the WICHE Commissioner and Proposed Changes to the Bylaws

Chair Carlson reported that the Executive Committee had received the documents presented by New Mexico Commissioner Everett Frost concerning the role of the WICHE commissioner. He reported that action on the proposed bylaw changes would not take place until the November meeting due to the requirements mandated in the bylaws about changing them. He said the bylaw revisions will be discussed further by the Executive Committee via conference calls until the August 1 deadline, when all proposed changes must be complete. The proposed revisions will be sent to commissioners 60 days in advance of the November meeting, in accordance with the bylaws mandate. Chair Carlson also reported that the Executive Committee did advance the commissioner handbook forward for consideration by the Committee of the Whole.

COMMISSIONER NETHING, ON BEHALF OF THE EXECUTIVE COMMITTEE, MOVED APPROVAL OF THE WICHE COMMISSIONER HANDBOOKS, AS OUTLINED ON P. 1-69 OF THE AGENDA BOOK. The motion passed unanimously.

See the committee minutes located elsewhere in this agenda book for additional detail.

Report of the Programs and Services Committee Phil Dubois, Committee Chair

Committee Chair Phil Dubois reported on the meeting of the Programs and Services Committee held on Monday, May 17, 2004. During this meeting the committee approved the advancement of several action items, recommending approval by the full commission, as follows:

Action Item: The Professional Student Exchange Program Support Fees for 2005-2006 and 2006-2007 Biennium

COMMITTEE CHAIR DUBOIS, ON BEHALF OF THE PROGRAMS AND SERVICES COMMITTEE, MOVED APPROVAL OF THE SUPPORT FEE INCREASES, AS DETAILED ON PP. 7-7 TO 7-26 OF THE AGENDA BOOK, OF 2 PERCENT IN GROUP A AND GROUP B FIELDS FOR EACH YEAR OF THE BIENNIUM AND OF \$2,000 FOR THE BASE SUPPORT FEE IN THE FIELDS OF DENTISTRY AND OPTOMETRY, AS WELL AS APPROVAL FOR EXTENDING THE LENGTH OF

WICHE SUPPORT IN THE FIELD OF PHYSICAL THERAPY TO A MAXIMUM OF THREE ACADEMIC YEARS PLUS SIX MONTHS (33 MONTHS OR 11 QUARTERS). The motion passed unanimously.

Action Item: Programs and Services FY 2005 Workplan

COMMITTEE CHAIR DUBOIS, ON BEHALF OF THE PROGRAMS AND SERVICES COMMITTEE, MOVED APPROVAL OF FY 2005 WORKPLAN SECTION LOCATED ON PP. 7-27 AND 7-28 OF THE AGENDA BOOK, RELEVANT TO THE COMMITTEE'S AREA OF RESPONSIBILITY. The motion passed unanimously. The committee cautioned staff about new items listed in "On the Horizon," but as reported by the executive director, the ability to move into these new areas depends upon the acquisition of external funding.

Action Item: Creating an Insurance and Risk Management Venture in the WICHE Region

COMMITTEE CHAIR DUBOIS, ON BEHALF OF THE PROGRAMS AND SERVICES COMMITTEE, MOVED APPROVAL FOR WICHE TO PARTNER WITH THE MIDWESTERN HIGHER EDUCATION COMPACT TO EXPAND THE MASTER PROPERTY PROGRAM AND PROPERTY & CASUALTY PROGRAM TO INCLUDE INSTITUTIONS IN THE WICHE REGION FOR THE PERIOD FROM MAY 2004 THROUGH JUNE 20, 2006, AS DETAILED IN AN ACTION ITEM NOT APPEARING IN THE AGENDA BOOK BUT INCLUDED IN THESE MINUTES AS ATTACHMENT 1. UNDER THIS PARTNERSHIP, REVENUE WOULD BE SPLIT EVENLY BETWEEN WICHE AND MHEC FROM THE ADMINISTRATION FEE OF 1.25 PERCENT ASSESSED BY MHEC FROM THE ANNUAL PREMIUMS AND GROUP LOSS FUND CONTRIBUTIONS OF THE PARTICIPATING INSTITUTIONS. The motion passed unanimously.

Discussion Items: Exploring a WICHE Service Repayment Program and a WICHE Licensure and Credentialing Service

Committee Chair Dubois reported that the committee discussed two other possible new program areas for WICHE that would provide service to the states in the areas of collecting on payback programs in licensure and credentialing. Both of these programs would require external funding.

Discussion Item: Report on WUE and the Student Mobility Research Project

Committee Chair Dubois reported that the committee heard from Chris Mophew, who is conducting a study on WICHE's Western Undergraduate Exchange Program while on sabbatical as associate professor of higher education administration at the University of Kansas. David Longanecker asked commissioners to do what they can to assist in the collection of information from the states for this project.

See the committee minutes located elsewhere in this agenda book for additional detail.

Report of the Issue Analysis and Research Committee Jane Nichols, Committee Chair

Committee Chair Jane Nichols reported on the meeting of the Issue Analysis and Research Committee held on Monday, May 17, 2004. She said during that meeting the committee approved the advancement of several action items, recommending approval by the full commission, as follows:

Action Item: Issue Analysis and Research FY 2005 Workplan

COMMITTEE CHAIR NICHOLS, ON BEHALF OF THE ISSUE ANALYSIS AND RESEARCH COMMITTEE, MOVED APPROVAL OF FY 2005 WORKPLAN SECTION LOCATED ON PP. 8-7 AND 8-8 OF THE AGENDA BOOK, RELEVANT

TO THE COMMITTEE'S AREA OF RESPONSIBILITY, AS PRESENTED, BUT ALSO ASK THE STAFF TO LOOK AT THE BEST WAY TO BE VERY CLEAR AND OBVIOUS ABOUT OUR COMMITMENT TO THE IMPORTANCE TO DIVERSITY IN ALL OF THE CATEGORIES OF THE WORKPLAN. The motion passed unanimously.

Action Item: Ford Proposal on Escalating Legislative Engagement

COMMITTEE CHAIR NICHOLS, ON BEHALF OF THE ISSUE ANALYSIS AND RESEARCH COMMITTEE, MOVED APPROVAL TO SEEK, RECEIVE AND EXPEND FUNDS FROM THE FORD FOUNDATION TO SUPPORT A CONTINUATION PROJECT TO EXPAND WICHE'S CURRENT WORK ON ACCESS, ACCOUNTABILITY, AND WORKFORCE ISSUES AND TO HELP STATES BUILD THE CAPACITY FOR CHANGE, AS DESCRIBED IN THE ACTION ITEM LOCATED ON PP. 8-9 TO 8-12 OF THE AGENDA BOOK. The motion passed unanimously.

Action Item: Review of High School Graduates Projection Methodology

COMMITTEE CHAIR NICHOLS, ON BEHALF OF THE ISSUE ANALYSIS AND RESEARCH COMMITTEE, MOVED APPROVAL TO SEEK, RECEIVE AND EXPEND FUNDS TO SUPPORT A COMPREHENSIVE ANALYSIS OF THE CURRENT METHODOLOGY USED IN PROJECTING HIGH SCHOOL GRADUATES BY STATE, INCOME, AND RACE/ETHNICITY AND TO EXPLORE OTHER METHODOLOGIES AS DESCRIBED IN THE ACTION ITEM LOCATED ON PP. 8-13 TO 8-15 OF THE AGENDA BOOK. The motion passed unanimously.

Committee Chair Nichols reported that the Committee heard from Sally Johnstone about the activities of WCET, and from Chris Morpew who is conducting a study on WICHE's Western Undergraduate Exchange Program while on sabbatical from the University of Kansas, where he is associate professor of higher education administration.

See the committee minutes located elsewhere in this agenda book for additional detail.

Action Item: FY 2005 Workplan

Chair Carlson reported that the proposed workplan for FY 2005 had been reviewed and approved by all three standing committees, and it was now being presented for the first time in total for approval by the Committee of the Whole. David Longanecker said the workplan had now been approved by all three committees and that it stays the course of WICHE's current agenda. He was appreciative of the comments about diversity and will look for a way to reflect that commitment as we move forward; there are projects in this area, and the "benchmarks" project reflects this, but our commitment should be as transparent as possible in the workplan and elsewhere. He believes WICHE is on a good course and we should stay that course.

COMMISSIONERS RUCH/HANSON M/S APPROVAL OF THE FY 2005 WORKPLAN, LOCATED ON PP. 12-3 TO 12-13 OF THE AGENDA BOOK, RECOGNIZING THAT DIVERSITY IS AN IMPORTANT AND ONGOING ELEMENT OF THE ORGANIZATION'S WORK. The motion passed unanimously.

Action Item: Report on the Status of WICHE's Office Facility

Marv Myers reported on the status of WICHE's new office facility. Since the last meeting the three partners (WICHE, NCHEMS, and SHEEO) had formed a limited liability company (LLC) called the State Higher Education Policy Center (SHEPC). Under the LLC the organization's partnership was legally formed and the terms of that partnership were defined. The search for suitable properties continues and has been narrowed from four to two possibilities: WICHE's current office space and a facility located in Boulder on Center Green Drive. WICHE's current space is available for continued lease only, and while the renewal rate is attractive, it would leave WICHE in the same nonequity position it is in currently. The other building was recently purchased by an investor group that might be willing turn it around for a quick resale back to SHEPC. WICHE should know about the position of the investment group concerning this property by June 1.

In order to purchase an office building, WICHE will need to provide a down payment of 5 percent. Even with the Ford Foundation's loan to SHEPC in the amount of \$3 million at a return rate of 1 percent, the partners need to find another foundation to provide additional support. The additional support would be necessary to fully meet plans for this venture which includes a high-tech learning center. Without the additional support from a second foundation, the group would proceed without the learning center for the time being.

It is expected that a decision about a facility will be reached sometime this summer, with a targeted move in date of December 2004 or January 2005. WICHE's current landlord has lifted a tremendous amount of pressure by allowing WICHE to stay in its current facility beyond the term of the lease and has requested only a three-month notification period of WICHE's intent to vacate.

Once plans are firmed up, the Executive Committee, which is authorized to act on behalf of the full commission in the interim between meetings, may need to act on the final plans for the office facility. Chair Carlson pointed out that this is a long-term, important commitment, and he urged Executive Committee members to communicate with the other commissioners in their states about the details concerning the purchase of the office facility.

David Longanecker was asked to describe the finances in more detail. He said each of the three organizations will be required to produce a 5 percent equity investment based on its percentage of occupancy. WICHE's occupancy rate will be 57 percent of the facility, with NCHEMS at 18 percent and SHEEO at 25 percent. The Ford Foundation, though a PRI (Program Related Investment), has loaned the three organizations \$3 million at a 1 percent interest rate toward the purchase of the office facility. If additional foundation support is not found, it will mean that the facility will be purchased with just the shell for a learning center, and it is fully expected that at some point later the technology and additional infrastructure for the learning center will be in place. Longanecker said it is fully possible that once WICHE has moved into the new facility, its mortgage payment will be less than its current lease rate, and this savings and equity position will continue to grow indefinitely.

COMMISSIONERS RUCH/SULTON M/S APPROVAL TO DELEGATE TO THE EXECUTIVE COMMITTEE THE AUTHORITY TO CONCLUDE THE PURCHASE OF AN OFFICE FACILITY FOR WICHE ON BEHALF OF THE WICHE COMMISSION. The motion passed unanimously.

Other Business

Meeting in Juneau in May 2005

Vice Chair Barrans reported that plans to meet in Juneau in May 2005 are proceeding, but the exact date is still undetermined, due to the recess of the legislative session and other conflicts. The date will be determined soon, and will likely be May 16-17, 2005. Commissioners will be notified soon of the exact date for the May 2005 meeting in Juneau. David Longanecker said the meeting in Alaska will be more expensive than meetings held in the contiguous lower 13 states, and the budget does not contain additional funds to reflect this increased cost. Therefore, he said, WICHE will ask commissioners to help off-set travel expenses for WICHE (on a voluntary basis) by paying for these expenses through other means, when possible. He said when the commission met in Hawaii a few years ago, several WICHE commissioners used their own frequent flyer miles to help defray the travel costs associated with that meeting.

Meeting Evaluation

Chair Carlson reported the commission would be e-mailed to solicit their evaluative comments concerning the meeting. He said he'd rather have a hard copy form contained in the agenda book, and asked staff to include this for future meetings.

Nominating Committee Announced

Chair Carlson announced that the Nominating Committee to select the vice chair for 2005 will be immediate past Chair Chuck Ruch of South Dakota, who will serve as chair of the committee, and members Cam Preus-Braly of Oregon and Gary Stivers of Idaho.

Special Thanks

David Longanecker expressed thanks on behalf of the WICHE Commission and staff for Becky Henke and Annie McLeod's assistance in planning the local activities for this meeting. Henke and McLeod are members of Gary Stivers's staff.

Special Events Held During this Meeting

- Policy Discussion: "Completing the 'Incomplete' in Student Learning," with speaker Margaret Miller, professor at the University of Virginia and former president of the American Association of Higher Education (AAHE), Charlottesville, VA.
- Policy Discussion: "What's Happening at the Federal Level?" with speaker Marianne R. Phelps, educational consultant, Washington, D.C.
- Presentation: "'And They Return as Young Professionals': The Washington Center's Partnership with the States," introductions by WICHE Chair Don Carlson, with speakers Michael Smith, executive vice president, and Joe Johnston, vice president for institutional relations, at the Washington Center for Internships and Academic Seminars, Washington, D.C.
- Policy Discussion: "Cost Effectiveness in Higher Education: A New Look at the 'Adequacy' of Higher Education Funding," with speaker Dennis Jones, president, National Center for Higher Education Management Systems (NCHEMS), Boulder, CO.
- Presentation: "What's Up in the West: Another Act from the Cheryl and David Show," with speakers Cheryl Blanco, director of the Policy and Analysis and Research unit, and David Longanecker, executive director, WICHE.
- Policy Discussion: "Accreditation in the West," with speakers Barbara A. Beno, executive director of the Western Association of Schools and Colleges, Novato, CA; Sandra E. Elman, executive director of the Northwest Association of Schools and of Colleges and Universities, Redmond, WA; and Ralph A. Wolff, executive director of the Western Association of Schools, Alameda, CA.

ACTION ITEM

Creating an Insurance and Risk Management Venture in the WICHE Region

Summary

Staff requests approval for WICHE to partner with the Midwestern Higher Education Compact (MHEC) to expand the Master Property Program (MPP) and Property & Casualty Program (P&CP) to include institutions in the WICHE region for a preliminary period of May 2004 through June 30, 2006. An administration fee of 1.25 percent would be assessed by MHEC on the annual premiums and group loss fund contributions of the participating institutions. Revenues from the fees will be evenly split between MHEC and WICHE.

Institutions in the West will benefit from improved insurance coverage and lower premium costs. They will also benefit from the financial stability and continuity of the MHEC group, as well as from the expertise of the MPP Oversight Committee's risk managers, who have 10 years of experience working with this program. The MHEC program has achieved a critical mass with its 36 members; adding more members from the West will enable the purchasing group to positively affect the market when the program administrators seek future bids from insurance underwriters.

Relationship to WICHE Mission

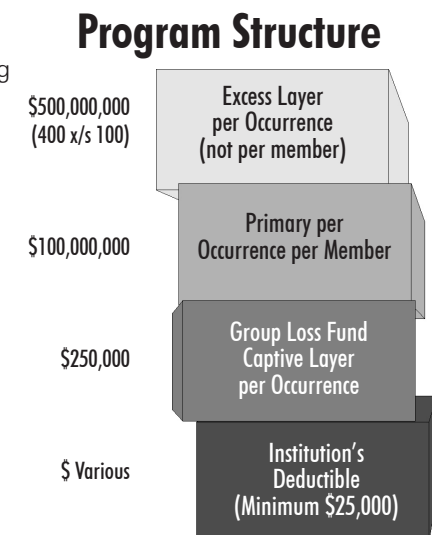
This project directly supports WICHE's mission to promote innovation, cooperation, resource sharing, and sound public policy among states and institutions in order to expand educational access and excellence for all citizens of the West. This project supports one of our workplan's top priority issues – finance – by helping institutions to benefit from group purchasing power to achieve better property insurance rates and enhanced coverage.

Background

WICHE has conducted an initial feasibility study to determine if colleges and universities in the West would join a regional insurance-purchasing group to improve their insurance coverage and asset protection strategies while lowering their insurance costs. If several institutions participate, the insurance collaborative will lower costs for comprehensive property coverage and help to stabilize premium rates over time.

As WICHE explores this initiative, it is benefiting from the experience and counsel of the Midwestern Higher Education Compact – MHEC has operated a regional Master Property Program since 1994. The Master Property Program helps colleges and universities in MHEC member states to broaden property insurance coverage, reduce premium costs, and encourage improved asset protection strategies; it also provides a group dividend when reduced losses are experienced. Collectively, the 36 participating institutions, with total insured values of over \$40 billion, have saved more than \$21.5 million. In April 2004, MHEC introduced a new initiative for institutions with fewer than 7,500 students, who had found the MPP minimum policy deductible of \$25,000 per claim to be too high. MHEC receives an annual fee for administering the programs.

A survey of 25 public and private institutions in the WICHE region has been conducted to determine the eligibility and interest of public institutions and the interest of private institutions to participate in a regional insurance-purchasing pool. Thus far, six states require their public institutions to participate in their state's risk management program: Arizona (though their community colleges are eligible), Idaho, North Dakota, New Mexico, Oregon, and Utah. Two other states – Colorado and Washington – require their statutory institutions to work through their state risk management program (though recently enacted legislation in Colorado will allow statutory institutions to opt out of the state program).



California and Montana are eligible to participate but have arrangements or plans for purchasing insurance that currently preclude their interest in participating in a WICHE group. States with eligible and interested public institutions include Alaska, Nevada, and Wyoming, plus the University of Colorado System and the University of Washington. Hawaii is eligible to participate, though it is not known if they are interested. It is not yet known if South Dakota is eligible or interested. Private institutions expressing interest include the Thunderbird Garvin School for International Management in Arizona and the College of Santa Fe in New Mexico. Religiously affiliated private institutions tend to seek coverage through their churches or a pool or group of religiously based schools. Some private nondenominational schools are in a pool of schools with similar size and needs. Large private institutions tend to manage their own risk management and insurance programs with significant self-insurance levels.

Of the 25 institutions that participated in the survey, significant interest in joining the Master Property Program has been expressed by the University of Alaska, University of Colorado System, University and Community College System of Nevada, Colorado School of Mines, University of Washington, University of Wyoming, the Maricopa County Community College District, and the Thunderbird Garvin School for International Management. There will likely be several others as more institutions learn about the MPP and the Property & Casualty Program.

MHEC's Master Property Program

Institutions in six of the 10 member states in the Midwest Higher Education Compact participate in the Master Property Program: Illinois, Kansas, Michigan, Minnesota, Missouri, and Nebraska. The other four MHEC member states (Indiana, North Dakota, Ohio, and Wisconsin) have administrative or legislative requirements that restrict institutions' ability to purchase through the consortium or have opted not to participate to date. The current program is sponsored by MHEC and overseen by a committee of representatives from the member institutions. It is underwritten by insurance companies selected by the participating institutions and administered by the service team of Marsh, Inc., and Captive Resources LLC (CRI). MHEC provides the program coordination and staff support. The program is currently underwritten by Lexington AIG.

Public and private nonprofit colleges, universities, and community and technical colleges in the MHEC states may apply for admission to the Master Property Program. Acceptance is contingent upon approval by the membership's oversight committee, service team, and partner markets. Members must demonstrate that they have implemented good risk management practices on their campuses and have taken preventative measures to reduce avoidable losses over the years. Potential members are asked to provide a statement of insurable value by building, library values, fine art values, business interruption worksheets, five-year loss history, and loss control reports.

MHEC periodically issues a single request for proposal (RFP) on behalf of the participating institutions. Proposals are reviewed and an endorsed carrier is selected by the participating institutions.

The Master Property Program Committee, composed of representatives from each of the participating institutions, and its oversight committee work with MHEC staff to direct the program. The Master Property Program Committee meets annually to review programmatic issues and to approve major policy changes and activities. The oversight committee directs the major operations of the program, overseeing the development of program policies, premium allocations, new program membership, and selection of program administrators and insurance underwriters. The oversight committee meets semiannually or as needed to review and discuss program issues.

Program Structure

The Master Property Program utilizes a four-layer system to provide broad insurance coverage. Layer one: Each participating institution retains an individual deductible of at least \$25,000 that is applied to each claim. Layer two: Participating institutions pay into a group loss fund (also called the captive fund); the fund retains the next \$250,000 of loss coverage per occurrence, subject to an annual aggregate maximum of some \$4 million. Layer three: Any loss that exceeds the loss fund coverage is insured by the primary layer through Lexington Insurance Company. Layer four: An excess layer provides coverage per occurrence (not per member) up to \$500 million. This coverage is provided via a subscription policy, with Landmark America taking the lead. If the \$250,000 loss fund is depleted in any given year, the Lexington coverage automatically drops down and provides blanket insurance in excess of the members' individual deductible. Opportunities are provided for individual members to obtain additional coverage to meet their special needs; the Master Property Program provides the core insurance coverage and members retain flexibility to address their individual needs. Each institution, at their own discretion, may select to retain a local broker to work in conjunction with

the program's administrative team. A number of the MHEC member institutions retain the services of a local broker, while others do not.

Coverage Levels Available Through the Program

The Master Property Program's group size enables the members to benefit from broad coverage. The basic coverage for all members includes:

- \$500,000,000 limit in basic layered program.
- \$500,000,000 excess layer is available.
- \$100,000,000 earthquake, aggregate.
- \$100,000,000 flood (except \$50,000,000 for 100-year flood zones, as determined by FEMA) aggregate.
- \$100,000,000 terrorism.
- \$25,000,000 service interruption – property damage and time element.
- \$25,000,000 automatic coverage for 90 days.
- \$25,000,000 contingent time element.
- \$25,000,000 transit.
- \$25,000,000 miscellaneous unscheduled property in U.S. and Canada.
- \$1,000,000 incidental foreign, subject to policy territory.
- \$1,000,000 per occurrence/\$10,000 per person for personal property of students and patients.
- Ingress/egress – 30 pay period.
- \$500,000,000 for boiler and machinery coverage, subject to sublimits of \$5,000,000 for each of the following: perishable goods; hazardous substance; electronic data processing (including data restoration); expediting expense and CFC refrigerants.
- Crime coverage available as a program extension.

