

**Washington State Auditor's Office**  
**Whistleblower Investigation Report**

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**Central Washington University**

**Report No. 1012108**

Issue Date  
**June 23, 2014**



**Washington State Auditor**  
**Troy Kelley**

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# Washington State Auditor Troy Kelley

June 23, 2014

James Gaudino, Ph.D., President  
Central Washington University

## *Report on Whistleblower Investigation*

Attached is the official report on Whistleblower Case No. WB 14-024 at Central Washington University.

The State Auditor's Office received an assertion of improper governmental activity at the University. This assertion was submitted to us under the provisions of Chapter 42.40 of the Revised Code of Washington, the Whistleblower Act. We have investigated the assertion independently and objectively through interviews and by reviewing relevant documents. This report contains the result of our investigation.

Questions about this report should be directed to Whistleblower Manager Jim Brownell at (360) 725-5352.

Sincerely,

**TROY KELLEY**  
STATE AUDITOR

cc: Ms. Linda Schactler, Chief of Staff  
Governor Jay Inslee  
Evelyn Lopez, Acting Executive Director, Executive Ethics Board

# Whistleblower Investigation Report

## State of Washington Central Washington University

### ***ASSERTION AND RESULTS***

Our Office received a whistleblower complaint asserting the Vice President for Business and Financial Affairs at Central Washington University violated state law by improperly increasing the quarterly athletic fee for the 2013-2014 and 2014-2015 school years. The complaint asserted prior approval from the students or student government was not obtained by the University before increasing the athletic fee, as required by law.

We found no reasonable cause to believe the Vice President for Business and Financial Affairs committed an improper governmental action. However, we believe the fees were increased improperly and the issue requires attention by the University.

### ***BACKGROUND***

State law (RCW 28B.15.610) authorizes students to voluntarily impose fees upon themselves. These fees may be created or increased by a majority vote of the student government, or its equivalent, a referendum presented to the student body or another process adopted under the law.

In 1997 a voluntary student fee was established for the University's athletic program through an initiative approved by the student body. The fee was set at \$35 each quarter for all students enrolled at the University's Ellensburg campus. In 2009, through a popular vote by the student body, the students approved an increase to \$42.

### ***ABOUT THE INVESTIGATION***

Our investigation found the University did not follow the appropriate process when it increased the voluntary student fee in 2013. We reviewed the University's website and the meeting minutes for the Associated Students Central Washington University Board of Directors (ASCWU-BOD) from September 27, 2012 through June 4, 2013. We found no record showing the students took a vote on the increases to the athletic fee prior to its formal approval by the Board of Trustees.

Instead, the Board of Trustees approved these increases based on the recommendation of the Budget and Finance Committee. The Committee was established in 2009, and is responsible for reviewing and recommending changes in fees. The Committee consists of 23 voting members, of which only one is a student representative.

The timeline of events leading to the increase of the athletic fee are as follows:

**May 2, 2013** The University's Budget and Finance Committee approved its recommendation for increases to the athletic fee.

<u>School Year</u>	<u>Increase Amount</u>	<u>Quarterly Athletic Fee</u>
2013-2014	\$9.00	\$51.00
2014-2015	\$5.00	\$56.00

**May 7, 2013** The ASCWU-BOD was informed on the proposed increases to the athletic fee, but no vote was taken by the students.

**June 7, 2013** The University's Board of Trustees approved increases to the fee.

During our interview with the subject, he explained that even though the increase to the athletic fee was not put to a student vote, the Committee performed its due diligence during the process. He stated the Committee includes a representative from ASCWU-BOD. The Dean of Student Success attended the ASCWU-BOD meeting on May 7, 2013, to inform the student government of the proposed increases to the fee. The subject was told by the Dean of Student Success that the students appeared to support the fee increases.

During our interview of the University's Dean of Student Success, we learned ASCWU-BOD was informed of the proposed athletic fee increases after the Budget and Finance Committee had already approved its recommendation. The Dean said the student representative on the Committee was not present at the meeting when the recommendation for the fee increases was approved, but added that students appeared to support the increases, as no objection was made by the student government during her presentation.

### ***WHAT WAS THE EFFECT?***

The University collected \$1.23 million in athletic fees during the 2013-2014 school year. Using the \$9 increase in the quarterly athletic fees for each student, we calculated the University received \$215,736 in athletic fees that was not properly approved by the students in accordance with RCW 28B.15.610.

### ***CORRECTIVE ACTION***

The University provided us with information showing the students subsequently approved the increases to the athletic fee. On May 13, 2014, ASCWU-BOD approved the \$9 increase for 2013-2014, and on June 2, 2014, it approved the \$5 increase for 2014-2015. Also, the University amended its policy for fee changes to ensure future compliance with state law.

## **UNIVERSITY'S RESPONSE**

*A “voluntary” student fee under RCW 28B.15.610 is initiated by a vote of the students or student government, but the fee only becomes effective (and thus “mandatory”) when it is adopted by the institution’s Board of Trustees. Additionally, the Board of Trustees has independent authority under RCW 28B.15.100(1) to adopt such mandatory student fees as the board shall in its discretion determine. As a result, unless accurate historical records are maintained, it can become difficult over time to distinguish between a student fee adopted under RCW 28B.15.610 and a student fee adopted under RCW 28B.15.100(1). CWU has therefore taken this opportunity to modify CWU Policy 5-80-020 concerning student fees in order to clarify which of CWU’s mandatory student fees were initially adopted under authority of RCW 28B.15.610.*

## **STATE AUDITOR'S OFFICE CONCLUDING REMARKS**

We thank University officials and personnel for their assistance and cooperation during the investigation.

# Whistleblower Investigation Criteria

## State of Washington Central Washington University

We came to our determination in this investigation by evaluating the facts against the criteria below:

**Assertion 1:** A voluntary student fee was increased without receiving approval from the students.

RCW 28B.15.610 - Voluntary fees of students.

The provisions of this chapter shall not apply to or affect any student fee or charge which the students voluntarily maintain upon themselves for student purposes only. Students are authorized to create or increase voluntary student fees for each academic year when passed by a majority vote of the student government or its equivalent, or referendum presented to the student body or such other process that has been adopted under this section. Notwithstanding RCW 42.17A.635 (2) and (3), voluntary student fees imposed under this section and services and activities fees may be used for lobbying by a student government association or its equivalent and may also be used to support a statewide or national student organization or its equivalent that may engage in lobbying.

