

MINUTES
Board of Regents
January 28, 2011

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 8:30 a.m., on Friday, January 28, 2011, in the Consolidated Information Center, Rooms 212-214, Richland, Washington.

Present: Regent Laura Jennings, Chair; Regents Theodor Baseler, Scott Carson, Ericka Christensen, Harold Cochran, Elizabeth Cowles, Francois X. Forgette, Connie Niva, V. Rafael Stone, and Michael Worthy; President Elson S. Floyd, Provost and Executive Vice President Warwick Bayly, 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 although the Regents had not met since last November, but had been much happening since then. She said that the Regents had held a half-day retreat with the Chancellors where they spent a lot of time focusing on the growth, the future, and the vision surrounding the branch campus operations. She also said that the Regents met in December following the Campaign launch, which was a huge event for WSU, and immediately following that, they met with the Governor and the State's Chief Economist along with the Board of Regents from the University of Washington. She stated that they had a lengthy discussion around areas of critical importance to both institutions and discussed how they can help the citizens of the State and the Governor manage through this crisis. She also said that they had the annual "Celebrate Washington Wine" fundraiser at Chateau Ste. Michelle and thanked Regent Baseler for his generous support; a reception honoring the new legislators in Olympia; and the Common Reading lecture in Pullman. She also thanked the Regents for taking additional time out of their schedules to tackle these important issues.

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 legislative session. He said that there is no doubt that this will be one of the most difficult legislative sessions they have ever had, not only because of the complexity of the issues, but also because of the documented drought of funds. He said that there are no new resources available and that there will be an incredible challenge to keep the funds that currently exist. He said that there are a number of proposals that are currently before the legislature. He said that the Governor has submitted a proposal in response to the recommendations from the Governor's Task Force and that it is a very long and detailed budget bill, as well as some selected governance issues associated with it. He said that it includes some salient aspects associated with aspirations for the four-year institutions in the state and that it also mentions a funding base for the institutions right now to be at the FY 2011 level. He said we would be desirous of having the funding base at the FY

2009 level instead. He said there are also provisions associated with tuition flexibility and that many of the issues that they have been lobbying for are reflected as part of her larger omnibus bill.

Dr. Floyd further reported that he and others have been meeting with legislators about WSU's health science priorities in Spokane and that those meetings have gone exceedingly well. He said they we have a major funding request associated with medical education in Spokane, but that there is a great deal of momentum associated with this effort. He noted that he thinks it is the right approach to take and they are working mightily with both the House and the Senate to make that part of the final budget which will be presented to the Governor for her signature in late Spring. Dr. Floyd also talked about a number of partnerships that we have throughout State and that we are doing all we can to galvanize alumni and other supporters around a much broader higher education agenda. He said this is in partnership with the University of Washington, as well as the other four-year institutions in the State. He said he has been very pleased with the work that has occurred and he thanked Chairwoman Jennings for her leadership.

Dr. Floyd said that there has been some questions recently regarding WSU's financial statements, and he stated they are doing everything that they can to manage WSU's resources as prudently as possible. He added that there are some categories in which the institution must maintain reserves in order to meet the financial expectations of the institution. He said the institution has a very strong financial statement but the reality is it will be challenged not only by the 40 percent loss in state appropriated dollars, but also by the tuition increases in which the students have had to endure. He emphasized that we simply cannot address the financial crisis through increased tuition. He added that there is no way that student tuition can fill the appropriations gap which is quickly emerging.

Dr. Floyd said that the campus master planning is proceeding and that there is a lot of discussion occurring on this subject about where we are from a master plan perspective, as well as where we are headed into the future. On a final note he said that he, Provost Bayly, and the Deans had balanced the budget within the current fiscal realities they have. He said they thought they would have an 11.2 percent reduction in the budget on a one time basis, but in reality the number was a 7.5 percent reduction and so they implemented a plan for that reduction. He said that they were able to balance the budget with the loss of only 32 positions, and even though he feels one position is too many, they were able to make the appropriate adjustments. He commended the faculty, staff, and students who were part of that process.

2. Minutes. It was moved and seconded that the Board of Regents approve the minutes of November 19, 2010; December 2 and 3, 2010; and December 4, 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 – WSU Tri-Cities. Dr. James Pratt, Academic Vice Chancellor for WSU Tri-Cities, launched the WSU Tri-Cities report. He introduced five speakers, who discussed activities at the campus to highlight some of what is currently happening at the campus.

Dr. Pratt introduced Ms. Genoveva Morales, Director of WSU Early Outreach Program to highlight WSU GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs), which is a program designed to increase the number of low-income students who are prepared to enter and succeed in post-secondary education.

Also introduced was Dr. Paul Strand, Associate Professor in Psychology, who highlighted his research on how social development relates to school engagement and academic achievement.

Dr. Kate McAteer, College of Sciences, and Dr. Scott Baker of PNNL discussed their collaborative research involving biomass to bioproducts. They discussed the benefits of their collaborative work and the opportunities they have to mentor students and be “talent scouts” to bring in promising students they might employ in the future.

