

MINUTES
Board of Regents
May 8, 2009

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 9:30 a.m., on Friday, May 8, 2009, at the WSU Spokane Academic Center, Room 241, Spokane, Washington.

Present: Regent Francois X. Forgette, Chair; Regents Theodor Baseler, Scott Carson, Harold Cochran, Derick En'Wezoh, Laura Jennings via teleconference, Connie Niva, and Michael Worthy; President Elson S. Floyd, and Executive Assistant to the President and Board of Regents Christine Hoyt.

1. Report from the Chair of the Board of Regents. Regent Forgette welcomed everyone to the Board Meeting. He indicated that this is the last meeting as Student Regent for Derick En'Wezoh and asked the Board to join him in thanking Derick for his leadership this past year. He also stated that the Board wished to recognize the many years of dedicated service by Ken Alhadeff, who had served two six-year terms as a Regent. Although Former Regent Alhadeff was unable to be present, the Regents passed a resolution of commendation and noted that they will find a time in which the Board could acknowledge his contributions in person. The Board passed the following resolutions:

Recognition of Regent Derick En'Wezoh. The Regents passed a resolution commending Student Regent Derick En'Wezoh for his dedication and service to the University and the Board of Regents during his term as the eleventh student regent for the 2008-2009 academic year. Carried.

Recognition of Former Regent Ken Alhadeff. The Regents passed a resolution commending Former Regent Ken Alhadeff for his dedicated service and contributions to Washington State University during his time serving on the Board for the past twelve years. Carried.

2. Report from the President of the University. President Elson S. Floyd said that this is also a time of transition of the officers of the Board of Regents and he thanked Board Chairman Forgette for his leadership over the past year and commented how much he enjoyed working with him. He also said that he looks forward to working with incoming Chair Mike Worthy and Vice Chair Laura Jennings. He added that one of the strengths of our University is our remarkable Board. He said that it is the stewardship which is done in an uncompromised way, and their incredible generosity transcends everything we do as an institution and distinguishes WSU from other institutions. He commended Derick En'Wezoh for his service this past year and that he looks forward to working with him as ASWSU President.

President Floyd said that the past few months have been a challenging time for the University. He stated that since the last Regents meeting, the legislature has approved a budget and that the net reduction for WSU is approximately \$54 million dollars. He noted that Provost Bayly and others have been working openly in the context of shared university governance to make sure that the institution in its totality has an opportunity to review and critique WSU's response to the budget. He added that because budget reduction efforts were begun early on, WSU was spared, in some respects, a response that could have been even more draconian.

President Floyd stated that the institution used 164 vacant positions to meet an overall reduction totaling \$27 million dollars for this fiscal year. He added that they made the decision to engage in what they called a "smoothing in" response to the budget. He explained that the way that the budget is actually administered, we should have taken a \$33 million dollar cut in year one and the remainder in year two. But, because of their stewardship, it has allowed the institution to have a budget reduction of \$27 million dollars over both years by using a number of vacant positions, and that, unfortunately, we will also have to use a number of positions that are currently filled. He added that anytime an employee is asked to leave the ranks of the university it is never a good circumstance, although some employees will have the right to transition into other positions. He added that it is difficult to know how it will all play out in the end, but they have made the firm commitment to give every full-time permanent employee within our university who was impacted through layoff or other means, 90 days notice. He said that in some instances the contractual obligation was a little as two weeks, but they wanted to ease the transition as best they possibly could and that it was the appropriate thing to do as an institution. He added that in some other instances, employees will have different increments ranging from 6 months to 12 months.

