

MINUTES
Board of Regents
September 12, 2014

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 8:00 a.m., Friday, September 12, 2014, in the Compton Union Building, Room 204, Pullman, Washington.

Present: Regent Mike Worthy, Chair; Regents Ted Baseler, Scott Carson, Harold Cochran, T. Ryan Durkan, Laura Jennings, Connie Niva, Lura Powell, Ron Sims, and Kevin Massimino; President Elson S. Floyd; and Provost and Executive Vice President Daniel J. Bernardo.

1. Report from the Chair of the Board of Regents. Regent Worthy welcomed everyone to the first Board meeting of the academic year and recognized the Board's new Student Regent, Kevin Massimino, noting that Regent Massimino's involvement in the Board has already been impressive. Regent Worthy also recognized and welcomed Jerrod Powell, ASWSU President; Nathan Neale, GPSA President; Craig Parks, Faculty Senate Chair; Karen Garrett, Chair of the Administrative Professional Advisory Council; and John Gardner, Vice President for Development and CEO of the WSU Foundation. Regent Worthy reminded the audience that the Board provides a public comment period at the conclusion of its meetings and directed those who might be interested to the Board's executive assistant. On a personal note, Regent Worthy shared that this was his second term for a total of seven years thus far on the WSU Board of Regents. He noted that the WSU Board is the 27th on which he has had the privilege to serve and that he has never been as enthusiastic or proud to serve on a Board as he has the WSU Board of Regents. He said it is a privilege to lead this year's proceedings and is truly humbled by the opportunity.

2. Report from the President of the University. President Floyd thanked the Board and members of the audience for all they do for Washington State University. He stated that WSU is a great institution because of that dedication and commitment, and also because of the vision associated with WSU and where it is headed as an institution. President Floyd said we are very clear about that vision, whether associated with the work pursued at WSU in Pullman or the work pursued statewide, including the efforts of the Chancellors at WSU's campuses: Mel Netzhammer in Vancouver, Lisa Brown in Spokane, Keith Moo-Young in the Tri-Cities, and Bob Drewel in Everett.

President Floyd also recognized other individuals, including Dr. Michael Tate, WSU's Chief Diversity Officer, who will be retiring from Washington State University. He said Dr. Tate in many ways exemplifies the best of the institution, because when he thinks of WSU, he thinks of an institution that is deeply committed to its people. He said that starts with WSU's students first and foremost. He said WSU would do everything it

possibly can to ensure as strong an academic experience as imaginable and said that is what great world-class universities are all about. He said world-class universities are also about positioning the academic programs in ways in which they are making a difference by improving the quality of life and that for WSU this starts with the improvement of life for Washingtonians.

President Floyd said WSU would spend much time over the coming months making strategic decisions in areas that WSU is making an indelible imprint. He said WSU would do that in several ways, first among them by having a very strong enrollment base associated with the University. He said it is very clear that WSU is an institution of choice and has experienced growth in all of its locations. He said this has been a good thing for WSU and it has been able to continue to improve the retention of students. President Floyd noted that he was very pleased to have an amazing group of enrollment and admissions officers, and thanked Vice President John Fraire for the work in which he has been engaged in that regard. President Floyd also commended Vice President Fraire for his work focused on other aspects of student life issues.

President Floyd said the second aspect is faculty and stated that this academic year WSU had employed more faculty than ever in the University's history. He said WSU had approximately 130 new permanent faculty members join the ranks. He further indicated that while that is an incredible number, it is even more amazing when one thinks about growth and trying to ensure WSU has the right researchers and teachers in place to make a sustainable difference going forward. He said WSU's research initiatives would continue to grow and develop within the institution. President Floyd said part of this would have to do with the delivery of WSU's research findings, new discoveries, and innovations, and the other concerns infrastructure. He pointed out the construction of the PACCAR Environmental Technology Building (formerly the Clean Technology Laboratory Building) on Grimes Way and provided this as an example that bodes well for WSU, not only now, but also for how WSU will position itself in the future. He also highlighted that the Wine Science Center in the Tri Cities is moving forward and how pleased he and others are with the research program in place there and the incredible opportunities WSU will have with this new facility. He also noted that the innovation and discoveries to come in this area would be to the benefit of Washingtonians, especially the effect this would have on the wine industry, which is a growing industry within the State. President Floyd said we recognize we cannot do it alone and it requires the generosity and intellect of many individuals. President Floyd reported that the *Campaign for WSU* is on track and there would be a report about that later in the meeting.

