

MINUTES  
Board of Regents  
November 19, 2010

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 9:00 a.m., on Friday, November 19, 2010, in the Compton Union Building, Room 204, Pullman, Washington.

Present: Regent Laura Jennings, Chair; Regents Theodor Baseler, Scott Carson (until 9:30 a.m.), Ericka Christensen, Harold Cochran, Elizabeth Cowles, Francois X. Forgette, Connie Niva, V. Rafael Stone, 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 welcomed everyone to the Regents' Meeting. She noted that since the last Regents' meeting, members of the Board of Regents had continued to be quite active. She indicated that Regent Niva moderated the "Women in Public Service" panel discussion held in Pullman, several Regents participated in the College Success Foundation dinner in Seattle, Regents participated in ARCS events in Seattle, Student Regent Ericka Christensen joined the Washington State Delegation to the Governors' Global Climate Summit in California, and lastly, Regents Niva, Christensen, and herself attended the Association of Faculty Women dinner that was held in Pullman the previous evening.

**2. Report from the President of the University.** President Elson S. Floyd thanked the Board for the opportunity to report. He began by discussing the budget process and said that the Chancellors and the administrative Vice Presidents have submitted their budget reduction plans and that they are posted on the website. He also said the Deans and the Provost submitted their budget reduction scenarios, that he and Provost Bayly are currently reviewing those scenarios with the Deans on an individual basis, and that they hope to conclude that process later in the day. He said that this process will then position them to go through the scenarios produced by the Deans to determine whether those plans are in the best interest of the University first and then secondly, whether they will meet the budget targets that are in place. He said that under the timeline they are currently operating, they would begin the public vetting of the proposals from the Deans and the Provost on or about December 1. He said that he will hold public forums to allow the institution and others to comment and will begin final implementation of the budget reduction scenarios on or about January 1. He said the process has taken much longer than anticipated but they wanted to make sure that it was right.

President Floyd also reported that the revenue forecast continues to be "bad news on top of bad news." He said that the recently released forecast projects a \$1.2 billion shortfall in receipts—revenues that the State will receive between now and June 2013. He said that within the current fiscal environment, to balance the budget by the end of

June would require further reductions of approximately \$385 million by the Governor. He reminded the Board that that's on top of the \$520 million the State has already reduced its budget. He further stated that the Senate and House Leadership are beginning to identify leaders within the legislature and said that he feels good about the leaders that are being chosen.

President Floyd noted that the Apple Cup and Joint meeting with the University of Washington are coming up. He said that Dr. Arun Raha, Washington's Chief Economist will talk about the budget forecast and that Governor Gregoire will also attend. Lastly, he said that there will be a major announcement in the context of fundraising initiatives on December 2, and he urged everyone to join in what will be a great day at Washington State University.

**3. Minutes.** It was moved and seconded that the Board of Regents approve the minutes of October 8, 2010. Carried.

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

**5. Focused Discussion – Art & Science Report.** Vice President for Student Affairs and Enrollment, John Fraire, introduced institutional strategy consultants David Strauss and Susan Basalla May from the firm, Art & Science. Mr. Strauss and Ms. May shared the results of an undergraduate strategic pricing and position study that they had conducted for WSU. They reviewed such issues as WSU's flexibility in pricing, position in prospective traditional undergraduate student markets, challenges faced in these markets, and "getting the word out" about WSU to help meet enrollment goals.

**6. Academic and Student Affairs Committee Report.** Regent Harold Cochran reported that the Committee heard updates from the Chancellors of WSU Spokane, WSU Tri-Cities, and WSU Vancouver. He added that Provost Bayly reported on the Winter Session Pilot Program, where students will be able to get a variety of general education classes and complete those credits between semesters and during break. He also reported that members of Faculty Senate reported on a provision to the *Faculty Manual*, the Program Discontinuance Policy, and that they will continue to have ongoing discussion with them on that provision.