President Floyd said also that have heard from many individuals associated with Theatre, Sports Management, and Rural Sociology—all areas that have been impacted based on the preliminary budget approach. He said they are very earnest in that they want to hear from constituents both internal, as well as external, regarding the institutional response. He said that they will conclude the vetting process by the end of this month and will then make final decisions regarding the institutional response. He said that we have one paramount goal which is to make sure that we go into the upcoming fiscal year with a balanced budget. He said that they will also do everything they can to make sure that it occurs in a very collaborative way, and also in a way to preserve as many positions as possible while keeping our institution focused on quality and excellence. He said that this is what the Board has asked of him as President and he has been very deliberate about doing that. He said that Washington State University is a remarkable institution, but regrettably the entire nation has had to endure this fiscal crisis and WSU has not been immune to that. He added that his team will use every strategy to leverage the resources we have in the context of private gifting and private philanthropy, and also to make sure that we work on stronger partnership with state and federal governments. He said we will do the best that we possibly can to emerge

as a stronger institution. He said that we have never seen a budget within our institution as dire as a budget in which we have had to balance. Nonetheless, they have a remarkable team in place deeply committed to students, faculty and staff and that we are doing the best that we can to work our way through it.

3. Minutes. It was moved and seconded that the Board of Regents approve the minutes of March 27, 2009, meeting and the April 29, 2009, special meeting. Carried.

4. Reports from University Groups. Regent Forgette commented that this is the last meeting for Bill Cofer, Francis Benjamin, Jessica Moore, Brandon Scheller and Gina Meyers, as representatives of their constituent groups. He thanked them for their service and said that they have enjoyed with them this past year. Each representative provided a brief update in each of their areas. *(Individual written reports may be found on-line at the Board of Regents website or requested from the President's Office.)*

5. Focused Discussion from WSU Spokane Chancellor. Chancellor Pitcher provided an overview of WSU Spokane. He began his presentation by discussing the nature of innovation and the community outcomes associated with it, including growth, employment, prosperity, quality of life, and competitiveness. He also discussed the Spokane health industry as a major innovation center and WSU's role in that. He previewed the vision for WSU Spokane, as developed by its Advisory Board, and innovation at Riverpoint. Additionally, he outlined the future direction of the Academic Health Center and the projected growth in the health sciences with regard to numbers of students, faculty, and staff, as well as research productivity. Dr. Pitcher also reviewed the development of the campus in terms of its facilities and programs, recent capital projects, and information technology infrastructure.

6. Executive Committee. Regent Forgette reported that the Committee discussed the Election of Officers for the upcoming year. He also reported that the Committee discussed the 2010 Board of Regents Meeting Schedule and the Regents' Distinguished Alumnus Award.

The Board took action on the following:

Election of Officers. It was moved and seconded by the Board of Regents that Michael C. Worthy be elected to serve as the next Chair of the WSU Board of Regents for the year beginning May 16, 2009, and that Laura M. Jennings be elected to serve as Vice Chair of the WSU Board of Regents for the year beginning May 16, 2009, with the understanding that she shall act as Chair pro tempore in the absence of the Chair, with the power to preside at the meetings and to sign all instruments required to be executive by the WSU Board of Regents. Carried.

Establishment of 2010 Board of Regents Meeting Schedule. It was moved and seconded that the Board of Regents approve the schedule for the 2010 Board of Regents Meetings and delegate authority to the President of the University or his designee to select and designate appropriate meetings 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. Carried.

Regents' Distinguished Alumnus Award. It was moved and seconded that the Board of Regents designate Dwight Damon, a 1962 graduate in zoology, as the recipient of the 2009 Regents' Distinguished Alumnus Award. Carried

7. Finance and Audit Committee. Regent Worthy reported that the item at the top of the Committee's agenda was the budget and the pending consideration of tuition levels. He asked President Floyd to comment on the budget and tuition increases before considering action.