Program Dividends

After accounting for all MPP losses and expenses, end-of-year loss fund balances and interest income may be paid to the participating institutions, based on a dividend formula approved by the program participants. Institutions that have incurred a property loss during the year that exceeds the amount of their financial participation in the group loss fund are ineligible for a dividend payment. Institutions that leave the program forfeit their remaining equity, if any, in the loss fund. The MHEC service team and oversight committee are considering options to utilize future loss fund dividends to strengthen and grow the loss fund over time.

An Array of Services to Help Prevent Loss

The program administrator Marsh-Cleveland's risk consultants assist institutions by providing a variety of engineering services, including:

- Property loss prevention surveys: Consultants examine buildings with \$5 million or more of total insurable value and suggest strategies to improve safety and risk management. Color-coded insurance diagrams are created that provide an overview of each campus and related physical protection features. More extensive, maximum foreseeable loss evaluations are conducted for facilities with values exceeding \$100 million to ensure that they have proper property insurance capacity.
- Plan reviews and inspections: Building construction, fire protection, and fire alarm plans can be reviewed to help ensure the appropriate protection features are included in each remodel and new construction project. In addition, inspections of boilers and machinery can be performed when required by the respective jurisdiction.
- Infrared thermography surveys: Consultants use infrared thermography, an effective, nondestructive survey technique, to pinpoint problems in complex electrical and mechanical systems and to reduce energy usage.
- New construction and major remodel bid specs: Customized bid specs, that are in accordance with industry-recognized highly protected risk (HPR) property insurance standards, can be generated for each major remodel and new construction project.
- Web-based data management: Engineering information is assembled and tracked via a dedicated web site. Members have access to their respective institution's data that may include recommendations, action plans, infrared thermography findings, and other elements.

- Annual loss control workshops: Institutions' risk managers and facilities personnel attend workshops convened by the MHEC Master Property Program to learn about risk management techniques and safety issues.

Claims Handling

An independent adjusting company, GAB Robins, handles all property claims for member institutions. Each member is required to report any loss that exceeds 50 percent of the member's institutional deductible. Member advocacy is provided by Marsh and CRI, as needed, to provide timely resolution of property claims.

Member Testimonials

"As one of the smaller institution members in the Master Property Program, we're able to access coverage and service that we could not otherwise afford. The Loss Control Workshop also provides a great forum to learn from others and allows me to network with my peers."

– Thomas D. Clayton, insurance and risk manager, Johnson County Community Colleges, KS

"One of the wonderful things about our program is how our members stuck together during some tough times, and the result has been a favorable rippling effect for higher education across the entire country."

– Wm. A. Payton, director of risk management division, University of Missouri

"The infrared thermography helped us find an electrical problem in one of our newly constructed buildings that could have been costly if it had gone undetected."

– George Kroder, risk manager, Saint Louis Community College, MO

"The RFP process used by MHEC met the State of Missouri's purchasing requirements, making it unnecessary for our office to go through the long and tedious process of bidding insurance. By going with the MHEC program, they not only did all the bid preparation, but were able to negotiate much better rates and broader coverage than our office could have obtained independently."

– Carla Ahrens, risk management specialist, State of Missouri

MHEC's Property & Casualty Program

On April 1, 2004, MHEC introduced a new initiative designed to meet the needs of smaller colleges and universities through a risk-pooling arrangement that is similar to the MHEC Master Property Program. The program is targeting two-year and four-year public and private institutions with enrollments under 7,500 within the 10 MHEC member states. Many of the smaller institutions need to leverage their casualty and property coverage together, and many have found the minimum policy deductible of the MPP too high. An oversight committee will be established to represent the institutional members in this regional program.

The mandatory insurance core coverage areas for members include:

- "All risk" property (including business income and boiler and machinery).
- Crime.
- General liability (including police professional and employee benefits liability).
- Automobile liability (including liability, physical damage, and statutory coverages).
- Educators' legal liability.
- Foreign liability.
- Miscellaneous professional (allied health).
- Umbrella/excess liability. Members also may participate in these noncore coverages:
 - Workers' compensation including employer's liability.
 - Non-owned aviation.

The Property & Casualty Program will also provide a loss control program. Its elements will include most of the services provided by the Master Property Program, along with fleet safety, casualty loss control management programs and policy reviews (safety audits, emergency response planning, alcohol abuse policies, etc.), campus security, dorm exposures, club sports/athletics, foreign travel, and other areas.

The following comments were provided by three members of MHEC Master Property Program regarding the benefits their organizations have received from this regional program.

Cary Jones, risk manager, University of Minnesota System:

"The University of Minnesota System has been a member of the Master Property Program since 1994. We have saved millions of dollars and have broader coverage than we would have otherwise. We have enjoyed the professionalism of the members and feel that the Master Property Program is one of the best programs we have seen. I highly recommend the program."

P. J. Kale, risk manager, University of Illinois:

"Illinois public higher education institutions are in their second year with MHEC; July 1 will begin the third year. Since our first year with MHEC began after September 11, there were no premium savings per se; however, what was attractive was the availability and relative affordability of the program. At that time the coverage was underwritten by FM Global, and they still were offering a full \$500 million of coverage themselves. Of course, we experienced higher retentions and a reduction in overall limits, but I am unaware of any institution that did not after 9/11. The MHEC program offered coverage enhancements we had not seen in prior programs, although we did lose some flexibility we had with our prior programs. Beginning with the July 1, 2003, renewal, we did see premium savings for all of our institutions over FM Global's proposed pricing. The Lexington program further expanded certain coverage enhancements. We are also happy that Marsh/MHEC came up with the concept of having our loss prevention services outsourced to TVA and others. I had an unhappy experience with FM spending six weeks on one of my campuses yet having no information back from them to show for it. Yes, I would highly recommend MHEC's Master Property Program to other higher education institutions who have a commitment to loss prevention and program stability. I do not think MHEC is the right program for an institution looking for just a price break and who might shop their account each year for the lowest deals."

Carla Ahrens, risk management specialist, State of Missouri:

"I represent the nine Missouri State colleges and universities who are original members of MHEC Property Insurance Program, dating back to 1994. My schools are relatively smaller than many of the institutions, and I believe by participating in this group purchase we are able to achieve considerable premium savings based on the size of the program as a whole rather than nine regional colleges and universities going out on their own. Our experience has been that the program has saved us hundreds of thousands of dollars during the past 10 years, and there is no way that we could find coverage this broad outside of the program on our own. The professionals we work with at MHEC, Captive Resources and Marsh, are all top-notch individuals providing superior service to all members. Over the years there have been growing pains of some slow response from the Marsh reps; however, those issues have been dealt with swiftly and are no longer an issue as far as I am concerned. If you have additional questions, please do not hesitate to contact my office."

Fiscal and Staff Impact

WICHE will hire a consultant to assist staff in contacting WICHE-region institutions that may want to join either the MPP or P&CP. We estimate approximately \$20,000 in general funds will be needed for program marketing. Until we know which institutions are going to join, and what their insurance premiums and contributions to the group loss fund will be, it is difficult to make revenue projections. By way of comparison, the Midwestern Higher Education Compact anticipates its 2004 revenues from the MPP will be \$170,000; its staff and direct expenses will be approximately \$80,000, resulting in a net gain of \$90,000. MHEC assesses a 1 percent administration fee on the 36 institutions that are members of MPP.

Action Requested

Staff requests approval for WICHE to partner with the Midwestern Higher Education Compact to expand the Master Property Program and Property & Casualty Program to include institutions in the WICHE region for the period from May 2004 through June 30, 2006. An administration fee of 1.25 percent would be assessed by MHEC on the annual premiums and group loss fund contributions of the participating institutions. Revenues from this fee will be split evenly between WICHE and MHEC.

Monday, November 8, 2004

10.00 - 11.00 am

Interlocken B

What's Up in the WICHE West? And What's WICHE Been Up to Lately?

These are interesting times! As the economy begins to recover, many states are looking at more rosy financial scenarios than they have seen in the last few years. A recent report from the Rockefeller Institute, however, cautions that many states still face difficult times ahead, due to the instability and inconsistency of the current recovery; another problem is the fact that states which used nonrecurring revenues to fund recurring budget items in the last couple of years must now adjust to filling the void they face. A number of Western states are using these challenges as opportunities to rethink the fundamental ways in which they have and will finance and deliver public higher education in the future. The goal – broad access to high quality education and research – has not changed, but the means of achieving it are being rethought in a number of places.

This session will present data on what has been happening lately with respect to enrollments and finance throughout the region and will describe a number of very creative initiatives throughout the West. It will also provide an opportunity for commissioners to discuss these activities and to share new initiatives that are emerging within their states.

Biographical Information on the Speakers

David A. Longanecker is the executive director of the Western Interstate Commission for Higher Education. Previously, he served for six years as the assistant secretary for postsecondary education at the U.S. Dept. of Education, developing and implementing national policy and programs providing more than \$40 billion annually in student aid and \$1 billion to institutions. Prior to that he was the state higher education executive officer (SHEEO) in Colorado and Minnesota. He was also the principal analyst for higher education for the Congressional Budget Office. Longanecker has served on numerous boards and commissions and was president of the State Higher Education Executive Officers. He has written extensively on a range of higher education issues. His primary interests in higher education are: access, teacher education, finance, the efficient use of educational technologies, and academic collaboration in Canada, the United States, and Mexico. He holds a Ed.D. in education from Stanford University.

Cheryl Blanco is senior program director for Policy Analysis and Research at WICHE. She monitors historical and emerging socioeconomic and political trends that impact higher education; directs the work of several policy projects; and produces a variety of publications to improve policymaking in higher education. She was appointed by U.S. Secretary of Education Richard Riley to the Advisory Council on Education Statistics for the National Center for Educational Statistics, U.S. Department of Education, and is past chair of the National Postsecondary Education Cooperative. Prior to joining WICHE, she was educational policy director at the Florida Postsecondary Education Planning Commission. She has held faculty and administrative positions at Arecibo Technological University College, University of Puerto Rico, including assistant to the vice president for academic affairs, director of the division of continuing education, coordinator for professional development, and tenured associate professor in the English Department. She received her Ph.D. in higher education from Florida State University.

Monday, November 8, 2004

11.00 - 12.30 am

Interlocken B

Policy Discussion: *Measuring Up 2004*

In September, the National Center for Public Policy and Higher Education published its third edition of the highly regarded and widely read *Measuring Up* report. *Measuring Up 2004* provides a national report card for each of the 50 states on six indicators of higher education performance: preparation, participation, affordability, completion, benefits, and learning. Three aspects distinguish this report from previous volumes. First, *Measuring Up 2004* presents historical information about each state's performance over the past decade on each measure, where that information is available; this allows states to see how they have improved or lost ground over time. Second, the "grading" with respect to the affordability index was changed substantially to compare states with best "past" practices, rather than best "current" practices. The net effect of this change is that *Measuring Up 2004* fails more than two-thirds of the states on this index, whereas only one-fifth of the states were given failing grades in the previous report. In the West, California received a "B," Utah a "C," Hawaii a "D," and Colorado and Idaho a "D-"; the rest of the WICHE states were given failing grades. Third, *Measuring Up 2004* continues to give 45 states "Incompletes" on student learning because there are no common benchmarks for learning to allow state comparisons; however, this year it does give five states a "+" on learning for having participated in a national Pew Charitable Trusts project on college-level learning. Nevada is the only WICHE state to receive a "+."

Biographical Information on the Speaker

Patrick M. Callan, founding president of the National Center for Public Policy and Higher Education, will join the commission meeting to discuss *Measuring Up 2004*. Established in 1998 by a consortium of national foundations, the center is an independent, nonprofit, nonpartisan organization whose purpose is policy research and the promotion of public policies to enhance opportunities for high quality education and training beyond high school. From 1992 through 1997, Callan was executive director of the California Higher Education Policy Center; previous to this, he served as vice president of the Education Commission of the States, executive director of the California Postsecondary Education Commission, and in several other posts. He is coeditor of *Public and Private Financing of Higher Education: Shaping Public Policy for the Future* and coauthor of *Designing State Higher Education Systems for a New Century*, a study of state organization and governance of higher education. In 2001, he collaborated with Gene Maeroff and Michael Usdan on *The Learning Connection, New Partnerships Between Schools and Colleges*. He has served as an advisor to blue ribbon commissions, state education and higher education boards, governors' offices, and legislative committees in many states. He served as a WICHE commissioner representing California from 1979 to 1986 and as chair of the commission from 1982 to 1983.

Monday, November 8, 2004

2.00 - 3.15 pm
Interlocken B

Policy Discussion: The National Collaborative for Postsecondary Education Policy, and Response to *Measuring Up* 2004

Dennis Jones, president of the National Center for Higher Education Management Systems, will share with the commission the lessons that he and his colleagues have learned through the National Collaborative for Postsecondary Education Policy, a joint Pew Charitable Trusts-funded effort of the Education Commission of the States, the National Center for Higher Education Management Systems, and the National Center for Public Policy and Higher Education. The collaborative is working to assist a select group of states in better understanding the findings of *Measuring Up* and to devise effective ways to act positively on this information. Through this work Jones and his collaborative partners have gained valuable insights into how states can devise strategies to develop policies and practices that will improve their performance on these indices of higher education performance.

Biographical Information on the Speaker

Dennis Jones is president of the National Center for Higher Education Management Systems (NCHEMS), a research and development center founded to improve the management effectiveness of colleges and universities. A member of the staff since 1969, Jones is widely recognized for his work in such areas as state and institutional approaches to budgeting and resource allocation; strategic planning; educational needs assessment; faculty workload and productivity; and information for strategic decision making and the development of educational indicators. Jones has written many monographs and articles on these topics, has presented his work at many regional, national, and international conferences, and has consulted with hundreds of institutions and state higher education agencies on management issues of all kinds. Prior to joining NCHEMS, Jones served as an administrator (in business and in institutional planning) at Rensselaer Polytechnic Institute. He received his graduate and undergraduate degree from that institution in the field of engineering management.

Monday, November 8, 2004

3.30 - 4.30 pm
Interlocken B

Policy Discussion: New Adventures with Technology: Open Educational Resources

In the past decade universities and colleges have gone through a number of ventures using technology. However, today, the field is evolving again. We are moving away from an expectation of immediate riches as students from all over the world sign up for e-learning programs; instead, we're focusing on how to manage what we have. How can we use technology to help students succeed? How can we use technology to increase the quality of higher education? How can we afford technology? One approach with multiple projects is open educational resources. This session will review some of those projects and help you to see what is on the horizon.

Biographical Information on the Speaker

Sally Johnstone is the founding director of WCET, the Cooperative advancing effective use of technology in higher education. Johnstone's special areas of expertise include: the effects of the integration of technology on higher education institutions and system organizations; collaborations; quality assurance issues; project development and evaluation; international projects; and generally supporting WCET members in the planning for and implementation of e-learning. Johnstone serves as a contributing editor for *Change* magazine and on the editorial board for the journal *Open Learning*. She has served on the boards of American Association of Higher Education and the U.S. Open University. She has authored dozens of publications on distance and distributed learning. She also leads workshops and gives about a dozen invited addresses each year to higher education organizations. She earned her Ph.D. in experimental psychology from the University of North Carolina at Chapel Hill.

Monday, November 8, 2004

4.30 - 5.30 pm – November 8

9.30 - 11.00 am – November 9

Interlocken B

Programs and Services Committee

Phil Dubois (WY), chair
Carl Shaff (NV), vice chair
Don Carlson (WA), ex officio
Diane Barrans (AK), ex officio

Marshall Lind (AK)
John Haeger (AZ)
Herbert Medina (CA)
Bill Byers (CO)
Roberta Richards (HI)
Jack Riggs (ID)
Ed Jasmin (MT)
Committee vice chair (NV)
Dede Feldman (NM)
Robert Potts (ND)
Cam Preus-Braly (OR)
Tad Perry (SD)
Richard Kendell (UT)
Ex officio (WA)
Committee chair (WY)

Agenda

Presiding: Phil Dubois, chair

Staff: Jere Mock, director, Programs and Services
Margo Stephenson, coordinator, Student Exchange Programs



Programs and Services Committee
meeting minutes, May 17, 2004

7-3

Information Item: *The Equity Scorecard* – Jere Mock;
Suzanne Benally, WICHE consultant; and Estela Mara
Bensimon, professor of higher education and director of the
Center for Urban Education, University of Southern California

7-9

Information Item: WICHE's Student Exchange Programs and
the Northwest Educational Outreach Network (NEON) – Jere
Mock and Margo Stephenson

7-11

Information Item: WICHE's collaboration with the Midwest
Higher Education Compact to offer group insurance programs –
Jere Mock

7-15

Other business

Adjourn

INFORMATION ITEM

WICHE's Student Exchange Programs and the Northwest Educational Outreach Network (NEON)

Student exchange was the principal reason for the creation of WICHE, according to the original Western Regional Education Compact, the covenant that established our organization in the early 1950s. While the mission of WICHE has expanded over the last 50 years, student exchange remains one of our core functions and an essential element of our current goal “to expand educational access and excellence for all citizens of the West.”

Our programs serve a trio of constituents:

- Students utilize our Student Exchange Programs to expand their educational opportunities, making it possible for them to enroll in a wide range of programs throughout the West, including programs that aren't available in their home state.
- Institutions use our Student Exchange Programs as a means of reaching a critical mass in undersubscribed programs, thus achieving greater cost effectiveness. Institutions also see student exchange as a way to enhance program quality by attracting a greater diversity of students of exceptional academic ability from throughout the region.
- States view our Student Exchange Programs as a tool for filling critical workforce needs in a cost-effective manner and as a way of assuring their citizens access to a broad array of educational programs and institutions.

Thus, for these three groups of stakeholders, our programs serve the following purposes:

- Expanding affordable educational opportunity.
- Assuring access to important programs that are unavailable in some states.
- Ensuring a workforce in areas of critical need.
- Reducing the financial burden on state residents.
- Increasing the cost effectiveness of low-volume programs.

A brief description of each of the programs, current participation levels, and information on new developments in each area, follows.

Professional Student Exchange Program – The PSEP program provides students in 12 Western states with access to a wide range of professional programs that otherwise might not be available to them because the fields of study are not available at public institutions in their home states. WICHE PSEP students pay reduced levels of tuition – usually resident tuition in public institutions or reduced tuition at private schools. The home state pays a support fee to the admitting schools to help cover the cost of the students' education. WICHE students receive some preference in admission in Group A fields, where access is more restricted.

Each participating state determines the fields and the number of students they will support; each state supports students in some – not all – fields. Some states have additional arrangements for professional education with schools in the West or elsewhere. The 14 fields include: medicine, dentistry, veterinary medicine, physical therapy, occupational therapy, optometry, podiatry, osteopathic medicine, physician assistant, graduate library studies, pharmacy, public health, architecture, and graduate nursing. During the 2004-05 academic year, 689 students are enrolled through PSEP.

New developments: Graduate nursing was reinstated as a supported field, following approval by the WICHE Commission in May 2003. Four institutions – Loma Linda University, University of Hawaii at Manoa; University of North Dakota; and the Oregon Health & Science University – have agreed to enroll students through PSEP. Wyoming is the

only state that is supporting students in graduate nursing. We are also working with states to determine their interest in supporting students in mental health professions through PSEP.

Western Regional Graduate Program – WRGP includes master's and doctoral degree programs that are not widely available throughout the West. To be eligible for WRGP, programs must be distinctive on two criteria: they must be of demonstrated quality, and they must be offered at no more than four institutions in the WICHE region (exclusive of California). Programs are nominated biennially by their institutions, peer reviewed by other graduate institutions in the region, and approved by the Student Exchange Program Advisory Council, whose members include the state-level academic affairs officers from each of the WICHE states.

WRGP is particularly strong in programs targeted to the emerging social, environmental, and resource development needs of the West and includes several innovative interdisciplinary programs. Through WRGP, graduate students who are residents of the 14 participating states may enroll in participating programs in public institutions on a resident tuition basis. To receive WRGP tuition status, students apply directly to the participating institutions. In most cases student tuition revenue is the total financial resource flowing to the institution because there are no interstate support fees for students in this program. WRGP attracts students into graduate programs with excess capacity, thus providing greater academic choices for students and an enlarged student pool for institutions.

WRGP currently includes 144 programs offered by 35 institutions. In 2003, 435 WRGP students were enrolled in 125 participating programs; nine of the programs did not report their WRGP enrollments. We are currently collecting enrollment data for the 2004 academic year.

New developments: Fifteen new programs were added to the exchange last spring, and a new brochure describing all of the programs has been developed. The next round of nominations for WRGP will be solicited from institutions in late 2005.

Western Undergraduate Exchange – This regional exchange program enables students in participating states to enroll in designated two-year and four-year public institutions and programs in other participating states at special, reduced tuition levels. The WUE tuition rate is 50 percent more than the institution's regular resident tuition. In 2003-04, WUE students saved some \$90.5 million in tuition costs.

Students clearly like WUE. Some 18,850 students are enrolled in 120 (65 four-year and 55 two-year) WUE institutions this year, an increase of 10 percent over last year's total. Students from 14 WICHE states are eligible to enroll in any of the participating programs (Hawaii residents are eligible to enroll in any four-year participating program and California residents are eligible to enroll in selected programs in Alaska, Hawaii, New Mexico, North Dakota, South Dakota, Washington, and Wyoming). One school in California, the Maritime Academy, accepts students through WUE.

