

MINUTES
Board of Regents
May 23, 2013

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 3:00 p.m., on Thursday, May 23, 2013, from the following locations: Lighty Student Services, Room 401, WSU Pullman, Pullman, Washington; with Regents joining via video conference from Conference Room 2, WSU West, Seattle, Washington; Dengerink Administrative Building, Room 236, WSU Vancouver, Vancouver, Washington; and the Student Academic Center, Room 503A, WSU Spokane, Spokane, Washington and also via teleconference.

Present: Regent Scott Carson, Chair; Regents, Theodor Baseler, Harold Cochran, T. Ryan Durkan, Francois X. Forgette, Laura Jennings, Constance Niva, Rafael Pruneda, Ron Sims and Michael Worthy; President Elson S. Floyd.

1. Report from the Chair of the Board of Regents. Regent Carson welcomed everyone to the meeting. He indicated that since the last meeting, the Regents have participated in the Veterinary Medicine Research Building Dedication, WSU Foundation Board of Trustees meetings and Commencement at all of the WSU campuses.

2. Report from the President of the University. President Floyd thanked the Board for the opportunity to report and he thanked them for rearranging their schedules for the meeting. He said that he had hoped that by this meeting WSU would have a final budget from the legislature, but they are now in a special session which is scheduled to adjourn June 11. He added there is speculation that they still may not have a budget at that point, but he is hopeful that they will. He said that he has alerted the leadership in the legislature as well as the Governor's Office of WSU's tuition recommendation to the Board of Regents and indicated that it is in no way an attempt to usurp the authority of the legislature, but rather an attempt for WSU to go ahead and announce to the public and most importantly, for the students to be able to anticipate what tuition will be this fall.

President Floyd reported that the Regents dedicated the biomedical building three weeks ago. He said that the facility will be transformative in terms of WSU's research programs. He said that building was on budget and on schedule and is now being occupied. He also provided an update on current construction projects involving the North Side Residence Hall, which will be done this fall; the Visitor Center, scheduled to open on Homecoming weekend; the Marriott Hotel, scheduled for completion April 2014; and the Football Operations Building, which is scheduled for completion by the 2014 football season. He added that based on everything that we know about the construction at WSU, it will be on time and within budget which has become the standard at WSU.

President Floyd reported that he will serve as Chair of the Pac-12 CEO Group effective July 1 for a 2-year term. He also reported that as part of WSU's obligation towards the Pac-12, WSU must hold a Thursday night football game every 3 years. He added that all member institutions associated with the Pac-12 will have to do the same. He added that WSU will face unique challenges that center primarily around parking and access to parking. He said that he has consulted with faculty, Deans, the Athletic Director, and the leadership of the faculty senate to notify the campus community that WSU Pullman will have instruction Thursday morning October 31 until 12:00 noon. He said that individual faculty members can choose whether or not to have instruction in the afternoon of October 31. He said the reason for this decision is because unlike a great number of other institutions, WSU does not have a dedicated parking structure or surface parking dedicated exclusively for Athletics, and so as a consequence, vehicles need to move off campus to allow the fans to have places in which they will be able to park. He said after much deliberation all parties involved felt this is the best approach. He said that he is collaborating with the incoming chair elect of the faculty senate, the Athletics Committee plus 4 additional faculty members to review the issue of Thursday night games and asked them to provide a thorough report and recommendation regarding future games which will be held during the week.

He reported that the Alcohol Task Force has submitted its preliminary recommendations and he is looking forward to receiving the final recommendations as soon as possible.

President Floyd reported that he has received over 100 nominations to participate in the institutional Climate Committee which he committed to have in place. He added that he is looking forward to working with that committee. He also said that he has asked Dr. A.G. Rudd, who served as Dean for the College of Education, to serve as Chair of that group and he has graciously agreed to do so. He said he will then use the nominations that are in place to make recommendations regarding the final composition of the committee.

President Floyd announced that WSU has lost and will keep losing prime faculty members if they continue to go without salary increases. He said he has had conversations with the Provost and is optimistic that they will be able to provide an appropriate salary adjustment for the faculty, staff and graduate students next year. He added that he doesn't know what the final percentage will be because the legislature has yet to conclude its work. He said that any salary increase that WSU incurs as an institution will have to be borne by the institution. He said WSU will have to make the sacrifice to provide appropriate salary increases for its faculty and staff if they want to keep them.

President Floyd reported that there has been some communications written regarding medical education in Spokane. He said that WSU has been working collaboratively with the University of Washington to have a full 4-year medical experience in Spokane and

based on all of the projections it appears that that it will indeed be the case this coming fall.