President Floyd reported that during the previous day's meetings, he and the Board spent a significant amount of time discussing the future direction of the institution, particularly in the context of health sciences and medical education. He said he wants the audience to understand and know that, as an institution, WSU will always make

decisions predicated on an unwavering commitment and focus on issues that make a difference for Washingtonians. He said if WSU does its work appropriately here within our State, it has a national impact. Further, if it does that right, it will have a global influence on everything that happens within the academy and the new work that will and must immerge as a consequence.

President Floyd reported that the previous evening he visited with WSU's Diamond Graduates and thanked the Executive Director of Alumni Relations, Tim Pavish, for that opportunity. He said he shared with Diamond Graduates that the absolute strength of Washington State University is predicated on the incredible foundation they and other alumni have laid and that WSU would do everything it can to build on that very solid and rich tradition.

President Floyd concluded his remarks by stating that he continues to be very privileged to have had the honor of serving as President of Washington State University for the past seven years. He said we have really "galloped along" and have assembled an amazing team to build on the strength of the institution. He thanked the Board for giving him the privilege and the opportunity to serve and said it is a great place, and that he benefited each and every day from the Board's wisdom, leadership and direction.

3. Regent Commendation. President Floyd read "Board of Regents Resolution #140912-492," commending Dr. Michael J. Tate for his dedicated service to Washington State University and presented a framed copy to Dr. Tate. *(A copy may be requested from the President's Office.)*

4. Minutes. It was moved and seconded that the Board of Regents approve the minutes of the May 9, 2014, Board of Regents Meeting. Carried. It was moved and seconded that the Board of Regents approve the minutes of the June 6, 2014, Board of Regents Meeting. Carried.

5. Reports from University Groups. Representatives from each of the University groups—Faculty Senate, Administrative and Professional Advisory Council, Associated Students of Washington State University, Associated Students of Washington State University Spokane, Graduate and Professional Student Association, Foundation Board of Governors, and WSU Alumni Association—reviewed their reports as submitted. *(Individual written reports may be found online at the Board of Regents website or requested from the President's Office.)*

6. Executive Committee. Regent Worthy reported that the Committee had reviewed three action items at its meeting the previous day: 1) the Board of Regents Meeting Schedule for 2015; 2) the recommendation to rename Murrow West as Keith

M. Jackson Hall; and 3) the recommendation to name the Northside Residence Hall II as Global Scholars Hall.

The Board took action on the following:

Board of Regents Meeting Schedule for 2015. It was moved and seconded that the Board of Regents adopt the proposed calendar for 2015 for the Board of Regents as it appears in Exhibit A. Carried.

Facilities Names Recommendation, Keith M. Jackson Hall (Murrow West). It was moved and seconded that the Board of Regents approve the renaming of Murrow West as "Keith M. Jackson Hall." Carried.

Facilities Names Recommendation, Global Scholars Hall (Northside Residence Hall II). It was moved and seconded that the Board of Regents approve the naming of the Northside Residence Hall II as "Global Scholars Hall." Carried.

7. Finance and Audit Committee. Regent Durkan reported that the Finance and Audit Committee had a very full meeting. She said the Committee started its meeting with a Budget update from Associate Vice President and Chief Budget Officer Joan King. She stated that Ms. King's report included an update on WSU's capital and biennial budgets and legislative requests, that WSU will be responding to the Governor's request for a 15 percent budget cut and provided a sample of what that would look like, and provided an S&A fee report.