Each state determines which institutions and programs it will make available to students in the Western Undergraduate Exchange. Eligibility for admission and for WUE tuition is determined by each participating institution. Some institutions open all of their programs to WUE students while others restrict admission to specific programs. Similarly, some institutions require that students meet specific academic requirements, including minimum GPAs and/or college placement exam scores. Ninety-two percent of the participating institutions (61 of 65 institutions) accept transfer students. Those that do not include: New Mexico Tech (16 WUE students), University of Oregon (137 WUE students), Washington State University (324 WUE students), and Western Washington University (33 WUE students).

There are many benefits of WUE for students. WUE gives them affordable access to programs that may not be available in their home state or that do not have sufficient capacity. WUE also provides students with a more diverse array of institutions in which to enroll.

WUE can help institutions to build an enrollment base to strengthen programs, improve efficiency by filling excess capacity, and provide student diversity. Some institutions that border other states value the program as it enables them to serve the citizens of the nearby communities. States benefit from WUE in several ways. Many of their residents are able to attend affordable institutions in other Western states at no expense to the state. Students may decide to remain in the receiving state following graduation, helping the state to build an educated workforce.

New developments and challenges: We are working with Chris Morphew, an associate professor of higher education

administration at the University of Kansas, on a comprehensive, 19-month study of WUE that will provide useful information to institutional and state policymakers and WICHE. The study will examine the motivations and experiences of WUE students; the relative usefulness of state and institutional policies designed to encourage interstate student migration; and whether former WUE students are likely to stay in the “new” state after graduation. Morphew received a grant from Lumina Foundation for Education to conduct the study. Given the enrollment challenges faced by many states – either too many students, or too few, depending on the state – it is important to better understand how out-of-state migration patterns are likely to affect student access and success, and how these patterns may be affected by regional efforts designed to make migration easier. We also hope to gain insight about institutions’ and states’ future plans for WUE, plans that may be impacted by changing demographic and economic circumstances.

Colorado State University notified WICHE in late January 2004 that it will withdraw from participation in the WUE program for fall of 2005. The university will, however, continue to honor the financial commitments that have been made to WUE students who are already enrolled at CSU, as long as they maintain the appropriate academic requirements. CSU President Larry Penley said this action is due to the current financial constraints facing the university. In fall 2003, CSU enrolled 285 WUE students at its campus in Fort Collins. This change does not affect the WUE participation of the Colorado State University, Pueblo; 243 WUE students were enrolled at CSU Pueblo in fall 2003. This fall we learned that the University of Northern Colorado is also ending its participation in WUE; 472 students were enrolled through WUE at UNC in fall 2003. Finally, Western State College of Colorado has also withdrawn from WUE; it enrolled a total of 45 WUE students in the fall of 2003. These institutions may believe that they can attract more nonresident students who will pay higher tuition than WUE students.

NEON, the Northwest Educational Outreach Network, was created as a partnership of the Northwest Academic Forum and WICHE to help institutions and states to share academic programs and resources using distance-delivered education. We are developing NEON with a three-year grant of \$616,000 from the U.S. Department of Education Fund for the Improvement of Postsecondary Education (FIPSE). Distance-delivered degree or certificate programs, each involving multiple institutions, are being expanded or created in three disciplines: nursing (Ph.D.), logistics and global supply chain management, and library media (graduate certificates).

The NEON nursing Ph.D. consortium has reached out to 18 institutions in the 15 WICHE states to encourage collaborations that will expand access to Ph.D. programs. One important “access partnership” that has developed involves the Oregon Health and Sciences University School of Nursing (OHSU SON), offering its Ph.D. program in nursing to rural Western states and institutions that do not have doctoral programs in nursing. Students from the University of Alaska Anchorage are enrolled this fall in the OHSU program as a result of NEON’s efforts; and others at Idaho State University, the University of Nevada, Reno, and the University of Wyoming may enroll next fall. NEON has also created, in partnership with the Western Institute of Nursing, the NursingPhD.org Web site. The site provides information on all of the doctoral programs offered in the 15 Western states and guides prospective students on several important decisions, such as matching their scholarly interests with faculty research expertise and career opportunities. NEON also is conducting a survey of all of the schools of nursing in the West to determine what masters programs are currently available and will add this information to the NursingPhD.org Web site.

Also through NEON, three institutions in the WICHE region are creating an online graduate certificate program in logistics/supply chain management. This is a growing field in the business and military sectors that involves managing supply chains to move materials and component parts into and within businesses, organizations, and to customers. The three partner institutions for this new online program are the University of Alaska Anchorage, the University of Hawaii Manoa, and the University of Nevada Reno. The elements of the certificate will be nine credit hours of core courses that will be taken by all students seeking the certificate and six credit hours of concentration courses. Each of the partner institutions is developing specific core and concentration courses for the joint program.

The third NEON academic program involves extending online programs in library media certification to rural Western states that do not provide these programs through state-supported institutions. There is a growing shortage of certified school library media specialists in many Western states, fueled by staff retirements, a shortage of distance-delivered educational opportunities in this field, and the discontinuation of higher education library media preparation programs in several Midwestern states. Montana State University Bozeman and the University of Washington are working with North Dakota’s Department of Public Instruction, Library Association, and State Library to make their programs available in North Dakota.

INFORMATION ITEM

WICHE/Center for Urban Education Equity Scorecard Project

Executive Summary

In March 2004, the WICHE Commission granted approval for WICHE to serve as a subcontractor to the University of Southern California's Center for Urban Education (CUE) to conduct a pilot of the *Equity Scorecard* (EqS) initiative with two institutions in the WICHE member states. The CUE received a \$150,000 planning grant from the Ford Foundation to support expansion of its EqS project; WICHE's subcontract totals \$60,936. The subcontract includes two dimensions:

- Demonstration projects at two institutions in Colorado: Fort Lewis College in Durango and Metropolitan State College of Denver.
- The development of a plan for expansion to other institutions in the West and a grant proposal for funding such an expansion.

The Equity Scorecard is an ongoing initiative designed to foster institutional change in higher education. Its fundamental aim is to close the achievement gap for historically underrepresented students. The idea for the *Equity Scorecard* was initially developed when it became evident that equity, while valued, is not something that is measured in relation to educational outcomes for traditionally disenfranchised students in higher education.

The Colorado pilot project will build on the earlier work of Estela Mara Bensimon, professor of higher education and the director of the Center for Urban Education, and her colleagues. Their work examined inequities in educational outcomes for students of color at 14 institutions in Southern California. The campuses participated in a diversity audit process and developed individualized action plans to better address the educational needs of racially and ethnically diverse students. The institutions include three California State University campuses (Dominguez Hills, Fullerton, and Los Angeles); five community colleges and six private colleges and universities. Funding for the project was provided by The James Irvine Foundation, through an \$800,000 grant, along with support from USC.

The Equity Scorecard as an Approach to Institutional Change

The usual approach for improving students' educational outcomes is to adopt programs or practices that work, skipping the problem-defining stage and quickly moving to implementation of preferred solutions or best practices. A central premise in the *Equity Scorecard* approach, in contrast, is that the involvement of individuals in a research process about inequities on their own campuses is a powerful form of intervention. The aim is to bring about change in the attitudes, awareness, values, commitments, and beliefs of individuals who are in roles that can affect the outcomes of students. The *Equity Scorecard* approach also regards inequities in educational outcomes as a problem of institutional performance, rather than the manifestation of student deficiencies.

The *Equity Scorecard* framework provides four concurrent perspectives on institutional performance in achieving equity in educational outcomes: access, retention, institutional receptivity, and excellence. It is a tool and process that campus teams can use to organize existing institutional data into indicators of performance that facilitate institutional self-assessment.

The scorecard project has shown that institutional data disaggregated by income, gender, and racial-ethnic categories has a powerful effect on deepening the understanding of faculty members, administrators, and counselors about the existence of inequities in educational outcomes. The model is unique in that rather than treating data collection as the precursor to a solution-oriented intervention, the data collection and analysis are structured to be the change-producing intervention. The Center for Urban Education has found that individuals who participate in the *Equity Scorecard* inquiry process, many of whom were initially resistant or indifferent to notions of equity in educational outcomes, develop a commitment to bring about change.

WICHE/CUE Pilot Project

The purpose of the planning grant is to modify the processes and methods of the *Equity Scorecard* approach so that it is more “scalable”—in that it can be implemented within a 12-month period, at campuses that are geographically dispersed, while retaining the best qualities of the “high touch” and “consultative” philosophies of the Equity Scorecard project, by training key individuals on campuses to assume the coaching and facilitative roles of the USC-CUE researchers (eg., a “train-the-trainer” approach).

Suzanne Benally, former WICHE staff member who directed WICHE’s Institute on Ethnic Diversity, is managing the pilot project as a consultant, with funding provided by the Ford Foundation. She is working with Jere Mock and David Longanecker at WICHE and Estela Mara Bensimon at USC’s CUE.

Recent project activities have included selecting the two institutions to participate in the project; meeting with each campus president, provost, and preliminary team members (the teams include five or more faculty members, administrators, counselors, and others); and preliminary data collection.

The criteria that were used to select the two institutions include the following. The institution must:

- Enroll a significant percentage (preferably 25 percent) of students of color.
- Be a four-year, non-doctoral granting college.
- Have one campus serving a large number of American Indian students.
- Have presidential commitment.
- Have the capacity to conduct institutional research.
- Have an historical commitment to diversity.
- Be Colorado based.

Fort Lewis College’s commitment to diversity is reflected in its mission statement, curriculum, special programs, and in its historical commitment to provide tuition-free education for American Indian students. The institution has developed a diversity plan to enhance educational opportunities for all minority groups, particularly Hispanic and American Indian students living in the Southwest. Metropolitan State College is an urban, nonresidential college that serves a diverse student population; its tuition has been and remains among the lowest in the state. The campus attracts students from a diverse mixture of age groups and socioeconomic classes; ethnic minorities make up 23 percent of MSC’s students.

Next Steps

Metropolitan State College began implementation on Oct. 19 with a team training session; Fort Lewis College’s training was held on Nov. 3. The institutional teams will select their own measures to assess how their campus performs in providing equity of outcomes to their students in relation to access, retention, academic excellence, and institutional receptivity benchmarks. Potential measures include a variety of student outcomes: completion of gateway courses, majors chosen, degree completion, transfer from two- to four-year colleges, grades earned, and others. A team leader and an institutional researcher will be trained in the methods, tools, and processes of the *Equity Scorecard* approach and will facilitate the development and implementation of the approach on their campus with their team.

Each team will prepare a final report that analyzes campus “vital signs” and identifies strategies to improve the educational success of underrepresented ethnic minority students. The results of each institution’s *Equity Scorecard* process will be shared with the full campus community in the spring of 2005 and the institutions will be encouraged to maintain annual vital signs reports to track their ongoing progress.

As the Colorado project develops, CUE and WICHE will pursue funding from foundations that may financially support the expansion of the *Equity Scorecard* approach to other WICHE states and institutions.

ACTION ITEM

Programs and Services Committee Minutes

May 17, 2004

Members Present

Phil Dubois (WY), chair
Carl Shaff (NV), vice chair
Don Carlson (WA), ex officio
Diane Barrans (AK), ex officio
John Haeger (AZ)
Bill Byers (CO)
Frank Kerins (MT)
Mike Hillman (ND)
Cam Preus-Brady (OR)
Tad Perry (SD)

Other Commissioners and Guests Present

Klaus Hanson (WY), WICHE commissioner
Lance Perryman, Dean of Veterinary Medicine,
Colorado State University
Warwick Bailey, Dean of Veterinary Medicine,
Washington State University

Committee Members Absent

Marshall Lind (AK)
Herbert Medina (CA)
Jack Riggs (ID)
Dede Feldman (NM)
Richard Kendell (UT)

Staff Present

Caroline Hilk
Sandy Jackson
David Longanecker, executive director
Jere Mock

Chair Phil Dubois opened the meeting and welcomed new committee members.

Action Item

Approval of the Minutes of the November 11, 2003 Committee Meeting

Bill Byers moved and Tad Perry seconded a motion to approve the minutes of the November 11, 2003, committee meeting without revisions.

Action Item

Review of the Professional Student Exchange Program Support Fees for 2005-06 and 2006-07

Jere Mock, director of Programs and Services, presented the discussion regarding the review of the Professional Student Exchange Program (PSEP) support fees for the next biennium (2005-06 and 2006-07). Mock informed the committee that the commission reviews and approves new fees every two years. There are 14 fields in the PSEP; staff have provided a field-by-field analysis that describes the number of students that are currently supported in each field and an analysis of tuition, how much a student pays, and how much the supporting state sends. The fields are divided into two groups: Group A (nine fields) and Group B (five fields, access is not as great a concern). Staff recommend a 2 percent increase for each year of the biennium for all of the fields in both groups. The fees for dentistry and optometry have fallen behind the costs of providing the education, so staff recommend a \$2,000 addition to the base cost of both these programs as well as the two percent increase for each of the years. For physical therapy programs, staff are recommending an adjustment in the length of support from three academic years to three years academic years and six months to enable doctoral students to get coverage throughout their program.

This action item was circulated to all the certifying officers, deans, and chairs of all the programs that participate, and the SHEEO offices seeking feedback. Staff got quite a few comments back, which led to the increase in the base support fees in two fields.

Two deans from the largest veterinary programs – Dean Lance Perryman from Colorado State University (the largest program) and Dean Warwick Bailey at Washington State University (the second largest program) – provided their comments on the Professional Student Exchange Program and the recommendations on the increase in support fees. Bailey commented that the 2 percent increase proposed is certainly satisfactory for both the colleges represented. He encouraged states to find additional support for a few additional spots to fund veterinary students as the demand for trained veterinarians is increasing around the country. He said that the number of students who apply to the vet-med program, compared to those who are actually accepted into the program, is about 11 to 1. Perryman said that the rates are similar at Colorado State.

Mock said the certifying officers met on May 16 and voted in favor of the staff recommendation of an increase in support fees.

Mike Hillman asked Mock why the support fees were higher than the rates circulated earlier. He said that it is difficult to work on state budgets when those numbers continue to change. Mock commented that the new increases in the base rate of optometry and dentistry were determined after the initial 2 percent increase was proposed. Dubois said that the fees remain in flux until the commission votes on the rates at the May meeting.

Hillman moved and John Haeger seconded a motion to approve the action item for a 2 percent increase in the support fees for fields in Group A and Group B for each year of the biennium, as well as an increase of \$2,000 in the base support fee in the field of dentistry and optometry. The motion also included extending the length of WICHE support in the field of physical therapy from the current maximum of three academic years to a maximum of three academic years plus six months.

The committee unanimously approved the motion to increase the support fees for the Professional Student Exchange Program with no revisions.

Action Item

Programs and Services 2005 Workplan

Mock began this action item by reviewing the existing activities that have been approved and have funding. Then she discussed new directions that the commission has approved and for which staff are seeking funding. The third section, called “On the Horizon,” includes projects staff are considering and on which they’d like to get feedback from the commission. The workplan is separated into five priority areas: access (Student Exchange Programs); finance; innovation and info-technology (Northwest Academic Forum-NWAF, NEON, American TelEd Communications Alliance-ATAlliance); workforce (Professional Student Exchange Program, Workforce Briefs); and accountability. The unit is also responsible for communication and public affairs activities: *NewsCap*, commission agenda books and other conference materials, and fund raising.

The “New Directions” section includes: adding mental health programs to the Professional Student Exchange Program; trying to expand some of the professional advisory councils; convening the nursing deans periodically; proposing that WICHE partner with the Midwest Higher Education Compact (MHEC) to offer a property risk and insurance consortium that would purchase property and casualty insurance in the West; and creating a service repayment program to assist states that require students to return to their home state to pay back loans and meet service obligations. Another initiative involves working closely with the University of Southern California on the Equity Scorecard Project. USC has invited WICHE to be a subcontractor in this project, which involves taking teams onto various campuses to analyze the campus environment with the intent of enhancing their ability to graduate underrepresented, ethnic minority students. Staff would also like to expand the NEON project. Staff and commissioners have discussed providing electronic academic resources for students via Xap Corporation’s Mentor Systems for several states. Another discussion item is the licensure and credentialing service.

Mock said the Programs and Services unit staff includes Margo Stephenson, who will become the new program coordinator for SEP upon Sandy Jackson’s retirement. Margo has been at WICHE, working for CONAHEC (Consortium for North American Higher Education Collaboration), for about 10 years. The Communications staff includes: Deborah Jang, website designer; Candy Allen, graphic designer; Annie Finnigan, writer/editor; and two part-time administrative assistants.

Mock requested feedback on the workload. Dubois cautioned against the staff taking on too many new projects that are administrative in nature and require coordination with other organizations. Mock responded that WICHE would be able to partner with another organization that has already established a system for the risk management project. WICHE would use a similar model of assessing an administrative fee that would cover direct expenses. She said WICHE would need to get external funding to initiate the two other projects. Dubois then commented on the possibility that these new projects might be perceived as mission creep. Longanecker said we should always keep a focus on the central mission of expanding access to high-quality postsecondary education for citizens of the West. Perry suggested that each new project have an impact statement on staff and finances of the organization. Barrans asked if members of the industry, who aren't necessarily in college administration, would be included in the expansion of the advisory councils. Mock said that model is used for the vet-med advisory council. Barrans suggested that including people from the industry adds a lot to those types of advisory groups. Dubois expressed his nervousness about some of the new activities: "Things are pretty thin." Longanecker proposed that it would be unlikely that WICHE would be pursuing four new initiatives in the coming year.

Approval of workplan was moved by Carl Shaff and seconded by Cam Preus-Braly; the motion carried.

Action Item

Exploring an Insurance and Risk Management Venture in the WICHE Region

Longanecker commented that this opportunity was the "livest" option for WICHE of the new possibilities. Mock remarked that staff have gathered information from a regional survey of 25 institutions in the WICHE region and met with staff of the Midwest Higher Education Compact about the logistical details. Staff feel that institutions would benefit from a regional insurance group that would help colleges and universities to broaden property insurance coverage, reduce premium costs, encourage improved asset protection strategies, and provide a group dividend when reduced losses are experienced. MHEC has operated a regional insurance group called the Master Property Program (MPP) since 1994. Staff concluded that the best strategy would be to partner with MHEC to bring the strength and advantages of its group to institutions in our region. Mock said that partnering makes the best sense rather than starting from the beginning. Longanecker and Mock met with Larry Isaak, the president of MHEC, to learn more about the program and express interest in the possible collaboration. MHEC agreed to extend its program to the WICHE region if that is a desire of the WICHE Commission.

A few highlights of the current program of the Property and Casualty program: the plan includes property, earthquake, flood, terrorism, service interruption, and crime insurance. It offers loss control surveys, plan reviews and inspection, infra-red surveys, web-based data management and annual loss control workshops. Member institutions receive four layers of coverage. Each member institution pays a \$25,000 annual deductible and makes a contribution to a self-funded group loss fund that covers the next \$250,000 in losses per occurrence per member. Excess total insurance layers totaling \$500 million dollars are negotiated on the risk assumption of all the member institutions. The 36 member institutions in this plan have cumulatively saved \$21.6 million over the last 10 years in reduced premiums. The member institutions will share a dividend of \$1.2 million from the loss fund; this money will either be used to reduce the cost of their 2005 premiums or issued as checks.

A survey of 25 public and private institutions in the WICHE region has been conducted to determine the eligibility and interest to participate in a regional insurance-purchasing pool. Six states require their public institutions to participate in their state's risk management program: Arizona, Idaho, North Dakota, New Mexico, Oregon and Utah. Two other states, Colorado and Washington, require their statutory institutions to work through their state risk management program (though Colorado will soon be able to opt out of the state program).

Of the 25 institutions that participated in the survey, significant interest in joining the Master Property Program has been expressed by the University of Alaska, University of Colorado System, University and Community College System of Nevada, Colorado School of Mines, University of Washington, University of Wyoming, the Maricopa County Community College District, Thunderbird Garvin School for International Management, College of Santa Fe, and Albertson's College in Idaho. Staff anticipate more interest from other institutions. Staff proposed to partner with MHEC for both their Master Property Program for large institutions and the Property and Casualty program for institutions with enrollment under 7,500. Mock proposed that WICHE try this arrangement on a pilot basis from May 2004 through June 30, 2006. MHEC has been assessing a 1 percent administration fee against the \$25,000 deductible, as well as each individual institutions' contribution to the group loss fund. WICHE may want to assess a 1.25 percent administration fee for member

institutions; proceeds would be split between MHEC and WICHE to cover marketing expenses and other direct costs.

WICHE's next step would be to develop an implementation plan and convene some meetings with risk managers at interested institutions and begin marketing the program. WICHE currently has \$20,000 in the general fund budget to be used for program marketing. MHEC will take some of the expenses associated with the new expansion.

Bill Byers moved and Tad Perry seconded a motion to approve the action item to explore an insurance and risk management venture in the WICHE region.

Discussion Item

Exploring a WICHE Service Repayment Program

Longanecker proposed that WICHE establish a service repayment program that would offer states assistance in managing various types of repayment obligation programs resulting from agreements between states and students. State with these types of programs typically require students who receive financial assistance for education to repay the state, through a specified amount of service or circumstance of service or by directly reimbursing the state. Seeking the repayment by students is a tedious process for the states. State participation in the WICHE Service Repayment Program would be voluntary. Staff perceives that it will require \$250,000 a year to operate this program out of WICHE. It would be 100 percent funded from grant resources the first year and in subsequent years covered by the fees that would be assessed for the service. Self sufficiency of the program should be accomplished in five years from the states that are participating. WICHE would be a back office operation; states would still be responsible for their own programs. Longanecker answered a question regarding whether this new activity fits into the mission of WICHE by stating that he believes it does because it allows states to pursue this new area of public policy which they think is cost effective for their investment in higher education. One commissioner commented that WICHE has a history of not encouraging states to pursue the student repayment plan because of the issues it raises with student mobility between states. Longanecker stated that WICHE is benign; WICHE is not trying to promote it or discourage it. This program is a response to a perceived need in the states. Dubois stated that the complexity of this program would be "ugly." The interface with accounting and academic systems on the campus will be very complicated. This discussion item will only return as an action item if staff determine there is a plausible market for this type of program.