President Floyd said that when the legislature adjourned relative to the operating budget, it adjourned with two significant aspects associated with WSU's budget: it included \$15 million dollars in stimulus funds, and that those funds are on a one-time basis. He said with the inclusion of the stimulus dollars, it reduced the net reduction from 21 percent to roughly 10.3 percent. He explained that would then actualize into a \$54 million dollar deficit over a 2-year basis. He added that the legislature also predicated a 14 percent tuition increase assumption for resident undergraduate students. He said that if the net reduction of the budget is less than 14 percent, then there will be a further reduction in the overall budget. He added that this is the worst budget this institution has ever received and that we have done our best to make sure that we maintain the quality and the excellence that is expected and required as an institution and preserving the investment that Cougars have made in Washington State University. He said that he has been a long proponent of keeping tuition as low as possible, as affordable as possible, and whichever amount the Board finally authorizes, they will do all that we can to make sure there is financial aid through the increased activity in Pell Grant, the utilization of tax credits, and also private philanthropy associated with scholarships and other types of financial assistance.

The Regents expressed their deep concerns regarding the current budget situation and the strong likelihood of future issues, given that the budget for this biennium includes one-time stimulus funds. There was frustration expressed regarding the assumption of a 14 percent tuition increase in the budget, because to vote for anything less would mean even greater cuts to the budget. Although the Regents agreed that there was no good solution to this issue, they commended President Floyd for his foresight by implementing policies early on to try to mitigate the severity of the cuts. The Regents

thanked the administration for its presentation and a thorough review of the issues. Additionally, the Regents asked that that administration get the word out to students and their families regarding the financial aid available to them, as well as issues relating to qualifications and how to apply. In particular, Student Regent En'wezoh noted that although he was compelled to vote against the increase, he felt that every alternative had been explored and that he understands that the other Regents will vote in a manner that they feel is consistent with the direction that needs to be taken for the institution.

The Board took action on the following:

Academic Years 2009-2011 Tuition Rates. It was moved and seconded that the Board of Regents set tuition for the academic years 2009-2011 attached as [Exhibit A](#). Carried. (Note: Regent En'wezoh voted against the tuition increase.)

Tuition Rate for the WSU Online MBA Program. It was moved and seconded that the Board of Regents approve the tuition rate for the WSU online MBA program attached as [Exhibit B](#). Carried.

Sale of Property: 605/615 NE Colorado Street and 720 NE Ruby Street. It was moved and seconded that the Board of Regents delegate to the President or his designee the authority to sell the properties located at 605/615 NE Colorado Street and 720 NE Ruby Street, both in Pullman, pursuant to the terms of the offer received; execute all documents necessary for the sale; and accept the proceeds on behalf of Washington State University. Carried.

Washington State University (WSU) and Weyerhaeuser Real Estate Development Company (WREDCO) Agreement. It was moved and seconded that the Board of Regents approve the development and sale agreement between Weyerhaeuser Real Estate development Company (WREDCO) and Washington State University (WSU) for property in Bonney Lake, Washington, and authorized the President or his designee(s) to make such future changes in the agreement as may be necessary to accomplish the development and sale of the property. Carried.

2009-2011 Services and Activities Fees Increase. It was moved and seconded that the Board of Regents authorized an increase in the Services and Activities Fees for the academic year 2009-2010 not to exceed 2% for all full time students. Carried.

Services and Activities Fees Committee Allocations: Summer 2009 and Academic Year 2009-2010. It was moved and seconded that the Board of Regents approve the allocation of Services and Activities Fees for Summer 2009 and Academic Year 2009-2010 from the Services and Activities Fees Committees, and the

Services and Activities Facilities Committees representing the Washington State University system as outlined in [Exhibit C](#). Carried.

WSU Pullman, FY 2010 Student Recreation Center Rates. It was moved and seconded that the Board of Regents approve the 5.86% increase to the academic year SRC fees as well as the summer fees outlined in [Exhibit D](#), or the amount equal to the percentage changes in the resident undergraduate tuition as approved by the legislature, whichever is less, effective Fall 2009. Carried.