Regent Durkan said the Committee also heard a report from Vice President for Finance and Administration Roger Patterson, and Associate Vice President for Finance Barry Johnston. She said they heard the very good news about and praise for Executive Director for Business Services and Controller Terry Ely and the entire Controller's Office with regard to an award-winning Financial Report for "excellence in reporting." Regent Durkan said the Committee received a very extensive debt report presentation, indicating the main "take away" was that WSU is maintaining its bond rating with its expected debt load. She noted the Regents had asked very good questions with concern that WSU closely watch its bond capacity and debt limit. Regent Durkan said the Regents would like the President to work with the administration to come up with a formula to keep the Board very well apprised of WSU's debt ceiling limits so WSU does not get too "close to the edge" thereby binding future Regents in a way not intended. Regent Durkan said Susan Musselman from Public Financial Management, Inc., a WSU financial advisor, reported on interest rates, the credit environment, and the possibility that there could be some debt refinancing in the future. Regent Durkan said a Future Action Item was highlighted that will likely come forward at the next Board meeting concerning the Food Quality Addition Building. She noted that this would take

advantage of the whey recycling from our cheese processing facility, that this sounded like a very interesting project, and that she looks forward to hearing more about that.

Regent Durkan addressed the Finance and Audit Committee's first Action Item, the Spokane Teaching Health Center (STHC). She prefaced this Action Item motion with a reminder that the Committee received a detailed report from legal counsel and that they received and considered a number of public comments during the Board's written public comment period. She said the comments included concerns about the ERDs (Ethical and Religious Directives) of Providence Health System. She said legal counsel explained that there has been a bylaw change to make it expressly clear that the Spokane Teaching Health Center would not be bound by the ERDs and reaffirmed the secular nature of the STHC. Regent Durkan said that, with legal counsel's report, the Committee was very comfortable and she felt the Board should feel very comfortable that this clinic will be secular and the ERDs will not affect the health services received by our patients at that clinic. Regent Durkan also said that Chancellor Brown reviewed the goals of the STHC with the Committee and reminded the Board of three very important clinic goals: 1) to be a clinic for the underserved, 2) to be a residence pipeline to address the shortage and misdistribution of our residencies, and 3) to provide an integrated team approach for health care.

Regent Durkan reviewed each action before Board approval:

WSU Spokane, Spokane Teaching Health Center Project, Design and Construction. It was moved and seconded that the Board of Regents approve Resolution #140912-487 to approve the Spokane Teaching Health Center Project with at total budget not to exceed \$16,250,000, to authorize the project to proceed to construction when the President deems it appropriate, using the Design-Build (DB) process pursuant to RCW 39.10, and to delegate the authority to the President or his designee to select a D-B contractor and enter into any and all contracts necessary to complete the project within the budgeted amount. Carried.

WSU, Recommendation to Delegate Authority to the President to Ratify the 2015-17 Collective Bargaining Agreements. It was moved and seconded that the Board of Regents adopt Resolution #140912-488 to delegate authority to the President to ratify the 2015-17 collective bargaining agreements negotiated under RCW 41.80 with the exclusive representatives of bargaining units of Washington State University classified employees. Carried.

WSU Pullman, Digital Classroom Facility, Design and Construction. It was moved and seconded that the Board of Regents adopt Resolution #140912-489 to approve the Digital Classroom Facility project with a total budget not to exceed \$60,000,000, to authorize the project to proceed to design and construction using the Design-Build (DB) process pursuant to RCW 39.10, and to delegate authority to the President or his

designee to select a D-B contractor and enter into any and all contracts necessary to complete the project within the budgeted amount. Carried.

WSU Pullman, Police Department Building, Design and Construction. It was moved and seconded that the Board of Regents adopt Resolution #140912-490 to approve the Police Department Building project with a total budget not to exceed \$7,500,000, to authorize the project to proceed to design and construction using the Design-Build (DB) process pursuant to RCW 39.10, and to delegate authority to the President or his designee to select a D-B contractor and to enter into any and all contracts necessary to complete the project with in the budgeted amount. Carried.

WSU, Digital Classroom Facility, Spokane Teaching Health Center, and Police Department, Financing. It was moved and seconded that the Board of Regents adopt Resolution #140912-491 to approve a General Revenue Bond Resolution to authorize the issuance and sale of bonds or other obligations to be used for the Digital Classroom Facility, the Spokane Teaching Health Center, and the Police Department Building projects with proceeds not to exceed \$78,500,000, a maximum term not to exceed 25 years, and a maximum interest cost rate not to exceed 5.5%; and to delegate authority to the President or his designee to sell bonds or other obligations, including determining the final bond size, maturity schedule, redemption provisions, and timing of sale. Carried.