**7. External Affairs Committee Report.** Regent Ted Baseler reported that the External Affairs Committee received a full report from Kevin Harvey, Associate Vice President for University Development, on the Campaign and also the Foundation Year-to-Date Progress Report. He also noted that the \$500 million mark has been reached in

the quiet phase of the Campaign and several individuals contributed in moving WSU "over the top." Regent Baseler also reported that the Committee heard from Athletic Director, Bill Moos, who presented ideas on the potential renovation to the south side of Martin Stadium, as opposed to the original north side renovation plan. He said that this new south side proposal would include premium (club/loge) seating, and a new press box. He also presented an idea to build the football training facility on the west side of the stadium and provided information about the economics related to this proposal and also the superior amenities that would provide.

**8. Finance and Audit Committee Report.** Regent Forgette reported on behalf of Regent Carson who had to depart early from the Regents' meeting. He reported that the Committee heard from the Internal Auditor, Heather Lopez, who provided an Internal Audit Update on the first quarter of Fiscal Year 2011. He also said that they discussed the future actions on the 2012 Housing and Dining Rates, and approval of a budget increase and schematic design documents for the Biomedical and Health Sciences Building on the WSU Spokane Riverpoint campus. He also reviewed each of the below action items.

The Board took action on the following:

WSU Pullman, Chief Joseph Village Apartments, Building D Replacement, Project Approval, Authorization to Proceed and Delegation of Authority. It was moved and seconded that the Board of Regents approve the Chief Joseph Village apartments, Building D project not to exceed \$2,070,000, and authorize the project to proceed under a traditional design, bid and build process, and further delegated to the President or his designee authority to enter any and all contracts necessary to complete the project, within the budgeted amount. Carried.

WSU Pullman, Duncan Dunn-Community Hall Renovation and Addition, Authorization to Proceed and Delegation of Authority. It was moved and seconded that the Board of Regents approve the Duncan Dunn-Community Hall Renovation and Addition project with a total budget not to exceed \$21,600,000, and authorize the project to proceed to design and construction, using the General/Construction Manager (GC/CM) process pursuant to RCW 39.10.030, and further delegate authority to the President or his designee to select a GC/CM and enter into any and all contracts necessary to complete the project within the budgeted amount. Carried.

WSU Pullman, Waller Hall Renovation and New Addition Waller II, Authorization to Proceed and Delegation of Authority. It was moved and seconded that the Board of Regents approve the project budget not to exceed \$32,600,000, and authorize the project to proceed to design and construction, using the General Contractor/Construction Manager (GC/CM) process pursuant to RCW

39.10.030, and further delegate authority to the President or his designee to select a GC/CM and enter into any and all contracts necessary to complete the project within the budgeted amount. Carried.

WSU Pullman, Student Housing Improvements Revenue Bond Resolution. It was moved and seconded that the Board of Regents approve the Student Housing Improvements Revenue Bond Resolution to authorize the issuance and sale of bonds to finance the University's Student Housing projects and related costs. The Board also delegated authority to the President or his designee to sell bonds, including determining the final bond size, maturity schedule, redemption provisions and timing, and entering into a bond purchase contract with a bond underwriter. The resolution authorized the issuance of revenue bonds in an amount to exceed \$38,750,000 and with a maximum true interest cost (TIC) not to exceed 5% (net of federal interest subsidy, if any applies). Carried.

WSU Pullman, Consolidated Storage, Budget Increase. It was moved and seconded that the Board of Regents approve the revised budget of \$1,525,000 to cover construction costs in excess of the original budget. Carried.

Regent Worthy added that Heather Lopez introduced the Entrance Letter from the State Auditor's Office, which was discussed substantively at the Committee level.

**9. Adjournment.** In closing, Regent Jennings mentioned that the next regularly scheduled meeting will be held January 27-28, 2011, at WSU Tri-Cities. She also mentioned that the Board will be participating in a variety of activities beforehand for the December 2 Campaign announcement, and the December 4, Joint Meeting with the University of Washington. She thanked Board members for extending their time to participate in the focused discussion.

The meeting adjourned at 11:40 am.

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