Discussion Item:

Exploring a WICHE Licensure and Credentialing Service

Longanecker proposed that WICHE establish a licensure and credentialing service that would offer assistance to states in licensing educational professional and certifying the competence of individuals serving in fields other than education. This idea originated from Dennis Mohatt in the Mental Health Program. States have been reducing their services in the area because of the state cutbacks across the West. It would take at least five states participating to make this plan viable. WICHE would take the requirements that a state has for licensure and credentialing, beginning with mental health and teacher education and then expanding from there. Longanecker proposed that it will take \$350,000 a year to get this program started. Longanecker has already had preliminary discussions with the new director of the Western Governors' Association because governors might be interested in this plan. The new SHEEO in Colorado, Rick O'Donnell, the former head of the state regulatory agencies, has indicated an interest in assisting with the process by suggesting people with whom to talk. WICHE would be the outsourcing agent while keeping the feel of each individual state. Commissioners expressed concern over mission creep; Longanecker stated that we would need to keep a close eye on how far we would be willing to expand the program.

Discussion Item

Report on the WUE and Student Mobility Research Project

Chris Morphew is a faculty member at the University of Kansas and has been on sabbatical, helping WICHE develop this research initiative that will examine student mobility in relation to the Western Undergraduate Exchange. WUE was established in 1988 and includes 14 WICHE states. Enrollments are nearly 19,000 students. WICHE produces an annual enrollment report that displays the migration of students across state lines, although WICHE doesn't know a lot of the details about the students who participate. Morphew's study will give us demographic data and additional information on motivation of students who participate whether they return to their home states, etc. Morphew received funding from Lumina Foundation for Education to pursue this research. Morphew asked for assistance from the commissioners to

encourage their states to send him the student contact information he is asking for. Phase one of the research will focus on three things: who uses WUE, why, and their experiences using WUE. A larger survey will be distributed in fall 2004 via the web. Morphew has contacted the WUE certifying officers; he has collected data from approximately 4,300 students as of the meeting date. His survey included 28 questions about a student's demographics, motivation, and experiences as a WUE student. The response rate was 34 percent (at the time of the meeting). Morphew was excited about such a high response rate. Morphew needs more state-level buy-in at the initial level to get the list of names and contact information from WUE students so he can send out the surveys in the fall.

FERPA (the Family Educational Rights and Privacy Act) was a concern for many of the states; Morphew and Longanecker do not feel that this conflicts with FERPA. The two reasons are: FERPA allows for audit and evaluation purposes of financial aid programs; and this project would not release data to an outside entity. This is all research done within WUE. WICHE administers WUE, and it is not a problem to share data with someone who works as a consultant for WICHE.

Some of the preliminary results indicate that students find out about WUE through their guidance counselors and institutional websites; these were the top two answers. Ten percent of students found out about WUE after they received the reduced tuition rate. One third of students surveyed applied to their current institution only after learning about WUE. Students stated the availability of certain programs and the reduced tuition rate through WUE are the top reasons for choosing a college or university. Current WUE students report that they are very satisfied with their WUE experience and would recommend the program to a friend or family member. Eighty-six percent of surveyed students report a GPA over 3.1. Students are not necessarily high socioeconomic status students. Next steps include sending out the new survey in the fall and interviewing students and administrators on several campuses.

Information Item

Programs and Services Current Projects

Committee members were invited to review the description of current projects in the agenda book.

The meeting was adjourned.

INFORMATION ITEM

WICHE's Collaboration with the Midwest Higher Education Compact to Offer Group Insurance Programs

Executive Summary

In May 2004, the WICHE Commission authorized staff to create a new partnership with the Midwestern Higher Education Compact (MHEC) to expand MHEC's Master Property Program (MPP) and Property & Casualty Program (P&CP) to include institutions in the WICHE region. The two programs can help institutions in the West improve their insurance coverage and lower premium costs. The University and Community College System of Nevada (UCCSN), with seven campuses and a research institute, is the first higher education system in the West to become a member of the MPP. WICHE staff members held meetings with representatives of Colorado, Oregon, and Wyoming institutions in October to inform them of the program.

Project Update

On July 1, the University and Community College System of Nevada (UCCSN) joined the Master Property Program (MPP), becoming the first system in the West to participate in this regional collaboration. Jon Hansen, UCCSN's risk manager, predicts that the program will save the system a half-million dollars each year on its \$2.6 billion in insured assets.

Staff, along with representatives of MHEC and Marsh Inc., the program administrator for the MPP and P&CP, met with institutional representatives from 17 Colorado and Wyoming institutions on October 7 to inform them of about these programs. Another program briefing was held on October 21 with risk managers of 17 Oregon community colleges. Contacts are also being made with institutions in Alaska, Arizona, and Washington about the program. California and Montana are eligible to participate but have arrangements or plans for purchasing insurance that currently preclude their interest in participating in a WICHE group. (Institutions in six of the WICHE states – Idaho, New Mexico, North Dakota, Oregon's four-year institutions, South Dakota, and Utah – must purchase their insurance through their state risk management program.)

Institutions that join the MPP are assessed an administration fee of 1.25 percent on their annual premiums and group loss fund contributions. WICHE will receive half of this annual assessment for each institution that participates in our region (WICHE received \$3,700 from the UCCSN membership). A subcommittee of participating members, called the Oversight Committee, provides program oversight and direction and meets twice a year as well as by teleconference. The subcommittee consists of members who have been appointed, elected, or otherwise chosen.

Details on the Master Property Program

The Master Property Program (MPP), created in 1994 by MHEC, now includes 46 member institutions (with 76 campuses) with total insured values of \$44.6 billion. The members are located throughout Illinois, Kansas, Michigan, Minnesota, Missouri, Nebraska, and Nevada. The program has generated more than \$19 million in savings for the participating institutions. Lexington AIG is the program underwriter; Marsh and Captive Resources, Inc., administer the program under the direction of an oversight committee that is representative of the insured institutions. GAB Robins handles all property claims for the member institutions.

The MPP utilizes a four-layer system to provide broad insurance coverage. Layer one: Each participating institution retains an individual deductible of at least \$25,000 that is applied to each claim. Some members chose deductibles as high as \$500,000. Layer two: Participating institutions pay into a group loss fund; the fund retains the next \$250,000 of loss coverage per occurrence, subject to an annual aggregate maximum of some \$4 million. Layer three: Any loss that exceeds the loss fund coverage is insured by the primary layer through Lexington Insurance Company. Layer four: An excess layer provides coverage per occurrence (not per member) up to \$500 million. This coverage is provided via a subscription policy, with Landmark America taking the lead. If the \$250,000 loss fund is depleted in any year, the

Lexington coverage automatically drops down and provides blanket insurance in excess of the members' individual deductible.

Opportunities are provided for individual members to obtain additional coverage to meet their special needs; the Master Property Program provides the core insurance coverage and members retain flexibility to address their individual needs. Each institution, at their own discretion, may select to retain a local broker to work in conjunction with the program's administrative team. Insurance rates range from .02574 to .07858 and are based on various factors, such as deductibles, exposures, premium size, and loss history.

End-of-year loss fund balances and interest income may be paid back to the participating institutions, based on a dividend formula approved by the program participants. Dividends are declared 18 months after the policy year; the group has accumulated a considerable loss fund and will likely distribute a sizeable dividend for the past year. The MHEC Oversight Committee voted at its Oct. 2003 meeting to declare 100 percent of available dividends for the 1998, 1999, and 2000 policy years. A dividend totaling \$418,294 was distributed to 23 MHEC members that participated in those underwriting years. In addition, they voted to declare 100 percent of the available dividend for policy year 2001 and 80 percent of the available dividend for policy year 2002 to be distributed to eligible members in fall 2004. The dividend will be approximately \$1.7 million.

Other benefits to institutions include the opportunity to participate in property loss prevention surveys, plan reviews and inspections, infrared thermography surveys, web-based data management, and annual loss control workshops. MHEC sponsors a two-day loss control workshop each year for members. Topics of interest are solicited from all of the members and experts from throughout the U.S. are recruited as speakers and workshop leaders. The 2005 workshop will be held on March 17-18 in Kansas City; several representatives from each member institution are invited to attend.

To receive a quote from Marsh to join the MPP, institutions are asked to provide: a statement of insurable values for each building, library values, fine art values, business interruption worksheets, five-year loss history, loss control reports (if available), and current financial statements. The minimum coverage levels available through the program:

- \$500,000,000 limit in basic layered program.
- \$500,000,000 excess layer is available.
- \$100,000,000 earthquake, aggregate.
- \$100,000,000 flood (except \$50,000,000 for 100 year flood zones, as determined by FEMA) aggregate.
- \$100,000,000 terrorism.
- \$25,000,000 service interruption – property damage and time element.
- \$25,000,000 automatic coverage for 90 days.
- \$25,000,000 contingent time element.
- \$25,000,000 transit.
- \$25,000,000 miscellaneous unscheduled property in U.S. and Canada.
- \$1,000,000 incidental foreign, subject to policy territory.
- \$1,000,000 per occurrence/\$10,000 per person for personal property of students and patients.
- \$500,000,000 for boiler and machinery coverage, subject to sublimits of \$5,000,000 for each of the following: perishable goods; hazardous substance; electronic data processing (including data restoration); expediting expense; and CFC refrigerants.
- Crime coverage is available as a program extension.

Another Offering: The Property & Casualty Program

WICHE and MHEC are introducing another initiative that can meet the needs of smaller colleges and universities through a risk-pooling arrangement that is similar to the Master Property Program. The program is designed for two-year and four-year public and private institutions with enrollments under 7,500. Many smaller institutions need to leverage their casualty and property coverage together and cannot afford the MPP minimum policy deductible. As membership in this new program develops, an oversight committee will be established to represent the institutional members in this regional program.

The mandatory insurance core coverage areas for members include:

- “All risk” property (including business income and boiler and machinery).
- Crime.
- General liability (including police professional and employee benefits liability).
- Automobile liability (including liability, physical damage, and statutory coverages).
- Educators’ legal liability.
- Foreign liability.
- Miscellaneous professional (allied health).
- Umbrella/excess liability.

Members also may participate in these noncore coverages:

- Workers’ compensation including employer’s liability.
- Non-owned aviation.

The Property & Casualty Program may also provide a loss control program. Its elements will include most of the services provided by the Master Property Program, along with fleet safety, casualty loss control management programs and policy reviews (safety audits, emergency response planning, alcohol abuse policies, etc.), campus security, dorm exposures, club sports/athletics, foreign travel, and other areas.

Contacts for More Information

If institutions or higher education systems would like more information about these programs, they should contact: Jere Mock, WICHE’s director of Programs and Services: phone, 303-541-0222; email, jmock@wiche.edu.

Monday, November 8, 2004

4.30 - 5.30 pm – November 8

9.30 - 11.00 am – November 9

Pine

Issue Analysis and Research Committee

Jane Nichols (NV), chair
Ryan Deckert (OR), vice chair
Don Carlson (WA), ex officio
Diane Barrans (AK), ex officio

Johnny Ellis (AK)
Larry Gudis (AZ)
Francisco Hernandez (CA)
Rick O'Donnell (CO)
Roy Ogawa (HI)
Richard Bowen (ID)
Cindy Younkin (MT)
Ray Rawson (NV)
Letitia Chambers (NM)
Richard Kunkel (ND)
James Sager (OR)
Bob Burns (SD)
David Gladwell (UT)
Debora Merle (WA)
Tex Boggs (WY)

Presiding: Jane Nichols (NV), chair

Staff: Cheryl Blanco, director, Policy Analysis and Research
Sally Johnstone, director, WCET



Issue Analysis and Research Committee
meeting minutes, May 17, 2004

8-3

Discussion Item: *Changing Directions* update and discussion

8-7

Discussion Item: *Benchmarks Report* presentation
(handout will be provided separately)

Information Item: Unit updates

1. WCET – Sally Johnstone
2. Policy Analysis and Research – Cheryl Blanco

Other business

Adjourn



A project supported by Lumina Foundation for Education

Changing Direction examines how to structure financial aid and financing policies and practices to maximize participation, access, and success for all students. Designed around an integrated approach to restructuring appropriations, tuition, and financial aid policies and practices, *Changing Direction's* overarching goal is better, more informed decision making on issues related to financial aid and financing in higher education. Over a multiyear period, the project is examining the socioeconomic-political environment in order to foster the kinds of major changes needed in the near future at multiple levels – campus, system, state, and national – and to initiate and promote those changes through public policy.

Changing Direction provides a venue for policymakers and educators from all regions of the country to critically examine strengths and weaknesses of public policies and develop new models by looking at emerging trends, their potential impact on higher education, and the policy implications related to issues of financial aid, finance, cost of education, and access. The project addresses current practices and policies, and emphasis is on exploring innovative, creative, perhaps untested approaches to national- and state-level challenges. While this necessarily involves all sources of assistance and financing – federal, state, local, and institutional – the project focuses on state policies and practices. *Changing Direction* serves policymakers in the legislative and executive branches of state government and their staffs, higher education researchers, state executive agencies, governing and coordinating boards, educators, college and university leaders, and business and corporate leaders.

WICHE and its partners – the Center for Policy Analysis at the American Council on Education (ACE), the National Conference of State Legislatures (NCSL), and the State Higher Education Executive Officers (SHEEO) – are exploring several financial aid and financing issues and the impact of public policy decisions, research, and practice. Among the key questions that the project is addressing are:

- How can policymakers at all levels – most particularly those at the state level – more effectively integrate tuition, financial aid, and appropriations policies in ways that promote student participation and completion?
- What kind of information and research is needed to strengthen policies and ensure their continuing effectiveness?
- How well do the policies and practices of the student-financing system serve the needs of different population groups? How do different population groups view the effectiveness of the current student-financing system?
- What are the implications of existing financing patterns for future policy improvements?
- What do current and near-term fiscal conditions mean for access to higher education, especially for low-income and underrepresented populations?
- How do financial aid and financing policies impact student retention at two- and four-year institutions?
- How do states establish an appropriate balance between direct support for high-quality educational programs and a level of financial assistance that enables students to participate in those programs?

Activities completed to date include a state financial aid, tuition, and appropriations policy and data inventory; a survey of state legislators on their perceptions of effective financial aid, tuition, and appropriations policies and practices; technical assistance to the five *Changing Direction* states selected through a competitive process; establishment of a national advisory board that developed a research agenda; and publication of research papers.

Changing Direction is expanding its scope to encompass the impact of revenue constraints on access and student retention and broader participation by the public two-year sector. Since policy change is a participative process that takes time to achieve, project resources are supporting individualized technical assistance through state roundtables, state case studies, and leadership institutes for legislators, executive office policy directors, trustees, and board members. Multistate forums are being convened to seek input from key stakeholders, disseminate information, and continue dialogue on regional and national issues. In addition, a national forum was held in June 2004. For more information about *Changing Direction*, please go to www.wiche.edu/Policy/Changing_Direction/index.htm.

ACTION ITEM

Issue Analysis and Research Committee Minutes

May 17, 2004

Members Present

Jane Nichols, chair (NV)
Cindy Younkin (MT)
Patricia Sullivan (NM)
Richard Kunkel (ND)
Robert Burns (SD)
Tex Boggs (WY)

Other Commissioners Present

Robert Moore (CA)
Bill Kuepper (CO)
Doris Ching (HI)
Gary Stivers (ID)
Don Carlson (WA)
Jim Sulton (WA)

Committee Members Absent

Johnny Ellis (AK)
Lawrence Gudis (AZ)
Francisco Hernandez (CA)
Tim Foster (CO)
Clyde Kodani (HI)
Richard Bowen (ID)
Ray Rawson (NV)
Ryan Deckert (OR)
David Gladwell (UT)
Debora Merle (WA)

Staff Present

David Longanecker, executive director
Cheryl Blanco
Sally Johnstone

Chair Jane Nichols convened the Issue Analysis and Research Committee on May 17, 2004. She noted a slight reorganization of the agenda item around the action item on the 2005 workplan. The minutes of the November 11, 2003, committee meeting were approved without revisions.

Moving to the first action item, Chair Nichols called on Cheryl Blanco to brief the committee on a new proposal titled Escalating Engagement: State Policy to Protect Access to Higher Education. Blanco indicated that staff would like to submit to this proposal the Ford Foundation; it has been presented as an information item to the Executive Committee. The proposed project will continue our emphasis on building and sustaining capacity among state policymakers to address issues in higher education. WICHE's overall goals for Escalating Engagement is to increase access to higher education for all students, but most particularly those from low-income families and underrepresented groups; to strengthen accountability; and to expand our workforce initiative. This project will accelerate the dialogue and activities used to strengthen state policymaking in higher education around three issues:

1. First dollar for access – As economies recover, it is essential that we invest new monies in protecting access for underrepresented and low-income students. Financial access should be the preeminent consideration for state policymakers as revenues begin to grow again.
2. Accountability to respond to state priorities for persistence and success – Higher education enrollment figures indicate that both the numbers and proportions of low-income and underrepresented groups have increased. Where we have been less than effective in higher education is in retention to graduation. Accountability in higher education must be linked, at least in part, to performance in responding to state priorities for persistence and success.
3. Preparing our own talent – Workforce concerns during this “jobless recovery” and economic development in resource-strapped states are high on the agenda of policymakers. A central issue here is how to maximize local resources since most states can no longer afford to buy talent from other states. State residents should have ready access to education and training in order to fill local employment opportunities, which will avoid putting business and industry in the position of importing talent.

During the discussion, Commissioner Boggs raised a concern around the “first dollar for access” component because new state dollars will likely go to salaries, programs, and other areas, and not to financial aid. Blanco agreed and stated that this was why we would like the project to help states and institutions channel that new money to aid for needy students. He also asked if student readiness could be part of this proposal. Blanco replied that adding student preparation would be difficult for this proposal, but that issue is covered in other projects in the unit. Commissioner Younkin moved for approval, with a second from Commissioner Kunkel. The item was approved unanimously.

The following action item referred to a proposal to conduct a comprehensive review of the methodology used for our publication *Knocking at the College Door: Projections of High School Graduates by State, Income, and Race/Ethnicity*. Blanco explained that staff would like to approach the Spencer Foundation for funding to conduct the review and, if necessary, begin a methodological redesign based on the outcomes of the review in order to prepare for the next release of the projections. Commissioner Kuepper asked which staff would be involved in this project; Blanco responded that she would oversee the project and the new research associate would be involved as well. Commissioner Younkin moved approval of the item; it was seconded by Commissioner Ching. The item was approved unanimously.

Christopher Morphew, associate professor at the University of Kansas, described a 19-month study he is conducting in collaboration with WICHE to examine the utility and promise of interstate student exchange agreements, using the Western Undergraduate Exchange (WUE) Program as a proxy. With funding support from Lumina Foundation for Education, the study is examining how out-of-state migration patterns are likely to affect student access and success, and how these patterns may be affected by regional policies designed to make interstate migration easier. The study will address a number of questions: Who benefits from student interstate migration patterns? What evidence is there that student interstate migration patterns serve states’ diverse higher education and economic needs? What political/policy factors contribute to student interstate migration patterns? Morphew reported on very preliminary results of a pilot of the survey; in fall 2004, he will launch the full survey of WUE students. Findings from the study will be directed toward how state and regional policies might be constructed to allow states to share their finite higher education resources and maintain or even increase student access to public higher education resources.

Commissioners had a number of questions and comments. Commissioner Stivers raised a concern about FERPA (Family Education Right to Privacy Act) requirements. Morphew responded that this had been an issue in many of the states when he requested data, but the study does not violate FERPA rules and most states were cooperating. Commissioner Boggs disagreed, but indicated that the Wyoming Community College Commission had taken responsibility for reporting the data. Commissioner Nichols suggested that in the future the request come from WICHE directly in order to increase responses from the states. Commissioner Burns asked if the fall 2004 study would include WUE students from all 15 WICHE states; Morphew said that it was his hope to achieve full participation. Responding to a question from Commissioner Moore, Morphew listed several states that have low or no assistance: Washington, Arizona, Oregon, Nevada, and New Mexico. He is still negotiating with South Dakota on the FERPA issue. Commissioner Nichols suggested that Morphew let the WICHE commissioner know what is happening in each of their states. Morphew will provide a full report to the commission upon completion of the study.

Chair Nichols asked the committee to turn to the FY 2005 workplan proposed for the Policy Analysis and Research unit and the WCET. Blanco reviewed the organization of the workplan, with five issue areas – access, finance, info-technology and innovation, accountability, and workforce – and activities listed within three broad categories: “Existing Activities,” “New Directions,” and “On the Horizon.” After reviewing the unit’s major activities within each issue area, Blanco asked if these are the “right” issue areas for the unit. Commissioner Sulton raised concern that it appeared diversity has been taken “off the table.” If that is the case, he stated that it is a glaring omission. Commissioner Nichols noted that the Nevada Board of Regents felt that the idea of “access” was not enough and added the word “diversity” to its work. Johnstone suggested that in the evolution of this list of issues, the need to reduce the number of issues may have led to diversity being left off. Commissioner Sulton replied that if that is what occurred, it should be undone. Commissioner Younkin asked if it is a matter of semantics or not addressing the issues. Commissioner Sulton replied that it is both and includes faculty, staff, curriculum, and students. Commissioner Burns suggested that if diversity-related projects were under other issues, perhaps we should pull those out under diversity. Commissioner Ching suggested that if we have diversity with access, perhaps that would give it enough focus. Chair Nichols concluded that this concern should be presented to the full commission. Commissioner Burns moved to approve the workplan; following a second by Commissioner Younkin, the item was approved unanimously.

