

MINUTES
Board of Regents
September 3, 2010

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 8:00 a.m., on Friday, September 3, 2010, at the Compton Union Building, Room 204, Pullman, Washington.

Present: Regent Laura Jennings, Chair; Regents Theodor Baseler, Scott Carson, Ericka Christensen, Elizabeth Cowles, Francois Forgette, 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 Laura Jennings, Chair of the Board of Regents, welcomed everyone to the meeting. She started off by officially recognizing Past Chair Mike Worthy for his leadership serving as Chair over the last academic year. She also indicated that since the last meeting, the Regents have been very active, having participated in the Board's Annual Retreat, Foundation Meetings, the Ruckelshaus Center Advisory Board Meeting, the Tri-Cities Advisory Council, the WSU Research Foundation Meetings, and the Athletics Certification Steering Committee, to name a few.

Regent Jennings noted that this is the first meeting for the new Student Regent, Ericka Christensen. She added that they have enjoyed a series of excellent Student Regents over the years, and she is confident that Ms. Christensen will be no exception. She said that Ms. Christensen is the first Ph.D. student appointed and feels she will bring an important and different perspective to the Board.

2. Report from the President of the University. President Elson S. Floyd thanked the Regents for the opportunity to report and for their leadership. He told Ms. Christensen that she is joining a fabulous Board. He said this Board is a dedicated group of volunteers who are passionate about higher education and even more passionate about Washington State University. He said that she will be an excellent addition, and he looks forward to working with her.

President Floyd noted that he is now in his fourth year as President of WSU and stated that he is truly privileged. He said that as he looks in the audience, he sees many individuals who are making an indelible imprint on the institution--from the chancellors to deans, to the faculty, students, staff, alumni, donors, and volunteers. He added that it will take the entire WSU family to get through the fiscal crisis in which we find ourselves. He said that WSU has the best and brightest faculty around and that the students are dedicated to uncompromised excellence. He indicated that they are making sure that, as an institution, we have the best faculty for the students to study and conduct their research with. He also commended WSU's remarkably committed

staff and further stated that our alumni are like no others in the country. He said that Robert Williams, Chair of the WSU Alumni Association would be reporting about WSU's alumni, volunteers, and donors. He added that Bob Felton, Chair of the Foundation's Board of Governors, would report on private contributions, and made note that even in the face of the worst economic circumstance in which this country has had to endure since the great depression, WSU has maintained and made benchmarks in the context of private fundraising and philanthropy. He said that he is very pleased where we are now and even more enthused about the opportunities that are on the horizon, and that we are making sure that WSU is maintaining the academic priorities for the institution. He also reported that we have welcomed two new deans to WSU in the Colleges of Education and Pharmacy. Additionally, he welcomed Roger Patterson, Vice President for Business and Finance, to his first meeting of the Board of Regents.

President Floyd commented that over the summer, the Pullman campus held the groundbreaking for the School for Global Animal Health. He said that having a world-class School for Global Animal Health focusing on the eradications of zoonotic diseases, is positioning WSU quite ably, and there is no doubt that this school will make a huge difference in the context of animal health. He added that WSU will partner with the University of Washington as they continue to engage in human health. He said that Guy Palmer is the Director of the School for Global Animal Health and that they have been spending a lot of time recently with private donors and others on talking about the priorities in the context of Global Animal Health and where WSU headed in that regard.

President Floyd said that he recently completed an administrative reorganization reducing the number of vice presidents from nine to six. He added that it has been exceedingly difficult to make such changes by reducing and consolidating units, and making them much larger, but that he fully understands and recognizes the fiscal circumstances in which we find ourselves. He added that first and foremost, WSU must to respond to the needs of the students. He said areas that will be led by vice presidents are: Academic Affairs; Research; Student Affairs, Equity and Diversity, and Enrollment; Information Services; Business and Finance; and a new organization, referred to as University Advancement and External Affairs, which will be a combination of Marketing and Communications, Alumni Affairs and Development. He said the 501(c)(3) foundations of the Alumni Association, the Research Foundation, and the WSU Foundation will be part of this unit. He said that he will further review the reorganization at future meetings, and this will pave the way for further responding to the fiscal crisis.

President Floyd said he has been in conversations with the other presidents within the State focusing on the legislative process in which they will begin engagement in January. He said although there have been quite a few hearings already being conducted, as well as other dialogue, they have come to a tentative agreement regarding a policy that they will begin to promulgate to the governor and to the

legislature focusing on tuition setting authority. He added that it is fairly monumental that they have at least achieved some consensus around that and he looks forward to continuing to fine-tune that policy over the coming weeks. He said there is a considerable amount of institutional cooperation among all of the institutions right now since they find themselves facing the same challenges. He said the agenda that they all have in place is a very common agenda and they will continue to be as aggressive as they can to articulate their needs both to the legislature and to the public in general regarding the renewed investment that must and should be made in higher education. He said teaching, research, service, and creative activities are the hallmark of this institution and we will never compromise those values even in the face of this economic crisis.