President Floyd reported that the Campaign for Washington State University has reached the \$800 million mark. He thanked Chair Carson for his continued leadership of the national campaign committee. He added that this is a significant milestone for the institution in the amount of money they have raised. He said they are well on target to complete the campaign in the next two years.

President Floyd pointed out that this is the last meeting for Rafael Pruneda as Student Regent, Warwick Bayly as Provost, and also Dick Pratt as Interim Chancellor for WSU Tri-Cities. He thanked all of them for their hard work and leadership.

He thanked Vancouver Chancellor, Mel Netzhammer and his staff for recently hosting the Board of Governors and Trustees on the Vancouver campus.

Regent Carson also thanked Rafael Pruneda, Warkwick Bayly, and Dick Pratt on behalf of the entire board.

3. Action Items.

Minutes. It was moved and seconded that the Board of Regents approve the minutes of March 22, 2013. Carried.

Board of Regents Meeting Dates for 2014. It was moved and seconded that the Board of Regents approve Resolution #130523-450, adopting the schedule for the 2014 Board of Regents Meetings; and delegating authority 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. Carried.

Before the Board took action on the Election of Officers, Regent Niva spoke on behalf of the entire Board to publicly thank Regent Carson for his outstanding service as Chair of the Board of Regents for the past year. She said it has been an honor to serve him.

Election of Officers. It was moved and seconded that the Board of Regents elect Constance M. Niva to serve as Chair of the WSU Board of Regents for the year beginning June 1, 2013. The Board also elected Michael C. Worthy to serve as Vice Chair of the WSU Board of Regents for the year beginning June 1, 2013, with the understanding that he 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 executed by the WSU Board of Regents. Carried.

Commercialization and Intellectual Property. It was moved and seconded that the Board of Regents adopted Resolution #130523-451, approving the proposed changes to the Faculty Manual section relating to Intellectual Property and delegating authority the President to terminate the Operating Agreement between WSU and WSU Research Foundation and take any necessary action to complete the transition of intellectual property commercialization functions. Carried.

Before the Regents took action on Regents' Distinguished Alumnus Award, President Floyd asked Tim Pavish, Executive Director of Alumni Relations, to provide an update on the process in selecting the final candidates for the award.

Regent Jennings indicated that every year the Regents are faced with a very difficult choice of choosing a candidate because they are always exceptional. She commended the committee for making their job just as hard this year as it has been every year she has been on the Board.

Regents' Distinguished Alumnus Award. It was moved and seconded that the Board of Regents designate Candidate G, as the recipient of the 2013 Regents' Distinguished Alumnus Award. Once Candidate G has been contacted and if he/she accepts the award, the name of Candidate G will be announced. Carried.

President Floyd reviewed the following action items before Board approval.

S&A Fee Rate Increase. It was moved and seconded that the Board of Regents authorize a 2 percent increase in the Services and Activities Fees for the WSU Spokane and Pullman campuses for the academic year 2013-2014. Carried.

Student Recreation Center Fee. It was moved and seconded that the Board of the Regents approved a 2.04 percent increase in the Student Recreation Center Fee for academic year 2013-2014 and summer 2014. Carried.

S&A Fee Allocations. It was moved and seconded that the Board of Regents approved the allocation of Services and Activities Fees for academic year 2013-2014 and summer 2014 from the Services and Fees committees and the Services and Activities Facilities committee representing the WSU system. Carried.

Before the Board took action on the tuition rate increase, President Floyd reminded the Regents that this summer, WSU held the cost of summer tuition and fees to the same rate as last summer. He said it was the right thing to do for the students and their families. He added, over the last five years, WSU has seen a succession of double digit

increases for all of the colleges and universities in the state of Washington, and over the last two years, WSU has seen consecutive 16 percent increases associated with tuition. He said the legislature two years ago granted the institutions the authority via the Board of Regents to set tuition and that authority was granted during a time in which the legislature had already made tuition recommendations and had advanced a budget. He said the percentage increase recommended by the legislature was 16 percent over the last two years and this Board has been very consistent with legislative intent in that regard. He said WSU has increased tuition at the same rate that the legislature made its assumptions about the allocations of resources for the budget.