Chair Nichols asked Sally Johnstone to update the committee on the activities of the WCET. Johnstone gave a brief overview of WCET's major activities. She reported that:

- WCET's 250 members, located in 43 states and five countries, include universities, colleges, state agencies, nonprofit organizations, and corporations.
- WCET's organizational structure includes:
 - Steering Committee - representatives from WICHE states plus three regions of the U.S. and international members;
 - Executive Board - members elected from full membership.
- WCET's primary sources of funding are grants and contracts, conferences, and membership dues.
- WCET's latest project areas include web-based student service audits, research on learning repository software, and the creation of an online course for users of the Technology Costing Methodology products.
- The second edition of the Distance Learner's Guide has just been published by Prentice Hall.

In addition, Johnstone gave an overview of WCET's work with the United Nations Educational, Cultural, and Scientific Organization in the area of Open Educational Resources.

Since there was no time remaining for the committee meeting, Chair Nichols asked Blanco to briefly comment on the Benchmarks Report and the policy unit's work. Blanco said that the benchmark work would be discussed at the Committee of the Whole and returned to the committee before the November commission meeting. For additional information on the unit's work, Blanco directed members to the handout in the agenda book, showing major activities for each of the five issue areas.

In closing, Commissioner Boggs asked that in the future the committee have additional and sufficient time to discuss the issues raised on the agenda. Others agreed. The committee adjourned.



A project supported by Lumina Foundation for Education

In November 2001, WICHE launched *Changing Direction: Integrating Higher Education Financial Aid and Financing Policy*, a project funded by Lumina Foundation for Education. Our primary partners in this initiative are State Higher Education Executive Officers (SHEEO), the Center for Policy Analysis at the American Council on Education (ACE), and the National Conference of State Legislatures (NCSL).

The purpose of *Changing Direction* is to examine how to structure financial aid and financing policies and practices to maximize participation, access, and success for all students. The project addresses current practices and policies, with emphasis on exploring innovative, creative, perhaps untested approaches to national- and state-level challenges. A key goal is to achieve an integrated state policymaking framework and process so that policies related to tuition, financial aid, and appropriations are coordinated, occur in an environment of collaboration, and support state goals for higher education.

In addition to national and multistate regional policy forums, roundtables, commissioned papers, and other activities, *Changing Direction* provides direct technical assistance to a limited number of states. Through a competitive process, 10 states have been selected to receive technical assistance to explore and implement innovative ways of improving the policymaking framework at the state level. Brief descriptions and contact information for these states follow.

- **Arizona** – The Arizona Board of Regents is conducting a series of meetings and associated activities to increase state-funded, need-based financial aid; strengthen the role of higher education in workforce development through new or modified state appropriations mechanisms; and work with the state universities on financing and financial aid strategies to increase access and graduation rates. Contact: Stephanie Jacobsen, assistant executive director of academic affairs, Arizona Board of Regents, 2020 North Central Avenue, Suite 230, Phoenix, AZ 85004; phone, 602-229-2529; stephanie.jacobsen@asu.edu.
- **Connecticut** – The Connecticut Department of Higher Education continues to examine the state's tuition and fee policy to ensure consistency in the definition and treatment of tuition and fees for policy purposes and explore the development of a more reliable and comprehensive student financial aid database to better assess the adequacy of student financial aid levels. Contact: Dr. Mary Johnson, associate commissioner, Finance & Administration, Connecticut Department of Higher Education, 61 Woodland Street, Hartford, CT 06105; phone, 860-947-1848; mkjohnson@ctdhe.org.
- **Florida** – The Florida Council for Education Policy, Research and Improvement (CEPRI) is updating and expanding its web-based tool and cohort analysis with a focus on financial aid and its impact on student progression. Contact: Dr. Patrick Dallet, deputy executive director, Council for Education Policy Research and Improvement, The Florida Legislature, Room 574, 111 West Madison Street, Tallahassee, FL 32399-1400; phone, 850-488-7703; dallet@leg.state.fl.us.
- **Hawaii** – The University of Hawaii System is working with key policymakers to develop a working knowledge of the issues surrounding state appropriations, tuition setting, and financial aid as they relate to access and retention; create a set of shared principles as guidelines for long-term planning and budgeting for the university system; construct a draft of the next five-year tuition schedule, including a plan for increases in need-based financial aid;

and generate support in the legislature for a state-supported financial aid program benefiting residents attending public postsecondary institutions. Contact: Dr. Linda Johnsrud, interim vice president for planning and policy, University of Hawaii, Bachman Hall, Room 110A, 2444 Dole Street, Honolulu, HI 96822; phone, 808-956-7075; johnsrud@hawaii.edu.

- **Idaho** – The Idaho State Board of Education is building consensus among key policy and educational leaders, businesses, philanthropies, and students and their families on the factors involved in financial support for a college education; completing a review and inventory of finance policies; and improving collaboration in aligning tuition and financial aid policies in state appropriations decisions. Contact: Nancy Szofran, chief technology officer, State Board of Education, PO Box 83720, Boise, ID 38720; phone, 208-334-2270; nszofran@osbe.state.id.us.
- **Louisiana** – The Louisiana Board of Regents is working with the legislature to broaden the scope of the requirements of recent legislation to include financial aid and postsecondary education financial issues and to develop a framework for analyzing various policy options and relationships related to financial issues. Contact: Donnie Vandal, deputy commissioner for administration, Louisiana Board of Regents, PO Box 3677, Baton Rouge, LA 70821; phone, 225-342-4253; dvandal@regents.state.la.us.
- **Missouri** – The Missouri Coordinating Board for Higher Education and the Department of Higher Education are implementing improvements for the delivery and distribution of state grants and scholarships and developing strategies to implement the recommendations of The Commission on the Future of Higher Education related to participation and financial aid. Contact: Debra Cheshier, director, Educational Policy, Planning and Improvement Center, Missouri Department of Higher Education, 3515 Amazonas, Jefferson City, MO 65109; phone, 573-751-2361; john.wittstruck@dhe.mo.gov.
- **Oklahoma** – The Oklahoma State Regents for Higher Education is conducting a series of meetings and associated activities to pursue adequate funding for the higher education system, the institutions, and the students, while identifying systemwide efficiencies and strategic priorities to maximize higher education's resources. Contact: Dr. Dolores Mize, associate vice chancellor, Oklahoma State Regents for Higher Education, 655 Research Parkway, Suite 200, Oklahoma City, OK 73104; phone, 405-524-9196; dmize@osrhe.edu.
- **Oregon** – The Oregon University System is focusing on affordability of postsecondary education for Oregon students, particularly low-income and underrepresented students. The result of this project should be an understanding of the information needed to monitor affordability policies and their impacts on Oregon public postsecondary enrollment, institutional commitment to a realistic level of data or database development, and a plan to implement a program of ongoing accountability for affordability at the state, board, and institution levels. Contact: Dr. David McDonald, director, Enrollment and Student Services, Oregon University System, PO Box 3175, Eugene, OR 97403-0175; phone, 541-346-5729; David_McDonald@ous.edu.
- **Tennessee** – The Tennessee Higher Education Commission is working to raise the awareness of policymakers regarding the importance of linking appropriations and fee determinations with student aid levels; develop a new statewide master plan; and restructure its long-standing funding formula so that it will be more responsive to statewide policies and goals. Contact: Dr. Brian Noland, associate executive director, Tennessee Higher Education Commission, 404 James Robertson Parkway, Parkway Towers, Suite 1900, Nashville, TN 37243; phone, 615-741-3862; Brian.Noland@state.tn.us.

WICHE Contacts: Dr. Cheryl D. Blanco, project director and director of Policy Analysis and Research, or Demarée Michelau, project coordinator, Western Interstate Commission for Higher Education, PO Box 9752, Boulder, CO 80301; phone, 303-541-0221; fax, 303-541-0291; cblanco@wiche.edu or dmichelau@wiche.edu. Also see WICHE's website at www.wiche.edu/Policy/Changing_direction.

Tuesday, November 9, 2004

8.30 - 9.30 am

Interlocken B

Policy Discussion: Elections and Politics

The 2004 election will have occurred by the time the commission convenes in November. The results will have important implications for higher education nationally and throughout the WICHE region. Four WICHE states will conduct gubernatorial elections; in three of those states – Montana, Utah, and Washington – there will be new governors because the incumbents are not running. Only in North Dakota is the incumbent a candidate. In virtually every state, the change in the state legislatures could be significant, either because of term limits or simply because of natural turnover. The West also leads the nation in initiative and referendum efforts. Though only “the penny for education” initiative in Washington relates directly to education, a number of other measures will clearly affect higher education by constraining funding available for public services in general, either through reductions in tax revenues or via the dedication of limited funds to other public services.

Biographical Information on the Speaker

Julie Davis Bell, the education program director for the National Conference of State Legislatures, will join the commission to discuss the implications of the election for higher education in the West. She has been with NCSL for 14 years and has directed the Education Program for 12 years. In that capacity she oversees the 10-person Education Program staff and is responsible for setting program priorities, responding to constituent needs and requests, developing new education projects, and interfacing with other national education policy organizations. She also serves as the program policy specialist for higher education issues. She recently published articles in *State Legislatures* magazine on college affordability, school safety, class-size reduction, and educational adequacy. She received her Ph.D. in political science from the University of California at Davis in 1986. Prior to joining NCSL, she was a policy associate with the Center for Policy Research in Denver and taught political science courses at the University of Colorado.

Tuesday, November 9, 2004

11.30 am – 12.30 pm

Interlocken B

Committee of the Whole – Business Session

Call to Order: Don Carlson, chair

Report of the Executive Committee



Auditor's report for FY 2004
(Tab 1 and distributed separately)

1-17



The purchase of the office building
(tentative item; may be distributed
separately)

Information Items:

Executive Committee meeting minutes of May 17, 2004

10-3

Executive Committee conference call meeting
minutes of August 10, 2004

10-9

Report of the Programs and Services Committee [Tab 7]

Report of the Issue Analysis and Research Committee [Tab 8]



Revisions to the bylaws

10-15

Information Item: FY 2005 budget update

10-25



Election of chair and vice chair

Remarks from the new chair

Selection of 2005 Executive Committee members

Report of the Site Selection Committee

Meeting evaluation (Tab 10 and available online)

10-27

Other business

Adjournment

INFORMATION ITEM

WICHE General Fund Budget

Actual for FY 2004 and Budget for FY 2005

Revenue & Expenditures

\$103,000 --- Dues per State --- \$105,000

A	B	C	D	E	F	G	H	I	J
FY 2004					FY 2005				
	FY 2004 Budget (a)	FY 2004 Actual	Estimate Better or (Worse) than Budget \$ %		FY 2005 Budget	Comparing FY 2004 to FY 2005			
						Better or (Worse) than FY 2004 Budget \$ %		Better or (Worse) than FY 2004 Estimate \$ %	
1 Revenue:									
2 Member dues	1,545,000	1,545,000	0 0.0%	(b)	1,575,000	30,000 1.9%		30,000 1.9%	
3 Delinquent dues	(c) (51,000)	(103,000)	(52,000) na	(c)	0	51,000 na		103,000 -100.0%	
4 Interest	(d) 42,000	39,681	(2,319) -5.5%	(d)	30,000	(12,000) -28.6%		(9,681) -24.4%	
5 Indirect cost recovery	315,000	326,956	11,956 3.8%		262,000	(53,000) -16.8%		(64,956) -19.9%	
6 Miscellaneous income	54,000	60,368	6,368 11.8%	(f)	24,000	(30,000) -55.6%		(36,368) -60.2%	
7									
8 Total Revenue	1,905,000	1,869,005	(35,995) -1.9%		1,891,000	(14,000) -0.7%		21,995 1.2%	
9 Expenditures:									
10 SEP - Programs	278,429	246,803	31,626 11.4%		262,922	15,507 5.6%		(16,119) -6.5%	
11 Policy Analysis & Research	254,266	180,898	73,368 28.9%		275,523	(21,257) -8.4%		(94,625) -52.3%	
12 Communications & Public Affairs	226,448	178,920	47,528 21.0%		215,745	10,703 4.7%		(36,825) -20.6%	
13 Commission Meeting Expense	106,954	86,318	20,636 19.3%		114,948	(7,994) -7.5%		(28,630) -33.2%	
14 Executive Director's Office	375,917	343,937	31,980 8.5%		368,513	7,404 2.0%		(24,576) -7.1%	
15 Administrative Services	470,166	431,210	38,956 8.3%		435,246	34,920 7.4%		(4,036) -0.9%	
16 Miscellaneous Expenses	(e) 164,423	132,800	31,623 19.2%	(e)	200,635	(36,212) -22.0%		(67,835) -51.1%	
17 Indirect Cost Sharing Expenses	22,000	23,016	(1,016) -4.6%		7,300	14,700 66.8%		15,716 68.3%	
18 Staff Salaries & Benefits Cost Increases for FY 2005	(g) (13,920)	0	0 0.0%	(g)	0	na		na	
19 Staff Turnover/Vacancy Estimate(1.5% of Salaries & Brfts.)	(13,920)	0	0 0.0%		(11,320)	(2,600) 18.7%		na	
20 Program Development Fund	20,000	6,812	13,188 65.9%		20,000	0 0.0%		(13,188) -193.6%	
21 Total Expenditures	1,904,683	1,630,714	273,969 14.4%		1,889,512	15,171 0.8%		(258,798) -15.9%	
22 Surplus (Deficit) for the Fiscal Year	317	238,291			1,488				
23 Better or (Worse) than Budget or Estimate			237,974 12.5%			1,171 369%		(236,803) -99.4%	
24 Reserves:									
25 Beginning of the Fiscal Year:									
26 Minimum Reserve	(h) 228,562	228,562	0 0.0%	(h)	226,741	(1,821) -0.8%		(1,821) -0.8%	
27 Reserves Available for Dedication	404,789	404,789	0 0.0%		552,504	147,715 36.5%		147,715 36.5%	
28 Total Reserves - Beginning of the Fiscal Year:	633,351	633,351	0 0.0%		779,245	145,894 23.0%		145,894 23.0%	
29 Dedications to the Reserve During the Fiscal Year:									
30 Surplus (Deficit) Applied to Reserves	317	238,291	237,974		1,488	1,171 369%		(236,803) na	
31 Association Mgmt. Software	(i) (50,000)	0	50,000 -100.0%	(i)	(50,000)	0 0.0%		(50,000) na	
32 Office Move	(k) (30,000)	(30,000)	0 0.0%	(k)	0	30,000 -100.0%		30,000 -100.0%	
33 Office Furniture & Equipment	(k) (30,000)	(30,000)	0 0.0%	(k)	0	30,000 -100.0%		30,000 -100.0%	
34 50th Anniversary Celebration	(l) (53,395)	(32,398)	20,997 -39.3%	(l)	(6,500)	46,895 -87.8%		25,898 -79.9%	
35 Equity & Learning Center for new office building	0	0	0 na	(l)	(220,000)	(220,000) na		(220,000) na	
36 Contingent Carry Forward to FY 2005	0	0	0 na	(l)	(238,291)	(238,291) na		(238,291) na	
37 Net Reserve Dedications During the Fiscal Year	(163,078)	145,894	308,972 -189.5%		(513,303)	(350,225) -43.4%		(659,197) -65.9%	
38 End of the Fiscal Year:									
39 Minimum Reserve	(h) 228,562	228,562	0 0.0%	(h)	226,741	(1,821) -0.8%		(1,821) -0.8%	
40 Reserves Available for Dedication	241,711	550,683	308,972 127.8%		39,200	(202,511) -83.8%		(511,482) -92.9%	
41 Total Reserves - End of the Fiscal Year:	470,273	779,245	308,972 65.7%		265,941	(204,332) -43.4%		(513,303) -65.9%	
42 Change in Total Reserves - Increase or (Decrease)	(163,078)	145,894			(513,303)				
43 Better or (Worse) than Budget or Estimate			308,972 65.7%			(350,225) -214.8%		(659,197) 451.8%	
(From the Beginning of the Fiscal Year to the End of the Fiscal Year)									

- (a) Budget approved by the commission in May of 2003, adjusted for actual carry over from FY 2003 and actual benefit cost increases by unit.
- (b) Dues not increasing from FY 2003 to FY 2004, as approved by the Executive Committee during a conference call on Feb. 25, 2003, but increasing by \$2,000 per state during FY 2005.
- (c) For FY 2004, assumes \$103,000 as an accounts receivable from California.
- (d) Ave. daily balance: Actual for FY 2004 is \$4,560,000 at 0.87% ; and budget for FY 2005 is \$3,488,000 at 0.87%.
- (e) Includes legal fees, unallocated rent, and other miscellaneous costs not allocated to unit budgets.
- (f) For FY 2004, includes \$32,000 transferred from closed accounts.
- (g) Salary and benefit cost increases for FY 2005 distributed to the various unit budgets based upon actual merit salary increases.
- (h) The minimum reserve level authorized by the Commission (12% of budgeted expenditures, per May 2000 Commission Meeting).
- (i) Approved by the Commission at the Nov. 2000 meeting in Seattle, WA.
- (k) Reserve funds for the next office move and for office furniture in the Fall of 2004, each at \$30,000 for 2 successive fiscal years (FY 2003 and FY 2004).
- (l) Approved by the Commission at the May 2002 meeting in Santa Fe, NM.

ACTION ITEM

Revisions to WICHE's Bylaws

Summary

This document contains proposed revisions to WICHE's bylaws. It was approved for advancement to the full commission for action by the Executive Committee during its August 10 conference call meeting. Full commission approval of these revisions is being sought.

Background

During its August 10 conference call meeting, the Executive Committee amended and approved the advancement of the proposed changes to the bylaws to the full commission for action at the November commission meeting. At the May meeting, the commission reviewed a version of the proposed changes to the bylaws, but due to the timing guided by the bylaws, no action could be taken. The proposed revisions result from an in-depth evaluation of the organization and a review of the role of the WICHE commissioner by New Mexico commissioner and past WICHE chair (in 2000) Everett Frost. The proposed revisions occur primarily in Article II, Membership, where Section 4 and Section 5 are added to describe the powers of the WICHE Commission, and the duties and functions of the WICHE Commission. In Article IV, Officers, Terms, Duties, the suggested changes include reference to "chairman" being changed to "chair"; and the position of past chair is added and made formal (this position has been functioning as described and this will formalize the position). In Section 4, Annual Authorizations of Officers, Delegation of Authority is added to annually and automatically authorize the officers and executive director to perform certain fiscal and administrative functions; and Section 5 has been added to create an Audit Committee of the Commission. Finally, in Article VI, Sections 1 through 5 are suggested to be added to describe the role and responsibilities of WICHE's executive director.

The proposed revisions to the bylaws follow. Please note: **bolded text** represents proposed additions to the bylaws; ~~struck text~~ represents proposed deletions.

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

BYLAWS

ARTICLE I

Description, Goals, Program Objectives, Program Criteria, Operating Principles, Affiliated States

Section 1. Description

The Western Interstate Commission for Higher Education (WICHE) is a public interstate agency that operates under the Western Regional Education Compact. The Compact has been adopted by the legislatures of thirteen Western states, signed into law by their governors, approved by the Congress of the United States, and signed by the President. The Compact calls for the governor of each of those states to appoint three Commissioners to oversee the development of WICHE programs and to assure that the Compact is carried out for the benefit of the citizens of the West. Other states in the Western region may become affiliated members of the organization when mutual interests exist and when it would benefit WICHE to enter such arrangements.

Higher education, as defined by WICHE, consists of those programs offered by accredited colleges and universities, and includes the following:

- a. Academic, technical, and professional fields of study leading to associate, baccalaureate, and/or graduate degrees;
- b. Continuing education;
- c. Vocational-technical education; **and**
- d. Distance-delivered education.

Section 2. Mission

The fifteen member states of the Western Interstate Commission for Higher Education work collaboratively to expand educational access and excellence for all citizens of the West. By promoting innovation, cooperation, resource sharing, and sound public policy among states and institutions, WICHE strengthens higher education's contributions to the region's social, economic, and civic life.

Section 3. Objectives

WICHE seeks to accomplish its mission through a variety of activities that have the following objectives:

- a. To extend the availability of quality higher education programs among Western states.
- b. To identify emerging issues, trends, and problems affecting higher education.
- c. To provide research, analysis, and reporting of information on public policy issues of concern in the WICHE states, and to provide opportunities for discussion and strengthened understanding of these issues among policymakers.
- d. To promote collaboration within higher education and among the educational sectors, the government sector, and the private sector.
- e. To identify the broad array of technical, programmatic, and financial resources available in higher education and to link those resources to the needs of the region.
- f. To serve as an informed and objective representative of higher education before Western governmental and education leaders.
- g. To help increase the participation and success in higher education of underrepresented and underserved populations.
- h. To promote the use of new and effective technologies, models, and methods in higher education.
- i. To strengthen the linkages between higher education and the economy, including workforce requirements and government services.
- j. To encourage Western higher education cooperation with other regions and, where appropriate, across national boundaries.

Section 4. Program Criteria

The name of the agency implies certain criteria:

- a. Western. That the program has significant implications for people and institutions in the Western states, but may have implications for other states as well;
- b. Interstate. That the program has significant implications for more than one state, usually a group of states, with interstate and interinstitutional cooperation implied;
- c. Commission. That the program is sponsored or co-sponsored by the Commission and has its approval;
- d. Higher Education. That the program has a significant component related to higher education.

Section 5. Operating Principles

- a. Programs and projects shall receive formal approval of the Commission according to procedures the Commission has established and may, from time to time, revise;
- b. Requests for services originating with or endorsed by the governors or legislatures of the compacting states shall be given priority by the Commission and staff.

Section 6. Affiliated States

States geographically in the Western region but not signatories to the Western Regional Education Compact may be afforded status as affiliated states in accordance with policies and procedures approved by the Commission.

ARTICLE II

Membership

Section 1. Members

The membership of the Commission shall consist of three residents of each member state, at least one of whom shall be an educator engaged in the field of higher education. The commissioners from each compacting state shall be appointed by the governor thereof as provided by law in such state. The Commissioners from each affiliated state shall be selected as determined by the state. Commissioners may be removed or suspended from office as provided by the laws of the states from which they shall have been appointed.

Section 2. Tenure

The term of each Commissioner shall be four years. Each Commissioner shall hold office until a successor shall be appointed and qualified.