Lastley, Zixu Ha, President of ASWSUTC, highlighted some of the activities the in which the students at WSU Tri-Cities have been involved. Three major campaigns have included: Mind Body Soul; Earth Needs Love; and the Cougar Card Discount Program.

6. Executive Committee. Regent Jennings reported that the Committee had discussed at length the future action item pertaining to the Amendment to WSU’s 401(a) Supplemental Retirement Plan. She said that given the financial climate, she was willing to entertain a motion to approve the amendment at this meeting.

The Board took action on the following:

Amendment to the Washington State University 401(a) Supplemental Retirement Plan. It was moved and seconded that the Board of Regents approve and adopt an amendment to the Washington State University 401(a) Supplemental Retirement Plan (Supplemental Plan) to discontinue the supplementation benefit for employees hired on or after July 1, 2011, and delegate to the President or his designee(s) the authority to execute all necessary documents and take such other actions as necessary or

appropriate to execute the amendment in substantially the same form as approved by the Board of Regents, and implement the Supplemental Plan as amended. Carried.

7. Finance and Audit Committee. Regent Scott Carson reported that the Finance and Audit Committee heard three reports involving WSU's FY2010 Financial Report; the State Audit Exit Report; and an Internal Audit Update. He noted that all were very good reports and he commended WSU's Internal Auditor, Heather Lopez, and her team for the controlled environment that exists at WSU. Regent Carson reviewed the action items before seeking Board approval. After the Board took action on the following, there was a brief presentation on the debt issuance through general revenue pledges.

The Board took action on the following:

WSU Pullman, FY2012 Housing and Dining Rates. It was moved and seconded that the Board of Regents approve an increase in the Housing and Dining Rates not to exceed the percentage from the FY2011 Rates. Carried.

WSU Spokane Riverpoint Campus, Biomedical and Health Sciences Building, Phase I, Budget Increase and Schematic Design. It was moved and seconded that the Board of Regents approve the proposed project budget increase and schematic design documents, and grant authorization to proceed, provided a Total Construction Cost can be established within the funds available for the Biomedical and Health Sciences Building, Phase I, on the WSU Spokane Riverpoint Campus. Carried.

WSU Pullman, Design of Approval for Martin Stadium Improvements. It was moved and seconded that the Board of Regents authorize proceedings to the pre-design and design stage for the Martin Stadium Improvements to include the South Side Press Box and Premium Seating Renovation, and a West End Zone Football Operations Center. The Board also delegated authority to the President or his designee to authorize the selection and award a contract for an architectural/design firm, and a contract for a General Contractor/Construction Manager for pre-design, with total services not to exceed \$5 million. Carried.

WSU Tri-Cities, Proposed Building. It was moved and seconded that the Board of Regents approve the transaction with Energy Solutions, Inc., and delegate authority to the President or his designee to executive all transactional documents including, but not limited to, a lease and gift agreement between WSU and Energy Solutions, Inc. The Board also directed that the aesthetics of the building must be considered in order to provide an attractive and suitable entryway to the Tri-Cities campus. Carried.

8. Academic and Student Affairs Committee Report. Regent Cochran reported that the committee received reports from each of the campus Chancellors. He said that Provost Bayly discussed an agreement made between WSU and Utah State University for the purpose of creating the Washington and Utah Cooperative Program in Veterinary Medical Education. He said Provost Bayly also updated them on the first report under the new regional accreditation system.

Faculty Manual Revision, Section III.F.3 – Program Discontinuance Policy. Regent Cochran reported the Committee discussed the proposed action on the *Faculty Manual* revision on Program Discontinuance Policy. Two proposals were presented to the Committee: 1) a proposal that was passed by the Faculty Senate at its October 28, 2010, meeting; and 2) the Policy as recommended to the Faculty Senate by the Faculty Affairs Committee at that same meeting.

The Regents voted on both proposals.

It was moved and seconded that the Board of Regents approve the *Faculty Manual* revisions as passed by the Faculty Senate at its October 28, 2010, meeting and as outlined in "Action Item #1" in the Regents' notebooks. *Motion Denied.*

It was then moved and seconded that the Board of Regents approve the proposed changes to Section III.F.3. of the *Faculty Manual* regarding the Program Discontinuance Policy that were brought forward and recommended to the Faculty Senate by the Faculty Affairs Committee at the October 28, 2010, meeting of the Faculty Senate; and further to return these proposed changes to the Faculty Senate for a concurring vote. In the absence of Faculty Senate concurrence, the existing version of Section III.F.3. will be retained; and in all cases, those portions of Section III.F.3. that are not within the scope of the proposed changes shall be retained, except to the degree that minor changes are necessary for internal consistency with approved changes. Carried.

Please see [exhibit A](#) for a copy of the changes to the *Faculty Manual* as passed by the Regents.

9. External Affairs Committee Report. Regent Ted Baseler reported that Kevin Harvey, Associate Vice President for University Development, provided a Campaign update and year-to-date-progress report and noted that President Floyd had also provided an update on the legislative agenda.

10. Adjournment. In closing, Regent Jennings mentioned that the next regularly scheduled meeting of the Board of Regents will be held March 24-25, 2011, at WSU in Pullman.

The meeting adjourned at 10:17 am.