WSU Pullman, Student Transit Fee. It was moved and seconded that the Board of Regents approve an increase in the Student Transit Fee for the Pullman campus of \$10 per semester for all students enrolled in 7 credits or more, and \$5 per semester for all students enrolled in less than 7 credits; and that in future years, once per academic year, the total fee would be increased by the annual rate of increase in the Western Consumer Price Index. Carried.

WAC Revisions: Recommendation to Adopt Parking Rules Changes. It was moved and seconded that the Board of Regents approved the recommendation to adopt new WAC Chapter 504-13; Amend WAC Chapters 504-14, 504-15, and 504-19; and repeal WAC Chapter 504-18; relating to parking rules for the Pullman, Spokane, Tri-Cities, and Vancouver Campuses, and the Intercollegiate College of Nursing. Carried.

WSU Pullman, Student Apartment Housing Development, Letter of Intent (LOI) and Ground Lease. It was moved and seconded that the Board of Regents delegate authority to the President or his designee, to approve a Letter of Intent (LOI) and to negotiate and executive on or more phased, land lease agreements between the University and a Developer for the purpose of planning and developing new and renovating existing apartments used for student housing on University-owned property in Pullman. Carried.

WSU Puyallup, Research and Extension Center, Storm Water LID Retrofit. It was moved and seconded that the Board of Regents approve the project to retrofit the storm water system at the WSU Puyallup Research and Extension Center to employ low impact development (LID) technologies. The Board also granted authority to proceed, and delegated authority to the President, or his designee, to award a construction contract, provided costs are within funds available. Carried.

8. Academic and Student Affairs Committee. Regent Cochran reported that the committee reviewed the action item on the WAC Revisions applying to student organizations. He also reported that Provost Bayly went over comments and recommendations from the Accreditation Evaluation team, and the WSU Global Campus. Regent Cochran also reported that Vice President Tate discussed retention of

multicultural students. Lastly, he reported that they discussed future actions that will be brought before the Board.

The Board took action on the following:

WAC Revisions: Policies and Regulations Applying to All Student Organizations. It was moved and seconded that the Board of Regents approve the recommendation to adopt the proposed amended rules to WAC Chapter 504-28 (changes to WAC 504-28-010, WAC 504-28-020, and WAC 504-28-050, and to repeal WAC Section 504-20-030. Carried.

9. External Affairs Committee Report. Regent Niva reported for Regent Stone who was unable to attend. She reported that the Committee received a campaign update and year-to-date program report from Vice President Wilson-Hale and an update from Athletic Director Sterk.

The meeting of the Board of Regents was recessed, and the meeting of the Shareholders of the Students Book Corporation was declared open.

10. Annual Meeting of the Shareholders of the Students Book Corporation. Confirmation. The Shareholders took action on the following:

Confirmation of Board of Directors. It was moved and seconded that the Shareholders of the Students Book Corporation elect the following individuals to serve on the Board of Directors:

One-year term to expire in May 2010:

Corey Boon, Alternate Graduate Student Director
Theresa Jeans, Alternate Undergraduate Student Director
Max Maier, Alternate Undergraduate Student Director

Two-year term to expire in May 2011:

Patrick Heneghen, Undergraduate Student Director
Lena Seino, Undergraduate Student Director
Sue Gill, Faculty Director
Barry Johnston, Administrative Director
Victoria Murray, Administrative Director

Carried.

Students Book Corporation Bylaw Changes. It was moved and seconded that the Shareholders of the Students Book Corporation approve the changes to the bylaws of the Students Book Corporation as shown in [Exhibit E](#).

The meeting of the Shareholders of the Students Book Corporation was declared closed and the meeting of the Board of Regents was reconvened.

11. Adjournment. The Board of Regents meeting adjourned at 11:23 a.m.

Approved by the Board of Regents at its meeting held September 4, 2009, at the Compton Union Building, Room 204, Pullman, Washington.

SIGNED COPY AVAILABLE IN THE PRESIDENT'S OFFICE