Section 3. Vacancies

If any Commission office becomes vacant for any reason, the Secretary-Treasurer shall inform the appropriate governor, and request the governor to fill the office for the remainder of the unexpired term.

Section 4. Powers of the Commission

The WICHE Compact delegates to the Commissioners acting as a Commission complete power and control over the organization known as WICHE and its component parts. The powers of the Commission include the following powers that the WICHE Compact has expressly given to the Commission:

- **To make and implement policy.**
- **To make contracts.**
- **To hire the executive director of WICHE and determine his or her compensation and terms of appointment.**
- **To determine what programs and services shall be offered.**
- **To sue and to be sued.**
- **To determine through budgeting and policy the parameters for personnel positions to be funded and the amount and configuration of the Commission's compensation system.**
- **To hold title to all property belonging to WICHE.**

Section 5. Duties and Functions of the Commission

Under its broad responsibility defined in the Compact for overseeing the management and control of WICHE, the Commission has many specific duties and functions. Its power to control, manage, and govern WICHE necessarily includes exercise of wide discretion, including discretion in what actions it takes directly and in what authority it delegates to individuals and groups within the Commission. The delegation by the Commission of authority to individuals within the WICHE does not relieve the Commission from its ultimate responsibility for the entire Organization. The Commission may withdraw or modify delegated authority, but not on a retroactive basis. Listed below are those duties and functions considered by the Commission to be among the most important it exercises:

- a. To select and appoint an executive director of WICHE who serves as the WICHE's chief executive officer (generally considered to be the most important task carried out by the Commissioners).**
- b. To adopt bylaws, policies, rules, and regulations for the operation of the WICHE.**
- c. To evaluate periodically the Mission, Goals, and Objectives of the Commission; the established procedures and policies of the WICHE; and the performance of the executive director of WICHE, considering proposals for same from the executive director or from Committees of WICHE with the executive director's recommendation.**
- d. To delegate authority and responsibility deemed by the Commission to be appropriate and necessary for the most effective operation of the WICHE with the full understanding that such delegation implies the right of the Commission to withdraw or modify the delegation when it is considered wise to do so.**
- e. To approve, or authorize others to approve, all grants and contracts between the WICHE and other parties, including but not limited to those contracts for: services rendered, programs offered, equipment and materials to be purchased, lease or rent of facilities, lease or rent or purchase of land, construction of buildings, and care and preservation of all WICHE property.**
- f. To approve, by budgeting, the expenditures of all moneys.**
- g. To approve policies which apply to the rights and responsibilities of those who are employed by WICHE.**
- h. To receive benefits and donations directly from the federal government or from state governments or from private or corporate sources, to be used in ways recommended by the executive director and deemed by the Commissioners to be in the best interests of WICHE and consistent with its Mission.**
- i. To give priority to requests for services, within the parameters of the WICHE Compact, Mission, and resources, originating with or endorsed by the governors or legislators of the compacting states.**

ARTICLE III

Meetings

Section 1. Meetings of the Commission

The full Commission shall meet twice each year. Meetings of the Commission shall be held during the months of May or June and November or December on the day and at a time and place set at least one meeting in advance of the meeting to be held. All members shall be given written notice of the meetings of the full Commission at least sixty (60) days prior to the full Commission meetings.

Section 2. Special Meetings

Special meetings may be called at any time by the Chair or upon request of the delegations of three or more states, provided, however, that all members shall be given at least thirty (30) days written notice as to the time and place the special meeting is to be held, unless such notice is waived by the written action of a majority of the whole number of member states.

Section 3. Attendance at Meetings

Commissioners shall attend two meetings of the full Commission and all special meetings of the Commission each year. When conditions develop which will prevent their attendance, they shall notify Commission headquarters as soon as possible.

Section 4. Quorums

One or more Commissioners from each state of a majority of the whole number of member states shall constitute a quorum for the transaction of business.

Section 5. Voting

Each member state represented at any meeting of the Commission is entitled to one vote.

Section 6. Agenda

Items of business requiring action at the meetings of the Commission shall be limited to those appearing on the agenda, which shall be mailed to the members not less than ten (10) days in advance of the scheduled meeting. Whenever possible, working papers and staff recommendations on these items shall accompany the agenda. Nothing in this bylaw shall prohibit the Commission from adding items to the agenda of any meeting if no action is requested thereon at that meeting.

Section 7. Executive Sessions

Executive sessions of the Commission may be held at the discretion of the Chair or at the request of any three Commissioners present and voting. The executive director shall be present at all executive sessions. The ~~Chairman~~ **Chair**, with the approval of a majority of the Commissioners present and voting, may invite other individuals to attend.

Section 8. Special Executive Sessions

Special executive sessions, limited to the members of the Commission, shall be held only to consider the appointment, salary, or tenure of the executive director.

ARTICLE IV

Officers, Terms, Duties

Section 1. Officers

The officers of the Commission shall include a ~~Chairman and Vice Chairman~~ **Chair, a Vice Chair, a Past Chair, and a Secretary-Treasurer**. The executive director shall be the Secretary-Treasurer.

Section 2. Election

The ~~Chairman and the Vice Chairman~~ **Chair and the Vice Chair**, shall be elected at the regular Annual Meeting and shall hold office until the next Annual Meeting, or until their successors are elected and qualified.

Section 3. Duties

The officers shall perform the usual duties of their respective offices, including the following:

- a. ~~Chairman~~ **Chair**. The ~~Chairman~~ **Chair** of the Commission shall serve as ~~Chairman~~ **Chair** ex officio of the Executive Committee, shall call and preside at all meetings of the Commission and of the Executive Committee, shall prepare agenda for these meetings, shall appoint the appointive members of all committees, and shall be

an ex officio member of all Commission committees, with power to vote. In the intervals between meetings of the Commission and of the Executive Committee, the ~~Chairman~~ **Chair** shall represent these bodies.

At the next meeting of each body, the ~~Chairman~~ **Chair** shall report to members all action taken on their behalf. All such acts of the ~~Chairman~~ **Chair** shall be taken subject to ratification by the Executive Committee or the Commission, according to their respective jurisdictions. **Pursuant to Article V. Section 1**, upon retirement from this office, the ~~Chairman~~ **Chair**, if still a WICHE Commissioner, shall serve one year in an advisory capacity on the Executive Committee without a vote. ~~but shall have a vote if elected a regular Executive Committee member.~~

- b. ~~Vice Chairman~~ **Vice Chair**. In the absence of the ~~Chairman~~ **Chair** or in the event the ~~Chairman~~ **Chair** is present but desires the ~~Vice Chairman~~ **Vice Chair** to do so, it shall be the duty of the ~~Vice Chairman~~ **Vice Chair** to perform all the duties of the ~~Chairman~~ **Chair**. The ~~Vice Chairman~~ **Vice Chair** shall be an ex officio member of all Commission committees, with power to vote, and shall assist the ~~Chairman~~ **Chair** and executive director in liaison with executive, legislative, and other public bodies. The ~~Vice Chairman~~ **Vice Chair** shall be the ~~Chairman-Elect~~ **Chair-Elect** and shall succeed the ~~Chairman~~ **Chair** in office. In the event that there is a vacancy in the office of the ~~Chairman~~ **Chair**, the ~~Vice Chairman~~ **Vice Chair** shall serve as Acting ~~Chairman~~ **Chair** until the full Commission, at its next regularly scheduled meeting, can take formal action to designate the ~~Chairman~~ **Chair**.
- c. **Past Chair**. **Upon retirement from the office of Chair, the past Chair, if still a WICHE Commissioner, shall upon election by the Commission serve one year in the position of Past Chair and serve on the Executive Committee with vote. In the event that there is a vacancy in the office of the Vice Chair, the Past Chair shall serve as Acting Vice Chair until the full Commission, at its next regularly scheduled meeting, can take formal action to elect or designate a new Vice Chair.**
- d. Secretary-Treasurer. The Executive Committee shall appoint the executive director to act as its Secretary-Treasurer to keep minutes of all meetings of the Commission and its committees, and it shall be the duty of the Secretary-Treasurer to send copies of the minutes of all Commission and Executive Committee meetings to the governors and transmit a record of attendance from their states. The Secretary-Treasurer shall file, index, and preserve carefully all minutes, papers, and documents pertaining to the business and proceedings of the Commission and its committees; shall act as custodian of all funds of the Commission; and shall keep proper accounts concerning the disposition of all such funds. The Commission shall cause the books of account of the Commission to be audited annually.

Section 4. Annual Authorizations of Officers; Delegation of Authority

Each year, after the election of new officers of the Commission, the following authorizations and delegations of authority are approved by the Commission, such authorizations and delegations being effective until rescinded or until the next election of Commission officers:

- a. **The Chair and other newly elected officers of the Commission are authorized to sign or delegate the signing of checks, drafts, and other documents on the Commission's behalf following Commission fiscal procedures.**
- b. **The Vice Chair of the Commission is authorized to sign for the executive director of the Commission in the absence of the Chair.**
- c. **The Past Chair of the Commission is authorized to sign for the Chair or the Vice Chair in the absence of either.**
- d. **The executive director of the Commission is authorized to sign contracts, grants, and other agreements that are necessary for the daily operation of the Commission and to hire, evaluate, promote, and make retention decisions of all WICHE employees except for the executive director. The executive director of the Commission is further authorized to delegate similar authority to other WICHE-employed administrators connected with various entities of the Commission to execute designated contractual documents and to hire, evaluate, promote, and make retention decisions for WICHE staff related to their respective responsibilities. The executive director shall furnish the Executive Committee at each regular meeting of the Commission a list of staff members with delegated signatory authority.**

Section 5. Bond

The officers shall execute such bond as may be required from time to time by the Executive Committee. The cost of such bond shall be charged against Commission funds.

Section 6. Delegation of Authority

The officers are authorized to enter contractual agreements and sign documents on behalf of the Commission. The Secretary-Treasurer is further authorized to sign contracts, grants, and other agreements that are necessary for the effective operation of WICHE.

ARTICLE V

Committees

Section 1. Executive Committee

The Executive Committee shall consist of one Commissioner from each member state, with committee members selected by their respective state delegations by whatever procedure each delegation may determine. The ~~Chairman~~ **Chair** of the Commission shall serve ex officio, as ~~Chairman~~ **Chair** of the Executive Committee ~~with a vote~~. The Vice Chairman **Chair** and the Past Chair shall be ~~an~~ ex officio members of the Executive Committee ~~without vote if not already designated an Executive Committee member from his or her state~~. **The Chair, Vice Chair, and the Past Chair may vote if representing their state in Executive Committee meetings; notwithstanding any other provision of the bylaws, in no case shall there be more than one vote per state.**

Section 2. Powers of the Executive Committee

Except as otherwise provided in the Compact, during the intervals between the meetings of the Commission, the Executive Committee may exercise all the powers of the Commission. The Executive Committee may fix its own rules of procedure, and it shall keep a record of its proceedings and shall report these proceedings to the Commission at the next regular or special meeting of the Commission.

Section 3. Attendance at the Executive Committee Meetings

Members of the Executive Committee shall attend all regular and special meetings of the Committee, and when unable to attend, shall arrange for one other Commissioner from their respective states to attend as their official representative with power to vote.

Commissioners who are not members of the Executive Committee shall be invited to all meetings of the Executive Committee at their own expense, with voice but no vote.

Section 4. Conduct of the Executive Committee Meetings

The provisions of the following listed sections of Article III shall also apply to the meetings of the Executive Committee:

Section 4. Quorums

Section 5. Voting

Section 6. Agenda

Section 7. Executive Sessions

Section 8. Special Executive Sessions

Section 5. Audit Committee Acumen

The Audit Committee of the Commission shall be composed of at least three and not more than five members, shall be composed only of current or former Commissioners, each of whom shall otherwise be independent of any fiduciary advantage from either WICHE or from the public accounting firm

employed to audit WICHE. Each member should be knowledgeable about non-profit financial management principals and practices. The Chair of the Commission shall appoint the members of the Audit Committee, with the Past Chair of the Commission serving as the Chair of the Audit Committee. In order to preserve continuity, members of the Audit Committee shall be appointed to three or four-year, staggered terms. No member shall serve for more than five consecutive years. The Audit Committee shall:

- review the appointment and compensation of the registered public accounting firm employed to audit WICHE, and recommend to the Commission retaining or reselecting the auditor;
- review and approve any amendments to the fees to be paid in the audit contract; and
- receive the annual audit of the organization from the auditor, engage in a review of the audit with the auditor, and recommend to the Commission whether to accept or reject the annual audit as submitted to the Commission.

Section 56. Special Committees

At any meeting the Commission may authorize the creation of such special committees as it deems necessary and appropriate and may fix their size, duties, and tenure.

Section 67. Committees

Members of Committees shall attend all regular and special meetings of their committees, and when unable to attend, shall arrange for one other Commissioner from their respective states to attend as their official representative with power to vote.

ARTICLE VI

~~Director and Staff~~

The Executive Director of the Commission

~~There shall be an executive director and such staff as may be deemed necessary by the Commission. The Commission's office shall be established in one of the compacting states as may be determined by the Commission.~~

Section 1. Employment of the Executive Director by the Commission

The Commission employs the executive director of the Commission.

Section 2. Delegation of Authority by the Commission to the Executive Director

The executive director of the Commission is the chief executive officer of the Commission to whom the Commission delegates the authority and responsibility for implementing the Commission's Mission, Objectives, Program Criteria, and Operating Principles and managing, supervising, and controlling the Commission staff, except for such matters as the Commission reserves to itself. The executive director and all other holders of Commission employee positions are subject to the rules, regulations, and policies issued by the Commission and to operating budgets approved by the Commission. The executive director or persons designated by the executive director are responsible for naming persons to fill positions at the Commission. The rules, regulations, and policies for managing, supervising and controlling the Commission activities include the *Commission Policy and Procedure Manual*, and such other rules, regulations, and policies as the Commission may adopt or approve. The executive director may reorganize the structure of the Commission Staff, subject only to the right of the Commission to review the reorganization if the Commission deems it appropriate.

Section 3. Reporting by the Executive Director

The executive director alone reports directly to the Commission. Other individuals and groups within the Commission, except those responsible for internal auditing, may approach the Commission officially on formal Commission business only through the executive director or in accordance with approved rules, regulations, policies and procedures for review by the Commission or for setting the Commission's agendas.

Section 4. Duties and Powers of the Executive Director

The role of the executive director of the Commission is one of creative leadership and therefore not to be described by a detailed list of specific duties. As the chief executive officer of the Commission, the executive director is responsible to the Commission for implementation of the Commission's rules, regulations, policies, and procedures and for the functioning of the Commission staff and has the authority and responsibility necessary to direct the staff in carrying out the responsibility and authority delegated to the staff by these policies. All decisions and actions of the executive director are subject to the right of the Commission to intervene. This right is used with discretion and only as appropriate. The magnitude and complexity of the operation of the Commission make it neither wise nor feasible for the Commission to intervene in decisions and actions of the executive director and those to whom the executive director delegates responsibilities, except in the most unusual circumstances. Under the general authority granted to the executive director of the Commission by the Commission, the executive director has duties and responsibilities including but not limited to:

- a. Discharging primary responsibility for all the factors that contribute to the quality of Commission programs and services.
- b. Maintaining general supervision of all relationships between representatives of the member states and the various levels of Commission staff.
- c. Directing financial management of the Commission and its component parts in conformity with Commission management rules, regulations, policies, and procedures. This function includes but is not limited to the preparation of budgets, requests to member states, grant and contract requests, maintenance of financial records and accounts for the Commission and its hosted programs, the receipt and expenditure of all Commission funds, preparation of required financial reports, and signing of grants and contracts.
- d. Directing personnel, including employment and termination, individual wage determination within Commission-ratified policy, assigning and reassigning administrative duties, and conditions of employment for administrators, staff, and other employees of the Commissions programs.
- e. Directing operation and maintenance of the physical plant, purchase of supplies and equipment, and the maintenance of appropriate inventories and records of real and personal property under the jurisdiction of the Commission. Ensuring that the Commission Office shall be established in one of the member States.
- f. Overseeing fund raising.
- g. Directing management of investments in accordance with the policies and procedures established by the Commission.
- h. Serving as the primary spokesperson for the Commission to news media, constituent groups, government agencies, etc.
- i. Redelegating the above authority as deemed necessary.

Section 5. Removal of the Executive Director of the Commission

The relationship between the executive director of the Commission and the Commission is governed by the letter of appointment between them; by the rules, regulations, and policies of the Commission and the WICHE Policies and Procedures Manual. The executive director may be removed only as stated in the letter of appointment.

ARTICLE VII

Finance

At the direction of the Executive Committee, the executive director shall submit a proposed annual budget for the consideration of the Commission. The Commission shall act upon such proposed budget at its Semiannual Meeting.

ARTICLE VIII

Changing Bylaws

Any bylaw may be adopted, amended, or repealed by the affirmative vote of a majority of the whole number of member states, provided, however, that notice of the proposed action shall be included in the call for the meeting at which they are to be considered and that copies of all proposed changes shall be sent with the call to all members of the Commission.

ARTICLE IX

Suspension of Rules

At any meeting of the Commission or its Executive Committee, any rules laid down in these bylaws may be suspended by a vote of two-thirds of the whole number of member states for any purpose not inconsistent with the provision of the Western Regional Education Compact. This article does not apply to Article VIII.

Bylaws adopted August 11, 1952; revised August 14, 1961; December 5, 1964; March 27, 1965; August 9, 1971; August 14, 1975; August 13, 1977; February 3, 1979; December 5, 1980; June 15, 1984; June 17, 1989, December 2, 1989, June 13, 1992, December 6, 1997, and May 22, 2000, **and November 9, 2004** (pending Commission approval on November 9, 2004).

ACTON REQUESTED

Approval of the proposed changes to WICHE bylaws.

INFORMATION ITEM

Executive Committee Conference Call Meeting Minutes

August 10, 2004

Committee Members Attending

Don Carlson, chair (WA)
Diane Barrans, vice chair (AK)
Chuck Ruch, immediate past chair (SD)
Larry Gudis (AZ)
Robert Moore (CA)
William Kuepper (CO)
Doris Ching (HI)
Gary Stivers (ID)
Sheila Stearns (MT)
Carl Shaff (NV)
Patricia Sullivan (NM)
David Nething (ND)
Camille Preus-Braly (OR)
Debora Merle (WA)

Committee Members Unable to Attend

Tad Perry (SD)
E. George Mantes (UT)
Klaus Hanson (WY)

Staff Attending

David Longanecker, executive director
Cheryl Blanco
Marv Myers
Marla Williams

Call to Order

Chairman Don Carlson called the meeting to order.

Action Item

Approval of the Executive Committee Meeting Minutes of May 17, 2004

COMMISSIONERS STEARNS/SHAFF (M/S) APPROVAL OF THE EXECUTIVE COMMITTEE MEETING MINUTES OF MAY 17, 2004 (attached). The motion passed unanimously. (Note: The minutes of the executive committee meeting in May and subsequent executive committee conference call meetings will be contained in the November meeting agenda book.)

Action Item

Approval to Advance Proposed Bylaw Changes to the Full Commission for Action in November

David Longanecker said most of the suggested revisions to the bylaws were reviewed by the executive committee at the May meeting. He said at that meeting, it was suggested that the term "chairperson" be changed to "chair." It was also suggested that an audit committee be established. Longanecker said the audit committee structure and duties contained in the proposed changes to the bylaws are similar to the recommendations made by the Sarbanes-Oxley Act for publicly held companies. The proposed audit committee members will include both current and former WICHE commissioners.

Discussion during this conference call meeting resulted in additional suggested changes to the bylaws:

- Commissioner Ching suggested, due to the slang-like nature of the word "savvy" used in the description of the audit committee membership, another word might be more appropriate for this formal document. Commissioner Barrans suggested "acumen" might be a more appropriate word.
- Barrans also suggested there should be specific terms for the audit committee members, and those terms should be staggered to retain some continuity on the committee.

- Ching also questioned the wording under Article VI, Section 4, describing the commission's power to intervene on decisions of the executive director. She suggested the statement, "This right is rarely exercised," be changed to, "This right is used with discretion and only as appropriate."
- Commissioner Kuepper suggested a change in the wording under Article IV, Section 4, a., to include the chair, so the first sentence reads: "a. The Chair and other newly elected officers of the commission are authorized to sign...." It was agreed that this change in item a. also clarifies the statement that follows it in item b.
- Longanecker said additional changes to the bylaws could be made during the November meeting. He said substantive or radical changes that are not published 60 days prior to the November meeting could not be made because that would violate the spirit of the prior notification provisions of the bylaws.

COMMISSIONERS RUCH/SULLIVAN (M/S) APPROVAL TO ADVANCE THE PROPOSED REVISIONS TO THE BYLAWS FROM BOTH THE MAY MEETING AND THIS CONFERENCE CALL MEETING TO THE FULL COMMISSION FOR ACTION IN NOVEMBER. The motion passed unanimously. As guided by the bylaws, by Sept. 8, proposed revisions to the bylaws will be distributed to the full commission along with the call to the November meeting. Attachment 1 of these meeting minutes reflects the revisions to the bylaws resulting from action taken during this conference call meeting. This version of the proposed revisions to the bylaws will be presented in the agenda book for action by the full Commission during the November 9 Committee of the Whole meeting.

Discussion Item **November 2004 Commission Meeting Schedule**

David Longanecker reviewed the sessions proposed for the November meeting:

- "What's up in the WICHE West?" and "What's WICHE Been Up To Lately?" with speakers David Longanecker, the executive director of WICHE, and Cheryl Blanco, the director of the Policy Analysis and Research unit at WICHE.
- "Policy Discussion: Elections and Implications," with speaker Pam Inman, the new executive director of the Western Governors' Association.
- "Policy Discussion: Measuring Up 2004," with speaker Pat Callan, the president of the National Center for Public Policy and Higher Education.
- "Policy Discussion: Acting on Measuring Up 2004," with speaker Dennis Jones, the president of the National Center for Higher Education Management Systems (NCHEMS).
- "Policy Discussion: Open Learning Networks and other Nifty Developments," with speaker Sally Johnstone, the director of WCET at WICHE.