President Floyd reminded the audience that all the items being brought before the Board and all the issues on the agenda have been thoroughly reviewed during the Regents' Committee Meetings.

3. Minutes. It was moved and seconded that the Board of Regents approve the minutes of May 7, 2010. Carried.

4. Reports from University Groups. Regent Jennings welcomed the new university group representatives, and she also commented that this is the last meeting for Bob Felton, Chair of the Board of Governors. She thanked him for his service and said that the Regents have enjoyed working with him over past two years. 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. Finance and Audit Committee Report. Regent Scott Carson reported that the Committee had met the previous day and first received a report from Heather Lopez on internal audit activity. He said that she took them through the last fiscal year's audit program and the plan for the current year. He said that she also reflected on the process of identifying areas of risk where audit can help. Regent Carson said that the most important thing he heard from Ms. Lopez's comments pertained to the University and the role she perceives the audit committee plays in helping the audit team have a more effective and efficient operation, in the spirit of partnership, to identify risk and then work together to resolve risk. He said that this is something that is critical to us not only in this fiscal year but particularly through the duration of the crisis, however long that may last. He commended Heather and her team for the work they are doing.

Regent Carson also reported that the Committee heard from Provost Bayly on a "52nd Week Closure Policy" and the opportunity that it represents for the University to save money. He said that the plan essentially would shut down the University during the week between Christmas and New Year's. He added that it's an activity that is very common and his former company has been doing that for 40 years. He said the closure

provides both a needed break for employees and also saves money for the University. He noted that this policy would go into effect beginning in the year 2011. He said they also heard from Vice President Patterson on renegotiating a series of housing and dining bonds, saving significant money for WSU at a critical time. He also reported on the purchase and sale of the Old Bookie Building and stated that Executive Budget Director Joan King provided an update on the 2011-2013 Capital Budget Prioritization. He said the Board also reviewed future actions on Duncan Dunn-Community Hall renovation and an amendment to WAC 504-36-020 – Control of Animals. He reviewed each action item before Board approval.

The Board took action on the following:

2011-2013 Biennial Capital Budget Request. It was moved and seconded that the Board of Regents approve the recommendations for the 2011-2013 Biennial Operating Budget Request and also delegate authority to the President to approve changes or adjustments that may need to be made before the submission is finalized for presentation to the Office of Financial Management by the September 13, 2010, deadline. Carried.

Delegation of Authority to the President to Ratify the 2011-2013 Collective Bargaining Agreements. It was moved and seconded that the Board of Regents delegate authority to the President to ratify the 2011-2013 collective bargaining agreements negotiated under Chapter 41.80 RCW with the exclusive representatives of bargaining units of Washington State University classified employees. Carried.

6. Academic and Student Affairs Committee Report. Regent Cochran reported that the Committee heard updates from each of the Chancellors. He said that it was a common theme that enrollment is up at all three campuses. He said that the Hispanic enrollment increase at the Tri-Cities campus is rapidly growing, with the goal of becoming a Hispanic Serving Institution well on its way. He also said that they reviewed the actions of extending degrees Statewide and extending additional degrees on the Vancouver campus. It was noted that the extension of these degrees in Vancouver formalizes what we are already doing on this campus and that these actions are to provide the permission to offer degrees in these areas, with no additional costs associated. Regent Cochran remarked that it is clear that WSU is providing access all over the state to all students even in these difficult times. Lastly, he said that they discussed the action designating the Spokane Campus as being the Health Science Campus. He recalled just three short years ago when they quietly discussed the possibility of a medical school in Spokane and now this is moving full speed ahead. He commended President Floyd, Chancellor Pitcher and all the other individuals who have worked so hard on this. He said that Provost Bayly updated them on the Accreditation Progress Report.

The Board took action on the following:

Extend Bachelor of Science in Mechanical Engineering, Statewide. It was moved and seconded that the Board of Regents approve extending the Bachelor of Science in Mechanical Engineering, Statewide, effective Fall 2010. Carried

Extend Bachelor of Arts in History to WSU Vancouver. It was moved and seconded that the Board of Regents approve extending the Bachelor of Arts in History to WSU Vancouver, effective Fall 2010. Carried.

Extend Bachelor of Arts in Sociology to WSU Vancouver. It was moved and seconded that the Board of Regents approve extending the Bachelor of Arts in Sociology to WSU Vancouver, effective Fall 2010. Carried.

Before Board approval on the designation of WSU Spokane as the Health Science Campus, Regent Jennings pointed out that this is a significant move and that it is very much in line with the long-term vision of the University. She asked President Floyd to provide some additional remarks.