WSU Pullman, McCluskey Building Addition, Schematic Design. It was moved and seconded that the Board of Regents approve the schematic design documents for the McCluskey Building Addition project. Carried.

8. Academic and Student Affairs Committee. Regent Jennings reported that the Academic and Student Affairs Committee also had a very full agenda. She said they started with a detailed enrollment update from Provost Dan Bernardo who provided that overall enrollment is up 4 percent, that it was up “across the board” at all of its campuses and in all categories of students, and that WSU is at 28,686 students. She said this is despite a demographic trend in the State, which has some of WSU’s peer institutions looking at declined enrollment this year. Regent Jennings shared the detailed enrollment figures that had been provided by Provost Bernardo.

Regent Jennings said the Committee also heard a presentation from Chancellor Bob Drewel and Dean Paul Pitre on the status of WSU North Puget Sound at Everett. She said the transition of administrative responsibility for the Everett campus occurred July 1 and went smoothly, and that Dean Pitre had, in particular, commended the Information Technology staff from Pullman for their direct work at the Everett campus to ensure their ability to support WSU’s university partners and the student population on that campus. She further stated that WSU’s customers are happy with the support services they are getting. Regent Jennings said in addition to working on the

administrative issues, the Chancellor and Dean have been meeting with WSU's Olympia delegation and State senators and representatives to keep them apprised of the progress in that Region. Regent Jennings said the Committee reviewed planning information for the new building and were able to look at some design concepts. She said planning on that campus is proceeding nicely.

Regent Jennings said the Committee also received an enrollment update specific to the Everett Campus, and reported there are currently 472 students at that location, including 393 from WSU's partners and 79 WSU students, 58 of which are new. She commented we are seeing exactly what we wanted to see there with this growth. Regent Jennings also reported that the Dean and Chancellor provided a peak at the new program proposals they hope to take to Olympia this year. She said there are three coming from WSU: Sophomore Engineering, Sustainable Agriculture, and a STEM Institute focusing on applied sciences. Regent Jennings said in addition to the proposals from WSU, WSU's partner Western Washington University hopes to take an Industrial Design proposal to the legislature, and Central Washington University is planning an Aerospace Technology, Maintenance and Management program addition, which would be a very important and relevant programmatic addition to the economic needs of that region.

Regent Jennings reported that the third action item involved an update from President Floyd regarding WSU Health Sciences at Spokane and examining WSU's investment in Washington State's healthcare future. She said the Board spent several hours discussing this topic and was presented with the culmination of a lengthy feasibility study, which set out to answer four questions: 1) Is there an unmet need for physicians, especially primary care, in Washington State? 2) If so, what medical education delivery model would be appropriate to meet that need? 3) What existing resources are available to meet LCME accreditation standards? and 4) How long and what resources would be required to meet these objectives? Regent Jennings said a lot of the information the Committee reviewed is also available online at medicine.wsu.edu. Regent Jennings said the work was conducted by an outside firm, MGT, in collaboration with many members of the community. She said the previous day's presentation had been given by Ray Thompson, MGT, Dr. Kent Caruthers, MGT and Dr. Myra Hurt, Florida State University (FSU). Regent Jennings said Dr. Hurt's comments, coming from FSU, were especially helpful since she shared with the Board the experience of the state of Florida, which has added or is in the process of adding four new medical schools in addition to their existing three. Regent Jennings said Vice President Colleen Kerr, Chancellor Lisa Brown, and Dean Ken Roberts also presented at the Committee meeting. Regent Jennings read Resolution #140912-493, as it appears in Exhibit B, in its entirety.

Pursue Approval for Medical School of Medicine. It was moved and seconded that the Board of Regents adopt Resolution #140912-493 to direct university leadership

to pursue approval for an independently accredited school of medicine while maintaining the University's commitment to WWAMI as the program's largest partner. Carried.

9. Other Business. Chair Worthy commented that due to time constraints the Board was unable to hear from the External Affairs Committee but that the Board would provide extra time at its next regularly scheduled meeting to hear from Regent Sims and his committee.

10. Executive Session. Chair Worthy reported that the Board met in Executive Session on Thursday, September 11, 2014, to discuss with legal counsel litigation or potential litigation and that no action was taken by the Board as a result of the session.