Longanecker said that since the meeting schedule was distributed, he has learned that two of the speakers proposed for Tuesday's session are unable to participate on Tuesday. He said he will be reworking the schedule to possibly accommodate these speakers on Monday, and this may mean moving the committees to Tuesday morning. He said he wanted to get the executive committee's reaction to the proposed sessions. The committee was pleased with the proposed speakers and sessions, but concern was expressed about the length of Monday afternoon's break. A new schedule will be distributed in early September.

Information Item **General Fund Budget Update for FY 2004 and FY 2005**

David Longanecker referred to the budget attachment and reported that WICHE ended FY2004 better than anticipated, with \$238,000 to be contributed to reserves (line 23, column d). The reason for this improvement is that expenditures were less than anticipated (line 21, column d); most of this was due to staff cutbacks made early. Once it was determined that staff cuts would be necessary in FY 2005, they were made during FY 2004 rather than waiting. Revenues fell short by \$36,000 (line 8, column d) over what was anticipated. This shortfall is because California did not pay any amount of dues, and half of the dues (\$52,000) were expected from California.

Chair Carlson asked about California's current situation regarding WICHE's dues. Longanecker said that while California has a budget, he has not been able to find out if WICHE's dues are in its budget. He said that thanks to the good efforts of Assemblywoman Carol Liu and Senator Dede Alpert, there was money in the budget at one point for California's arrears in dues for both last year and the year before. Former WICHE Commissioner Bruce Hamlett, who now works with one of the California legislature's finance committees, is trying to determine if WICHE's dues are in the budget. Longanecker said he also hasn't been able to determine if there is any money for WICHE in the 8800 section of the budget (from which claims against the state are paid). Chair Carlson said it looks as though the budget is in pretty good shape, even if California's dues are not paid.

Longanecker reported that the reserve balance at the end of the fiscal year was expected to be \$470,273 (line 41, column b), but as a result of the reduction in expenses, the year-end reserve balance is \$779,245 (line 41, column d). However, some of these funds are earmarked for the office building (\$220,000; line 35, column f) and some are earmarked as contingency funds (\$238,291; line 36, column f) to be used if California is unable to pay its dues, or if projected indirect income fell short, or for some other unplanned necessity during FY 2005. While this means a good amount of the reserves could be spent this year, the reserves would still remain above the mandated level (12 percent of budgeted annual expenditures). Chair Carlson said he is pleased that the organization looks fiscally viable.

Project Updates

Legislative Advisory Committee Meeting

Longanecker reported that the Legislative Advisory Committee met in Salt Lake City, UT, in conjunction with the National Conference of State Legislatures annual meeting on July 19. He said the meeting was successful but sparsely attended, with only eight Legislative Advisory Committee members attending: California Assemblywoman Carol Liu, Colorado Representative Nancy Spence and Senator Ron Tech, New Mexico WICHE Commissioner and Senator Dede Feldman, North Dakota WICHE Commissioner and Senator David Nething, South Dakota Senator Ed Olson, and Washington WICHE Commissioner and Chair Senator Don Carlson and Senator Jeanne Kohl-Wells. He said the meeting has also been held in previous years in conjunction with the Council of State Governments–West annual meeting. He said that in November he would like commissioners to talk about getting more representation on the Legislative Advisory Committee. WICHE commissioners are key to filling these positions; there are vacancies in nine states (Arizona, California, Colorado, Hawaii, Idaho, North Dakota, Oregon, Utah, and Wyoming), with more likely following the elections this fall. He said the committee members seem to value their membership, and their involvement in WICHE is very valuable to the organization. He said that frequently committee members are important and effective advocates for WICHE in their states.

Cheryl Blanco said the Legislative Advisory Committee members had a good discussion around the "mobile student." She said discussions about what states are doing to insure access and success of these students was valuable, and everyone learned a great deal from each other.

Chair Carlson said the small attendance was likely due to the fact that it is particularly hard to get legislators interested in higher education issues during the time NCSL allotted WICHE on the program. He said he'd like to work with NCSL to get WICHE a better spot on the agenda that does not conflict with other events. He added that he gained much from this meeting.

Implementing the MHEC/WICHE Master Property and Property & Casualty Insurance Programs in the WICHE Region

David Longanecker said Jere Mock is the primary staff person for this project, and he would report on her behalf. Since the WICHE Commission approved expanding the Midwestern Higher Education Compact's (MHEC's) two insurance and risk management programs to the WICHE region in May, the University and Community College System of Nevada (UCCSN) has joined the Master Property Program (MPP), becoming the first system in the West to participate in this regional collaboration. UCCSN predicts the program will save the system a half-million dollars this year on its \$2.6 billion in insured assets.

Staff have been contacting institutional and system risk managers in the WICHE region to inform them about these programs, and several institutions have expressed an interest in joining. However, there are a number of states where institutions are not allowed to participate in programs other than their own self-insure programs or their state's programs. Longanecker said he would work with these states to encourage changes in legislation that would enable institutional participation in the WICHE programs.

The Master Property Program, created 10 years ago by MHEC, now includes 37 institutions (with 74 campuses) with total insured values of over \$45 billion. The program has generated more than \$19 million in savings for the participating institutions. Lexington AIG is the program underwriter; Marsh and Captive Resources administers the program under the direction of an oversight committee that is representative of the insured institutions. GAB Robins handles all property claims for the member institutions.

Another initiative being introduced meets the needs of smaller colleges and universities through a risk-pooling arrangement similar to the Master Property Program. The new initiative is designed for two-year and four-year public and private institutions with enrollments under 7,500. Many smaller institutions need to leverage their casualty and property coverage together and cannot afford the MPP minimum policy deductible. As membership in this new program develops, an oversight committee will be established to represent the institutional members in this regional program. Longanecker said this program provides institutions insurance at a much lower premium and provides, as part of membership, access to a loss prevention program benefit.

Implementing the Equity Scorecard Project with Two Colorado Institutions

David Longanecker said this project is also under the direction of Jere Mock, and he would be reporting on her behalf. In March, the executive committee approved WICHE's participation as a subcontractor to the University of Southern California's Center for Urban Education (CUE) to conduct a pilot of the *Equity Scorecard* initiative with two institutions in the WICHE member states. The project is funded by the Ford Foundation through a \$150,000 grant to CUE. Of this, \$60,936 is WICHE's subcontracted amount. Since the commission's last project update in May, a consultant has been hired to manage the pilot: Suzanne Benally, a former WICHE staff member who directed WICHE's Institute on Ethnic Diversity. Two Colorado institutions have been recruited to participate in the pilot project: Fort Lewis College in Durango and Metropolitan State College in Denver.

The *Equity Scorecard* project regards educational inequities as a problem of institutional performance and is designed to help colleges and universities improve the educational participation, access, and success of underrepresented ethnic and minority students.

USC-CUE and WICHE will pursue additional funding from foundations and other organizations that may support an expansion of the *Equity Scorecard* approach to other WICHE states and institutions.

Changing Direction: Integrating Higher Education Financial Aid and Financing Policy

Cheryl Blanco reported that through the *Changing Direction* project, several activities are planned or are currently taking place:

- A short report will be published summarizing the discussions held during the national policy forum held in June in Seattle. Commissioners will receive a copy of this report in September.
- Ten states are currently involved in the technical assistance offered through this project; a new call for state involvement will be issued in November.
- New publications include a study looking at the effects of financial aid policies on articulation and transfer; and a survey of educational policy advisors in gubernatorial offices, conducted by the National Governors Association, based on surveys of education policy advisors in gubernatorial offices for the *Changing Direction* project.
- A leadership institute, cosponsored with the Association of Governing Boards (AGB), is scheduled for early October. Approximately 10 states from around the nation have been invited to participate. Western states include Colorado, Montana, New Mexico, and Utah.

Expanding Engagement: Public Policy to Meet State and Regional Needs

Cheryl Blanco reported that the Ford Foundation-funded project *Expanding Engagement* will end December 31. This project has focused on access, accountability, workforce issues, and the financing of information technology. Project events remaining this year are:

- WICHE will participate in the technical assistance aspect of this project: Montana, Nevada, and Utah.

- Cosponsors WICHE and MHEC (Midwestern Higher Education Compact) will hold a subregional policy forum this month for low-growth states. Eight states have been invited; Western states include Montana, New Mexico, North Dakota, South Dakota, and Wyoming. The forum's focus is on attracting and retaining students when states anticipate a decline or very low growth in the numbers of high school graduates over the next decade.
- A regional policy forum on workforce, economic development and higher education will be held in Denver in early December.

Accelerated Learning Options: A Study of State and Institutional Policies and Practices

Cheryl Blanco reported that the Lumina Foundation-funded project *Accelerated Learning* will focus on state and institutional policy concerning the International Baccalaureate, Advanced Placement, dual enrollment, and concurrent enrollment, including transcript analysis and finance questions. This new project will be initiated in October and is closely linked to recent projects related to strengthening access for underrepresented populations. Blanco said she will provide a more comprehensive report in November.

Western Consortium for Accelerated Learning Opportunities (WCALO)

The WCALO project is slated to end in September, and a request for a one-year project extension will be submitted. Forthcoming project deliverables are:

- A new publication examining interactive video as a strategy to expand access.
- A new advanced placement tool, adapted from the WCET's EduTools model, will soon be unveiled. This tool will expedite online research by schools, principles, and teachers, helping them to examine various characteristics of Advanced Placement course providers and select providers best suited to meet their requirements and finances. The initial edition of this tool will soon be available; funding for future expanded editions will be explored.

Office Building Update

Marv Myers reported that a non-legally binding letter of intent will soon be presented to the sellers of an office building located at 3035 Center Green Drive (Foothills Parkway and Valmont Street) in Boulder, CO. The letter of intent notifies the sellers of the intent of SHEPC (State Higher Education Policy Center, LLC) to purchase the building for \$4.0 million.

Priced at \$4.4 million, the 32,000-square-foot building was built in 1983, is currently vacant, and previously has been occupied by high tech firms. WICHE's share will be approximately 58 percent.

SHEPC (WICHE, NCHEMS, and SHEEO) will finance \$3.0 million through the Ford Foundation's PRI (program-related investment) loan at a 1 percent interest rate, amortized over 15 years. During the first year of the loan, no principal or interest payments will be required by the foundation. In year two, regular interest and principle payments begin, with a balloon payment (the entire balance of the loan) due after year 11. The remaining balance, approximately, \$1.0 to \$1.4 million, will be financed through equity contributions by the three organizations, possibly in conjunction with a small additional loan. WICHE's initial building payments will be equal to or slightly less than its current rent.

If the offer is accepted, for tax purposes, the sellers want to postpone the property closing until May 1, 2005. It will take the sellers three to four months to complete the required interior renovations prior to being occupied in December or January; rent would be paid until the closing around May 1, 2005.

The meeting adjourned.

INFORMATION ITEM

Executive Committee Meeting Minutes

May 17, 2004

Executive Committee Members Present

Don Carlson, chair (WA)
Diane Barrans, vice chair (AK)
Chuck Ruch, immediate past chair (SD)
John Haeger for Linda Blessing (AZ)
Bob Moore (CA)
William Kuepper (CO)
Doris Ching (HI)
Gary Stivers (ID)
Sheila Stearns (MT)
Carl Shaff (NV)
Patricia Sullivan (NM)
David Nething (ND)
Camille Preus-Brady (OR)
Tad Perry (SD)
E. George Mantes (UT)
James Sulton (WA)
Klaus Hanson (WY)

Other Commissioners Present

Tex Boggs (WY)
Bob Burns (SD)
Bill Byers (CO)
Ryan Deckert (OR)
Phil Dubois (WY)
Johnny Ellis (AK)
Everett Frost (NM)

Other Commissioners Present (continued)

Mike Hillman (ND)
Richard Kendell (UT)
Frank Kerins (MT)
Richard Kunkel (ND)
Jane Nichols (NV)
Roberta Richards (HI)
Diane Vines (OR)
Cindy Younkin (MT)

Guests Present

Don Carpenter
Dawn Cypriano-McAfee
Louise Lynch
Annie McLeod
Chris Morphew
Joel Sideman
Ron Sparks, II

Staff Present

David Longanecker, executive director
Cheryl Blanco
Caroline Hilk
Sandy Jackson
Sally Johnstone
Jere Mock
Marv Myers
Marla Williams

Chair Don Carlson called the meeting to order.

Action Item: Approval of Minutes

COMMISSIONERS PERRY/RUCH M/S APPROVAL OF THE EXECUTIVE COMMITTEE MEETING MINUTES OF NOVEMBER 10, 2003, AND CONFERENCE CALL MEETING MINUTES OF FEBRUARY 3, MARCH 5, AND APRIL 6, 2004. The motion passed unanimously.

Action Item: Fiscal Year 2005 Salary and Benefit Recommendations

Marv Myers summarized the salary and benefits recommendations for fiscal year 2005 located on pp. 1-45 and 1-46 of the agenda book. The recommendation includes a salary increase pool of 3.5 percent for staff and a couple of salary adjustments beginning July 1. Salary increases are based on performance/merit only; WICHE does not provide a cost of living adjustment. He said the total package of \$36,554 does not include any benefit improvements or enhancements.

Health insurance has increased by only 6 percent for WICHE this year. However, staff are increasingly paying more for less with regard to health insurance. He reminded the commission that staff did not receive a salary increase last year.

David Longanecker said this would be a 3.5 percent increase on average for staff with a couple of salary equity adjustments for positions that are out of range and increases in the costs of benefits associated with health insurance, etc.

COMMISSIONERS BARRANS/SHAFF M/S APPROVAL OF THE SALARY AND BENEFIT RECOMMENDATIONS FOR FISCAL YEAR 2005. Vice Chair Diane Barrans said while it was unfortunate last year that WICHE was not in a financial position to make an annual salary increase available to staff, the commission had a strong recognition of the staff's very positive performance. She said based on this she believes the commission can strongly support this and she recommends unanimous approval of the action item in recognition of the outstanding performance of staff. The motion passed unanimously.

Chair Carlson reminded the committee that this item will be presented to the full commission tomorrow and will include some further presentation by Diane Barrans of the closed and the open sessions of the executive committee.

Action Item: Fiscal Year 2005 General Fund Budget and Review of Fiscal Year 2004 General Fund Budget

Marv Myers said the action item regarding the budget is located on pp. 1-47 through 1-50 of the agenda book. He referred the committee to the detailed table on p. 1-48. He said in an overall sense, WICHE's fiscal picture has improved quite a bit from what was anticipated at the May 2003 commission meeting. He said what has caused this improvement is a reduction in expenditures that has occurred through staff reductions. He said some of the staff reductions are due to externally funded projects coming to an end but also from some general fund staff layoffs. He said FY 2004 revenue will end with delinquent dues a bit higher than anticipated due to California's nonpayment of dues. He added that it is anticipated that the dues will be recovered from California through the action of the California Board of Control. He said indirect costs were higher, interest was lower, and miscellaneous income was higher due to the receipt of some small projects. Overall, this means the budget will be within \$8,000 of what was budgeted. On expenditures, he said the staffing reductions resulted in improving the budget by \$133,000 which results in a net overall improvement for the fiscal year of \$125,000. He said he expects the FY 2004 budget to improve even further because historically expenditures during the last two months of the fiscal year end up being lower than projected.

For FY 2005, Myers reported that projected income reflects the dues increase of \$3,000 per state for a total of \$105,000 in dues per state. He said the FY 2005 budget anticipates that all 15 states will pay their dues. He said interest income continues to be down partially because of the base investment level will be lower. This is because of lower project activity and the planned 5 percent contribution towards the equity position for the new office facility. Also as a result of project activities being less, indirect income will be less in FY 2005. He said overall, revenues are anticipated to be very close to what they were for FY 2004. He said expenditures are in line with anticipated revenue. He said the budget is a constant monitoring process and staff will be reporting back to the executive committee on a regular basis.

Myers directed the committee to the lower portion of the table on p. 1-48 to report on reserves. He said through prior commission action, WICHE is required to maintain a minimum reserve (shown on line 26) of 12 percent of expenditures. He said line 27 shows the amount of reserves available for dedication, and lines 29-37 shows some of the various dedications already approved by the commission. The amount dedicated for the office building on line 35 will likely not be spent during this fiscal year but will be spent during FY 2005. He said staff will be bringing an action item to the executive committee once the specific office building has been identified. He said one new line item is on line 30, the "Surplus (deficit) Applied to Reserves." He said this line item is something staff would like to keep to be used only in a worst case scenario. Examples of its use would be if a state does not pay its dues in the coming fiscal year or if projected indirect cost income does not materialize; then this line would provide a certain amount of flexibility. He said if the budget develops as planned, there would not be any need to transfer money from line 30; however staff would prefer to have the built in flexibility that line 30 provides.

Myers said p. 1-49 of the agenda book is a summary of expenditures by fiscal year of WICHE's various components resulting in the net operating budget on line 18. This shows WICHE's net operating budget for FY 2003 was \$6.2

million, and is expected to be \$6 million in FY 2004. In FY 2005, the net operating budget is expected to drop significantly to \$4.2 million. He said this significant drop is due to funded activities coming to an end. He said usually WICHE receives additional projects that will likely improve the numbers for FY 2005. He said these estimates are relatively conservative and focus primarily on grants/contracts in hand.

Myers said p. 1-50 of the agenda book is a pie chart that summarizes WICHE's income and expenditures for the upcoming fiscal year (FY 2005).

Myers said the action requested today is approval of the general fund budget for fiscal year 2005.

COMMISSIONERS BURNS/CHING (M/S) APPROVAL OF THE FY 2005 GENERAL FUND BUDGET AS SUMMARIZED ON THE FIRST TABLE OF THE ACTION ITEM ON P. 1-49 OF THE AGENDA BOOK. The motion passed unanimously.

Action Item: Establishing Dues for the Fiscal Year 2006 and Fiscal Year 2007 Biennium

David Longanecker said the agenda item on pp. 1-52 to 1-54 of the agenda book proposes a modest dues increase for fiscal year 2006 and fiscal year 2007. He said the increase for fiscal year 2005 has already been approved. He said dues are set this far in advance to accommodate states that begin preparing budgets this early and particularly for those states with biennium budgets, so they can be incorporated into state planning beginning this fall. The proposal is for a \$3,000 increase in fiscal year 2006, which will be slightly less than a 3 percent increase in dues, and a \$4,000 increase in fiscal year 2007, which will be slightly less than a 4 percent increase in dues. He said while exact figures are unknown these increases are expected to be somewhat in line with inflation.

COMMISSIONERS PERRY/SHAFF M/S APPROVAL OF THE FOLLOWING WICHE DUES SCHEDULE FOR EACH MEMBER STATE: FY 2006=\$108,000 AND FY 2007=\$112,000. The motion passed unanimously.

Information Item: Role of the WICHE Commissioner and Proposed Changes to the Bylaws

Commissioner Everett Frost thanked Marla Williams, who worked through the details of the proposed bylaws changes to show what would be added, deleted, and changed, and he thanked Diane Barrans, who did a very thorough critique of an earlier version of the bylaw changes.

Frost explained why this item is being presented to the commission. He said last year WICHE had its five-year anniversary evaluation. The results of that evaluation focused on the executive director and some of the program activities, but it was discovered during this process that there was not much material or documentation about the role and expectation of the WICHE commissioners. Frost was asked to present some conceptual material about how this might be approached and the ensuing discussion in November determined that more explicit material about the role of the WICHE commission should be developed. Shortly after the November meeting, Frost reported receiving a dreaded call from immediate past Chair Ruch saying the officers were asking him to carry on with this project. It was decided that Frost would act as a committee of one to develop what is presented for this May's meeting on pp. 1-55 to 1-69 of the agenda book. He said in order to create this clarification, he looked at two policy documents currently in place: the compact that established WICHE and addresses the main legal responsibilities of the commissioners; and the bylaws that dwell on commissioners in terms of office, role, and the committee system. He said that after working from these two documents, as well as other documents from other organizations, he is proposing some changes to the bylaws that would make much more explicit the role of the WICHE commissioner and add some detail to what is broadly outlined in the other documents. He said as part of this, there is some matching of responsibilities between the WICHE commissioners and the executive director. He said on pp. 1-67 and 1-68 of the agenda book he has attempted to describe the creative role of the commissioners and the role of higher education leadership. He is also recommending a commissioner's handbook that would contain all of these documents and more, which would be distributed to all commissioners and updated once per year. This handbook could also be used in new commissioner orientation sessions. He said the changes include some legal or bureaucratic detail that he believes is needed, given the changing roles of the executive director and the commissioners. He said the primary purpose of and the most important role for the WICHE commissioners is the hiring of the executive director. This process, which has always been informal, has now been set out in more specific language. There is also a section on the delegation of authority from the commission to the officers of the commission and to the executive director; much of this has to do with clarifying the audit trail. Other changes include the recommendation that an audit committee be created, and that it sit in with the staff during the annual audit exit report to insure that representatives of the commission

are involved with the auditors. He said he is not implying that there is currently a problem, only that commissioners have a legal responsibility to pay attention to the audit. Another change is to formalize the role of the past chairperson. He said it has been his observation that the chair and vice chair look to the immediate past chairperson to get all of the work of the commission done. He said since this does happen, the past chair should have a more formally defined role.

He said he believes the next step in this process is to give the commission or a subgroup of the commission time to review these documents before they are returned to the commission for approval in November. The bylaws require 60 days notice of proposed changes before a vote can be taken on any changes. It would be wise to have the officers and the executive director review these proposed changes to make sure we are not creating any problems. If any changes to these documents are to be made, they need to be made by August 1 or sooner, for next November's meeting. He said the question is, do you want to do this or has this been an exercise in bureaucracy?

Carlson said it is the chair's intent that he will open it up for committee discussion now; that the executive committee will consider it further during their telephone conference call meetings this summer; and that by August, the executive committee will make a recommendation for the November meeting, where a formal action will be taken by the full commission. He said because of the required timing for bylaws changes, formal action by the commission cannot be taken until November.