President Floyd indicated that when he arrived at WSU four years ago, it was abundantly clear to him that we had to further focus our engagement in Spokane, as well as in the Tri-Cities and Vancouver. In Spokane, they decided to partner with the City of Spokane and the legislative leadership and that their priority going forward would be exclusively in the health sciences arena. He added that there is still a full array of other academic offerings in Spokane, which will continue, but that health sciences will be the priority for WSU Spokane as they proceed to advance that campus. He said that they are in conversations with the University of Washington to have a full four-year medical experience in Spokane, and that the leadership in the City of Spokane, greater Spokane, Inc., and others are fully in support of this initiative.

Regent Betsy Cowles of Spokane added that just few years ago, the idea of a health science school in Spokane was a very bold vision, and that this has now “morphed” into a position of saying that today in Spokane a medical school is going to happen. She said that everyone knows there is much work ahead of them as a community to raise the money and pull all the pieces together. She also said that another important piece is that Tom Fritz, the CEO of Inland Northwest Health Sciences (INHS), is the Chair-Elect of Greater Spokane, Inc., which was a very intentional move, because INHS is the leader nationally in medical records data linking hospitals and doctors’ offices. She said the fact that he is the incoming Chair is a big signal of where the community thinks its economic development is headed and that this is really is centered around what is happening on the University District area. She stated that the kinds of research and students that are going to be coming through the campus at WSU are truly exciting. She said given the dismal economic times, it is actually an exciting time to be in Spokane. She said the community has something to look forward to and something to

build; people are ready to work hard and understand what the project is and its importance. She added that their friends in North Idaho are also engaged. She thanked the Board for helping to move the clarity of the vision, and she thanked President Floyd and Provost Bayly for their hard work, as well.

Regent Carson commented on the importance of the four actions being taken today in the Academic and Student Affairs Committee. He noted that they may seem small, but they are part of a bigger vision to give citizens access to high quality education. He emphasized that the access provided to generations of young people to diverse programs across the state will help to meet the needs of employers, which, in turn, will help to drive the economic engine to recovery. He stated that there is tremendous economic opportunity represented in Vancouver, Tri-Cities, Spokane, Pullman, and through outreach in Seattle.

Lastly, President Floyd said that the Board of Regents has challenged the leadership team to begin to focus the campuses and this clearly is the focus for WSU Spokane.

Designation of WSU Spokane as the Health Science Campus. It was moved and seconded that the Board of Regents designate WSU Spokane as Washington State University's Health Science Campus. Carried.

8. External Affairs Committee Report. Regent Ted Baseler reported that the External Affairs Committee considered two information items. He said first, President Floyd discussed the reorganization of University Advancement, which will be led by John Gardner, and how the foundation falls into that structure. As part of that report, Associate Vice President Kevin Harvey provided the Campaign and Year-to-Date Progress Report. Regent Baseler said that just like Bob Felton, Chair of the Board of Governors, he boldly predicted that by December there would be \$500 million raised toward the Campaign goal. He said they are excited to have that number shared by two very good statistical people. He also reported that the Committee heard from Athletic Director Bill Moos who introduced his new leadership team and also touched on several key issues in Athletics such as compliance, facilities, mentorship, exposure in Spokane, and post season play.

9. Executive Session. The Board of Regents met in Executive Session on Thursday, September 2, at 4:30 p.m. in the Compton Union Building, Room 204, to discuss pending litigation matters with legal counsel. The executive session lasted 30 minutes.

10. Other Business—Request for Defense of University Employees. The Regents took action on three complaints filed in Whitman County courts against Washington State University employees by David Brown. It was moved and seconded that the Board of Regents approve defense of the following employees:

1) In Whitman County Superior Court:

Kenneth Butterfield, Associate Professor in the Department of Management and Operations

David Sprott, Associate Dean for Graduate, International, and Professional Programs in the College of Business and Boeing/Scott and Linda Carson Chaired Professor of Marketing

David Whidbee, Associate Professor of Finance and Associate Dean for Faculty Affairs and Research in the College of Business

Christian Wuthrich, Dean of Students

2) In Whitman County District Court's Small Claims Department :

Ashley Fagerlie, Marketing and Promotions Coordinator for the Compton Union Building

3) In Whitman County District Court's Small Claims Department :

Cheryl Oliver, Director of the Graduate Program in Business Administration

Carried.

11. Adjournment. In closing, Regent Jennings highlighted several events that will be taking place over the next few weeks. She also mentioned that the next Regents' Meeting will take place October 7-8, 2010, at WSU Spokane. Lastly, she commented that it is a privilege to work with this leadership team. She said that she has complete confidence in their ability to move through the economic realities to accomplish what is needed for University. She stated that, as a result of what the Regents have seen today, despite the economic reality, they are unwilling, as a group, to compromise their vision for the University and serving the citizens and the needs of Washington State. She said she is very encouraged as they begin this year of meetings with where WSU is as an organization.

The meeting adjourned at 9:30 am.

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