11. Public Comment Period. No public comment.

12. Adjournment. The meeting adjourned at 10:00 a.m.

Approved by the Board of Regents at its meeting held October 24, 2014, on the Pullman campus, Compton Union Building, Room 204.

SIGNED COPY AVAILABLE IN THE PRESIDENT'S OFFICE

BOARD OF REGENTS
2015 Board Meeting Dates

Resolution #140912-486

BE IT RESOLVED that the Board of Regents of Washington State University hereby adopts the following schedule of proposed meeting dates for 2015:

<u>Date</u>	<u>Location</u>
January 29-30, 2015	Vancouver
March 26-27, 2015	Tri-Cities
May 7-8, 2015	Pullman
June 4-5, 2015 (retreat)	Woodinville

BE IT FURTHER RESOLVED that pursuant to RCW 28B.10.528, authority is hereby delegated to the President of the University or his designee to select and designate appropriate meeting places, establish meeting times, establish the agenda and prepare agenda items, dispatch all official notices to meet the state Open Public Meetings Act or other notice requirements, publish minutes and maintain records of meetings, and take other necessary action as required for the orderly conduct of Board meetings.

BE IT FURTHER RESOLVED that when a regular meeting is rescheduled, notice thereof will be given in conformance with the notice requirements specified by the Open Public Meetings Act for special meetings, with the understanding that special meetings may be called by the President of the Board or as otherwise provided by law.

BE IT FURTHER RESOLVED that the Board of Regents may convene Executive Sessions whenever it is deemed necessary in the interest of the University for the purpose of discussing matters or items for which Executive Sessions are authorized in RCW Chapter 42.30 as it now exists or may be amended hereafter.

DATED this 12th day of September 2014.



Chair of the Board of Regents



Secretary of the Board of Regents

Board of Regents

Directing University Leadership to Pursue Approval for School of Medicine
Resolution # 140912-493

WHEREAS, Washington State has a physician shortage in 35 of Washington State's 39 counties that is being worsened by an aging workforce, an aging populace in need of care and the public's newfound access to health insurance via the Affordable Care Act; and

WHEREAS, The negative societal impacts of the physician shortage in Washington State are heightened by a maldistribution of physicians such that 17 counties in Washington State have fewer than 10 doctors per 10,000 population; and

WHEREAS, The population and health care needs of Washington State has simply outgrown its ability to train new doctors, as two-thirds of Washingtonians who go to medical school leave the state to do so; and

WHEREAS, Washington State has 120 slots per year for publicly-funded undergraduate medical education and has over 400 slots available for graduate medical education(residency); and

WHEREAS, Washington State University has many decades of experience educating health science professionals, has designated WSU Spokane as its health sciences campus, and over the past two decades, has invested over \$208 million in capital construction, including most recently the decision to build a Teaching Health Center, and has invested in more than 100 faculty positions on that campus; and

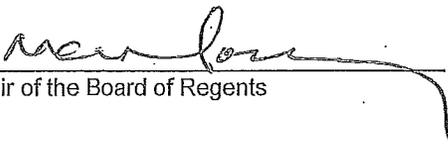
WHEREAS, Washington State University has been providing first-year medical education for over 40 years in partnership with the University of Washington School of Medicine's remote-site medical education program for Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI); and

WHEREAS, Over that forty-year period, Washington State University has served as the University of Washington School of Medicine's largest medical education partner through the WWAMI remote-site medical education program, and since 2008, through WWAMI, has provided the medical education for a full third of the first-year medical students for Washington State; and

WHEREAS, A feasibility study commissioned by Washington State University has determined that a WSU College of Medicine could be established at reasonable cost to the state by leveraging both previous investments and by establishing a community-based medical school model; and

WHEREAS, The economic impact of medical schools in the state increases incrementally with additional medical schools, and as Washington State University is the state's land-grant research institution, it has a unique public service responsibility to foster the state's economic vitality through education and research;

NOW, THEREFORE, BE IT RESOLVED: That the Washington State University Board of Regents direct university leadership to pursue approval for an independently accredited school of medicine while maintaining the university's commitment to WWAMI as the program's largest partner.



Chair of the Board of Regents



Secretary of the Board of Regents