Commissioner Vines asked if the commission would consider referring to the officers as "chair" and "vice chair" rather than "chairperson" because "chairperson" is awkward and most organizations use "chair." Frost said this is something that is easy to change.

Chair Carlson said consideration might be given to having a former commissioner serve on the audit committee because of their background and knowledge in the area of audits. Frost said he had arbitrarily suggested the officers and said there is lots of room for changes, and his experiences with other boards is that it helps to have continuity. Longanecker said some of the commissioners might be following the events around the passage of the Sarbanes-Oxley Act and its recommendations that the audit committee be separate from the officers because of potential conflicts of interest. He said this is something the commission might want to think about because there are already suggestions that nonprofits should follow these guidelines due to potential liability.

Commissioner Perry said the title of the executive director and chief operating officer of the commission are embedded in the bylaws. He asked if anyone during the process of all of this had given any thought to changing the title of the executive director. Commissioner Frost said he had incorporated a change into the first draft of the proposal, but David Longanecker did not want his title changed, and there is a certain amount of stress produced by that kind of a title change. Frost said he believes WICHE has changed as an organization enough; that it has achieved executive officer status; and that ultimately the next change should be to call the position "president." Perry said there is never going to be a point in time when there isn't going to be some sort of stress financially or otherwise for the organization and sometimes you just have to do it. Perry said he would encourage the committee of one and the executive committee to think about that as it goes through the bylaw changes.

Commissioner Hanson said on p. 1-57 it is outlined under membership that each state has three members, but on p. 1-59 under voting it states that every state has only one vote. He asked does every state have to caucus ahead of time to determine their vote. Chair Carlson said yes; when the votes are taken in the committee of the whole, the three commissioners need to make a decision about who is voting for that state.

Commissioner Nothing said he realizes there is a process that must be gone through for the adoption of the bylaw changes, but it seems that it would be advantageous to approve the handbook, regardless of what happens to the bylaws. He said he thinks it looks good now and that it would certainly be helpful to the commissioners. Chair Carlson he would like to first finish the general discussion and then come back to the suggestion to approve handbook.

Commissioner Stearns said on p. 1-58 in the section on enumerating the powers of the commission, it is disconcerting to find that commissioners have the power to sue and also are able to be sued. She said it was new to her. David Longanecker said it may be important to note that WICHE does carry liability insurance for the commissioners.

Chair Carlson said there will be further conversation about this during the executive committee conference calls this summer, with an August 1 deadline for proposals to change the bylaws. Carlson asked whether any additional changes suggested during the November meeting would mean a further delay in approving bylaws. Longanecker said the

proposed changes must be published 60 days prior to the meeting at which action to change them would take place. However, he believes that the proposed changes can be amended at the November meeting. Longanecker said he'd like to take an action at the next executive committee meeting that would approve the changes presented for vote in November. Frost said Roberts Rules of Order do allow for additional changes to bylaws during the meeting as long as the proposed initial changes are presented with advanced notice.

COMMISSIONER NETHING/SULLIVAN (M/S) APPROVAL OF THE COMMISSIONERS HANDBOOK. The motion passed unanimously.

Chair Carlson thanked Everett for his work on this committee of one. He said it is apparent that a lot of work has gone into this and he is very appreciative.

Commissioner Ruch said since he was the one who called upon the committee of one, he wanted to publicly express his appreciation to Everett Frost for his work on these documents. He said this is a chore that not many would leap to take on and yet it is vitally important to the life of the organization. He said Frost has done "yeoman service" in spite of the difficulties. Ruch thanked Frost on behalf of the WICHE Commission for a job well done.

Information Item: Mental Health Program Overview

David Longanecker reported for Dennis Mohatt, the Mental Health Program director. He said that Mohatt was unable to attend this commission meeting because he is in Alaska working on projects to generate revenue for the Mental Health Program. He said Dennis apologizes for not being able to attend the meeting.

Longanecker said there is always a report about the Mental Health Program at the executive committee meeting because this was the commission's charge a few years ago.

The Mental Health Program began as a part of WICHE in 1955 and is currently governed primarily by the Mental Health Oversight Council, which consists of the state mental health directors and two WICHE commissioners. He referred the committee to the report on pp. 1-71 and 1-72 of the agenda book. He said the past 18 months have been very difficult for Mental Health. The one benefit higher education has in looking at the past 18 months is that life could be worse: mental health budgets have suffered as much if not more than higher education has in general. Mental health is generally within the state budget in the same area as health insurance benefits for the poor, Medicaid, and other things, so it generally has been an area that has faced very substantial cuts. As a result of this, a number of the states have found it very difficult to pay their dues to the Mental Health Program. He said while WICHE has only one state with unpaid dues (California), the Mental Health Program has a number who are not paying their dues at the current time. The program financially recovered from some very difficult times last year to become much more robust this year, but it is doing so out of project-driven activities. WICHE likes to keep a balance between our service to the states and our project-driven activities, and there is some danger of losing that balance in the Mental Health Program. He said the Mental Health Program is currently providing a great deal of technical assistance and data support for various states, particularly around needs assessment and performance measurements. The program is working on workforce development issues with a number of states, including developing a fairly strong presence in working with general practitioners and family practitioners to help them better understand how they can help treat mental illness. The unit is providing a tremendous national presence on mental health issues for the West, particularly the frontier West. Dennis Mohatt was a consultant on the President's New Freedom Commission on Mental Health and was in fact the author of the subcommittee report on rural mental health. The program is working on efforts from strategic planning to data analysis to technical assistance in eight of the Western states. Longanecker said it is a very active program; Dennis Mohatt has done a marvelous job and is driving himself very hard to secure these resources. He said it has been a very productive year for the Mental Health Program.

Information Item: Review of the May 2004 Meeting Schedule

David Longanecker reviewed the schedule for the next day and a half commission meeting.

The meeting adjourned.

**Meeting Evaluation
WICHE Commission Meeting
November 8-9, 2004
Broomfield, Colorado**

Please give us your suggestions on the following areas:

Program (presentations and discussions, committee of the whole structure, and speakers):

Agenda Book (format, content):

Schedule (structure, schedule, pace of meeting):

Facilities (hotel, sleeping rooms, food):

Future topics for policy discussions:

Other comments you care to make:

Your name (optional): _____

Please return to:

Marla Williams, WICHE, PO Box 9752, Boulder, CO 80301

Fax: 303.541.0291; email: mwilliams@wiche.edu or dlonganecker@wiche.edu

Please use the other side of the form
or additional paper, if necessary.

Thanks.

Reference

- The WICHE Commission 11-3
- 2004 Committee Assignments 11-4
- WICHE Staff 11-5
- Higher Education Acronyms 11-6

The WICHE Commission

WICHE's 45 commissioners are appointed by their governors from among state higher executive officers, college and university presidents, legislators, and business leaders from the 15 Western states. This regional commission provides governance and guidance to WICHE's staff in Boulder, CO. Don Carlson, state senator, Vancouver, WA, is chair of the WICHE Commission; Diane M. Barrans, executive director, Alaska Commission on Postsecondary Education, Juneau, AK, is vice chair.

Alaska

Diane M. Barrans (WICHE vice chair, 2004), executive director, Alaska Commission on Postsecondary Education, Juneau
Johnny Ellis, state senator, Anchorage
Marshall Lind, chancellor emeritus, University of Alaska Fairbanks, Juneau

Arizona

Lawrence M. Gudis, senior vice president, Apollo Group, Axia College, Phoenix
John Haeger, president, Northern Arizona University, Flagstaff
Joel Sideman (pending), executive director, Arizona Board of Regents, Phoenix

California

Francisco Hernandez, vice chancellor, University of California, Santa Cruz
Herbert Medina, associate professor, Mathematics Dept., Loyola Marymount University, Los Angeles
Robert Moore, former executive director, California Postsecondary Education Commission, Shadow Hills

Colorado

William F. Byers, consumer and public relations manager, Grand Valley Power, Fruita
William G. Kuepper III, senior policy advisor, Colorado Commission on Higher Education, Denver
Richard O'Donnell, executive director, Colorado Commission on Higher Education, Denver

Hawaii

Doris Ching, vice president for student affairs, University of Hawaii System, Honolulu
Roy T. Ogawa, attorney, Oliver Lau Lawhn Ogawa & Nakamura, Honolulu
Roberta M. Richards, state education officer, Hawaii Department of Education, Honolulu

Idaho

Richard Bowen, president, Idaho State University, Pocatello
Robert W. Kustra, president, Boise State University, Boise
Gary W. Stivers, executive director, State Board of Education, Boise

Montana

Ed Jasmin, immediate past chair, Montana Board of Regents, Big Fork
Sheila Stearns, commissioner, Montana University System, Helena
Cindy Younkin, state representative, Bozeman

Nevada

Jane Nichols, chancellor emeritus, University and Community College System of Nevada, Reno
Raymond D. Rawson, state senator, Las Vegas
Carl Shaff, educational consultant, Nevada State Department of Education, Reno

New Mexico

Letitia Chambers, executive director, New Mexico Commission on Higher Education, Santa Fe
Dede Feldman, state senator, Albuquerque
Patricia Anaya Sullivan, assistant director, Waste Management Education and Research Consortium (WERC), New Mexico State University, Las Cruces

North Dakota

Richard Kunkel, member, State Board of Higher Education, Devils Lake
David E. Nething, state senator, Jamestown
Robert L. Potts, chancellor, North Dakota University System, Bismarck

Oregon

Ryan Deckert, state senator, Portland
Camille Preus-Braly, commissioner, Oregon Department of Community Colleges and Workforce Development, Salem
James K. Sager, higher education policy advisor, Education & Workforce Policy Office, Salem

South Dakota

Robert Burns, distinguished professor, Political Science Department, South Dakota State University, Brookings
Robert T. (Tad) Perry (WICHE chair, 2002), executive director, South Dakota Board of Regents, Pierre
Charles Ruch (immediate past WICHE chair), president, South Dakota School of Mines and Technology, Rapid City

Utah

David L. Gladwell, state senator and attorney, North Ogden
Richard E. Kendell, commissioner of higher education, Utah System of Higher Education, Salt Lake City
E. George Mantes, regent, Utah State Board of Regents, Salt Lake City

Washington

Don Carlson (WICHE chair, 2004), state senator, Vancouver
Debora Merle, policy advisor for higher education, Washington Office of the Governor, Olympia
James Sulton, Jr., executive director, Washington State Higher Education Coordinating Board, Olympia

Wyoming

Tex Boggs, state senator, and president, Western Wyoming Community College, Rock Springs
Philip L. Dubois, president, University of Wyoming, Laramie
Klaus Hanson, professor of German, and chair, Department of Modern and Classical Languages, University of Wyoming, Laramie

Commission Committees 2004

Executive

Don Carlson, chair (WA)
Diane Barrans, vice chair (AK)
Chuck Ruch, immediate past chair (SD)

Committee vice chair (AK)
Larry Gudis (AZ)
Robert Moore (CA)
William Kuepper (CO)
Doris Ching (HI)
Gary Stivers (ID)
Sheila Stearns (MT)
Carl Shaff (NV)
Patricia Sullivan (NM)
David Nething (ND)
Cam Preus-Braly (OR)
Tad Perry (SD)
E. George Mantes (UT)
James Sulton (WA)
Klaus Hanson (WY)

Issue Analysis and Research

Jane Nichols (NV), chair
Ryan Deckert (OR), vice chair
Don Carlson (WA), ex officio
Diane Barrans (AK), ex officio

Johnny Ellis (AK)
Larry Gudis (AZ)
Francisco Hernandez (CA)
Rick O'Donnell (CO)
Roy Ogawa (HI)
Richard Bowen (ID)
Cindy Younkin (MT)
Ray Rawson (NV)
Letitia Chambers (NM)
Richard Kunkel (ND)
James Sager (OR)
Robert Burns (SD)
David Gladwell (UT)
Debora Merle (WA)
Tex Boggs (WY)

Programs and Services

Phil Dubois (WY), chair
Carl Shaff (NV), vice chair
Don Carlson (WA), ex officio
Diane Barrans (AK), ex officio

Marshall Lind (AK)
John Haeger (AZ)
Herbert Medina (CA)
Bill Byers (CO)
Roberta Richards (HI)
Robert Kustra (ID)
Ed Jasmin (MT)
Committee vice chair (NV)
Dede Feldman (NM)
Robert Potts (ND)
Cam Preus-Braly (OR)
Tad Perry (SD)
Richard Kendell (UT)
Ex officio (WA)
Committee chair (WY)

2004 Nominating Committee

Chuck Ruch (SD), chair
Cam Preus-Braly (OR)
Gary Stivers (ID)

WICHE Staff

Executive Director's Office

David Longanecker, executive director
Marla Williams, assistant to the executive director
Frank Abbott, senior policy advisor

Accounting and Administrative Services

Kelly Israelson, senior accounting specialist
Craig Milburn, director of accounting services
Marv Myers, director of administrative services
Ann Szeligowski, accounting specialist
Jerry Worley, information technology manager

Mental Health

Scott Adams, senior research and technical assistance associate
Mimi Bradley, postdoctoral fellow
Chuck McGee, project director
Dennis Mohatt, senior program director
Jenny Shaw, administrative and project coordinator

Policy Analysis and Research

Cheryl Blanco, senior program director
Michelle Médal, administrative assistant
Demarée Michelau, project coordinator
Brian Prescott, research associate

Programs and Services

Candy Allen, graphic designer
Anne Ferguson, administrative assistant
Annie Finnigan, communications associate
Deborah Jang, web design manager
Michelle Médal, administrative assistant
Jere Mock, director of programs and services/
student exchange
Ken Pepion, director, Bridges to the Professoriate
Margo Stephenson, student exchange program coordinator

WCET

Sharmila Basu Conger, postdoctoral fellow
Tim Dammann, web developer
Rachel Dammann, conference assistant
Sherri Artz Gilbert, administrative coordinator
Deborah Jang, web design manager
Sally Johnstone, director
Russell Poulin, associate director
Pat Shea, assistant director
Bing Walker, research assistant

Staff members whose names are in **bold** have joined the WICHE staff since the last commission meeting.

The WICHE website, www.wiche.edu, includes a staff directory with phone numbers and email addresses.

Higher Education Acronyms

Higher ed is addicted to acronyms, so much so that the actual names of organizations are sometimes almost lost to memory. Below, a list of acronyms and the organizations they refer to (plus a few others).

AACC	American Association of Community Colleges	www.aacc.nche.edu
AACTE	American Association of Colleges for Teacher Education	www.aacte.org
AAC&U	Association of American Colleges and Universities	www.aacu-edu.org
AAHE	American Association for Higher Education	www.aahe.org
AASCU	American Association of State Colleges and Universities	www.aascu.org
AAU	Association of American Universities	www.aau.edu
ACE	American Council on Education	www.acenet.edu
ACT	(college admission testing program)	www.act.org
ACUTA	Association of College & University Telecommunications Administrators	www.acuta.org
AED	Academy for Educational Development	www.aed.org
AERA	American Educational Research Association	www.aera.net
AGB	Association of Governing Boards of Universities and Colleges	www.agb.org
	Center for Public Higher Education Trusteeship & Governance	www.agb.org/center/
AIHEC	American Indian Higher Education Consortium	www.aihec.org
AIR	Association for Institutional Research	www.airweb.org
ASPIRA	(an association to empower Latino youth)	www.aspira.org
ASHE	Association for the Study of Higher Education	www.ashe.missouri.edu
ATA	American TelEdCommunications Alliance	www.atalliance.org
CASE	Council for Advancement and Support of Education	www.case.org
CGS	Council of Graduate Schools	www.cgsnet.org
CHEA	Council for Higher Education Accreditation	www.chea.org
CHEPS	Center for Higher Education Policy Studies	www.utwente.nl/cheps
CIC	Council of Independent Colleges	www.cic.org
COE	Council for Opportunity in Education	www.trioprograms.org
CONAHEC	Consortium for Higher Education Collaboration	www.wiche.edu/conahec/english
CONASEP	CONAHEC's Student Exchange Program	www.wiche.edu/conahec./conasep
CSG-WEST	Council of State Governments – West	www.westtrends.org
CSHE	Center for the Study of Higher Education	www.ed.psu.edu/cshe
CSPN	College Savings Plan Network	www.collegesavings.org
ECS	Education Commission of the States	www.ecs.org
ED	U.S. Dept. of Education links:	
ED-NCES	National Center for Education Statistics	http://nces.ed.gov
ED-OERI	Office of Educational Research	www.ed.gov/offices/OERI
ED-OESE	Office of Elementary & Secondary Education	www.ed.gov/offices/OESE

ED-OPE	Office of Postsecondary Education	www.ed.gov/offices/OPE
ED-OSERS	Office of Special Education & Rehabilitative Services	www.ed.gov/offices/OSERS
FIPSE	Fund for the Improvement of Postsecondary Education	www.ed.gov/offices/OPE/FIPSE
LAAP	Learning Anytime Anywhere Partnership	www.ed.gov/offices/OPE/FIPSE/LAAP
EDUCAUSE	(An association fostering higher ed change via technology and information resources)	www.educause.edu
ETS	Educational Testing Service	www.ets.org
GHEE	Global Higher Education Exchange	www.ghee.org
HACU	Hispanic Association of Colleges and Universities	www.whes.org/members/hacu.html
HEA	Higher Education Abstracts	www.cgu.edu/inst/hea/hea.html
IHEP	Institute for Higher Education Policy	www.ihep.com
IIE	Institute of International Education	www.iie.org
IPEDS	Integrated Postsecondary Education Data System	www.nces.ed.gov/ipeds
McCrel	Mid-continent Research for Education and Learning	www.mccrel.org
MHEC	Midwestern Higher Education Commission	www.mhec.org
MSA/CHE	Middle States Association of Colleges and Schools, Commission on Higher Education	www.middlestates.org
NACOL	North American Council for Online Learning	www.nacol.org
NACUBO	National Association of College and University Business Officers	www.nacubo.org
NAEP	National Assessment of Educational Progress	www.nces.ed.gov/nationsreportcard
NAFEO	National Association for Equal Opportunity in Higher Education	www.nafeo.org
NAFSA	(an association of international educators)	www.nafsa.org
NAICU	National Association of Independent Colleges and Universities	www.naicu.edu
NASC	Northwest Association of Schools and Colleges, Commission on Colleges	www.cocnasc.org
NASFAA	National Association of Student Financial Aid Administrators	www.nasfaa.org
NASPA	National Association of Student Personnel Administrators	www.naspa.org
NASULGC	National Association of State Universities and Land-Grant Colleges	www.nasulgc.org
NCA-CASI	North Central Association Commission on Accreditation and School Improvement	www.ncacasi.org
NCHEMS	National Center for Higher Education Management Systems	www.nchems.org
NCSL	National Conference of State Legislatures	www.ncsl.org
NCPPE	National Center for Public Policy and Higher Education	www.highereducation.org
NEASC-CIHE	New England Association of Schools and Colleges, Commission on Institutions of Higher Education	www.neasc.org
NEBHE	New England Board of Higher Education	www.nebhe.org
NEON	Northwest Educational Outreach Network	www.wiche.edu/NWAF/NEON
NGA	National Governors' Association	www.nga.org
NPEC	National Postsecondary Education Cooperative	www.nces.ed.gov/npec
NUCEA	National University Continuing Education Association	www.nucea.edu
NWAF	Northwest Academic Forum	www.wiche.edu/NWAF
RMAIR	Rocky Mountain Association for Institutional Research	www.unlv.edu/PAIR/rmair
SACS-CoC	Southern Association of Schools and Colleges, Commission on Colleges	www.sacscoc.org

SHEEO	State Higher Education Executive Officers	www.sheeo.org
SHEPC	State Higher Education Policy Center	n/a
SONA	Student Organization of North America	www.conahec.org/sona
SREB	Southern Regional Education Board	www.sreb.org
SREC	Southern Regional Electronic Campus	www.electroniccampus.org
UNCF	United Negro College Fund	www.uncf.org
WAGS	Western Association of Graduate Schools	www.wiche.edu/wags/index.htm
WASC-ACCJC	Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges	www.accjc.org
WASC-Sr	Western Association of Schools and Colleges, Accrediting Commission for Senior Colleges and Universities	www.wascweb.org/senior/wascsr.html
WCET	Western Cooperative for Educational Telecommunications	www.wiche.edu/telecom
WGA	Western Governors' Association	www.westgov.org
WICHE	Western Interstate Commission for Higher Education	www.wiche.edu

SHEEO Offices in the West, by State:

Alaska	ACPE	Alaska Commission on Postsecondary Education	www.state.ak.us/acpe/acpe.html
	UAS	University of Alaska System	www.alaska.edu
Arizona	ABOR	Arizona Board of Regents	www.abor.asu.edu
California	CPEC	California Postsecondary Education Commission	www.cpec.ca.gov
Colorado	CCHE	Colorado Commission on Higher Education	www.state.co.us/cche_dir/hecche.htm
Hawai'i	UH	University of Hawai'i	www.hawaii.edu
Idaho	ISBE	Idaho State Board of Education	www.sde.state.id.us/osbe/board.htm
Montana	MUS	Montana University System	www.montana.edu/wwwbor/docs/borpage.html
New Mexico	NMCHE	New Mexico Commission on Higher Education	www.nmche.org
Nevada	UCCS	University & Community College System of Nevada	www.nevada.edu
North Dakota	NDUS	North Dakota University System	www.ndus.nodak.edu
Oregon	OUS	Oregon University System	www.ous.edu
South Dakota	SDBOR	South Dakota Board of Regents	www.ris.sdbor.edu
Utah	USBR	Utah State Board of Regents	www.utahsbr.edu
Washington	HECB	Higher Education Coordinating Board	www.hecb.wa.gov
Wyoming	WCCC	Wyoming Community College Commission	www.commission.wcc.edu
	UW	University of Wyoming	www.uwyo.edu