President Floyd said he has been very mindful of the costs associated with education and equally mindful of issues surrounding affordability and access. The recommendation he is advancing to the Regents is to have a two percent increase across all categories for tuition for this upcoming year. He said they have carefully looked at the numbers and based on preliminary assumptions regarding the allocation of resources from the legislature, they will still be able to balance the budget and conduct the good work of the university at a two percent level. He said it also allows the students and their families to have a break associated with double digit tuition. He added that we should never ever price students out of higher education and he is fearful that we are doing precisely that with the rate of tuition increases in which they have had in the past. He said he has had a number of conversations with the students, student leaders and others about tuition this year. He said that he has previewed with the Board and with the community broadly that he would seriously consider advancing a tuition recommendation at the rate of inflation which is approximately two percent.

Regent Niva commented that in 2003 during her first meeting as a Regent, she had to approve a tuition increase of seven percent which at that time was staggering and as she looks back at that now, a two percent increase feels very reasonable.

Regent Baseler commended President Floyd and his staff for coming up with a budget that can allow for only a two percent tuition increase because it is increasingly difficult for students to afford college and they have been forced to take significant tuition increases the last couple years.

Regent Jennings said the increase is necessary and she supports it. She also agreed with President Floyd regarding the need to retain the excellent faculty and staff that educate the students at WSU.

Regent Durkan also commended the leadership of President Floyd for giving the students and families a break from the 16 percent double digit inflation in tuition. She also asked for an update on the final numbers when the legislature has finished its work.

Regent Carson commented on a recent article regarding where the return on investment is for college education. He said the article listed only 400 schools worth

attending in the United States and WSU is amongst that list with a nine percent return. He said he believes WSU is getting close, in terms of where the value trade off comes and it is very responsible to look at tuition balancing the need to retain the educators and researchers that make WSU such a great institution and at the same time assuring that the investment that is being made by the young people and their families in higher education is going to offer a return to them.

Tuition Rate Increase. It was moved and seconded that the Board of Regents set tuition for the academic year 2013-2014 in accordance with the table set out in **Exhibit A.** Carried.

Vice President Patterson reviewed the following action items before Board approval.

WSU Pullman, Chief Joseph Village Apartments. It was moved and seconded that the Board of Regents adopt Resolution #130523-452, approving the Chief Joseph Village Apartments project with a total budget not to exceed \$20,000,000, and authorize the project to proceed to design and construction using the Design-Build process, and delegated to the President or his designee to select a Design-Building contractor and enter into any and all contracts necessary to complete the project within the budgeted amount. Carried.

WSUTri-Cities, Wine Science Center Design and Construction. It was moved and seconded that the Board of Regents adopt Resolution #130523-453, approving the Wine Science Center project with a total budget not to exceed \$23,010,000, and authorized the project to proceed to design and construction using the Design-Build process, and delegated authority to the President or his designee to select a Design Building contractor and enter into any and all contracts necessary to complete the project, within the budgeted amount. Carried.

4. **Public Comment Period.** No public comments were made.
5. **Other Business.**

Recognition of Student Regent Rafael B. Pruneda. The Regents passed a resolution presented by Chair Carson and President Floyd commending Student Regents Rafael Pruneda for his dedication and service to the University and the Board of Regents during his term as student regent for the 2012-2013 academic year. Carried.

6. **Adjournment.** In closing, Regent Carson announced that the next Regents' Meeting will be held at their retreat August 2-3, in Woodinville.

The meeting adjourned at 4:10 pm.

Approved by the Board of Regents at its meeting held September 6, 2013, at the Compton Union Building, Room 204, Pullman, Washington.

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ACTION ITEM #9

Academic Year 2013-2014 Tuition Rates (Joan King)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Academic Year 2013-2014 Tuition Rates

PROPOSED: That the Washington State University Board of Regents set tuition for the academic year 2013-2014 subject to legislative continuation of the authority granted for tuition increases in previous biennia.

SUBMITTED BY: Joan King, Associate Vice President and Chief University Budget Officer

SUPPORTING INFORMATION: State law authorizes the governing boards of the four-year institutions of higher education to establish tuition and fees for all students.

Consistent with President Floyd's comments throughout the legislative session, increases for all categories of tuition at Washington State University are capped at 2% for the 2013-2014 academic year. Despite the lack of a final legislative budget, the university is moving forward with setting tuition rates at this time in order to provide students and their families some sense of certainty about their tuition bill.

President Floyd has established a Tuition Policy Committee that has been gathering information and meeting since 2012. The Committee has representation from all campuses, including students and faculty. The Committee will resume its work in the fall.

The proposed 2013-2014 tuition rates are shown below as full-time, annual rates.

<u>Tuition Category</u>	<u>Current FY 13 Rate</u>	<u>FY 14 FT Rate</u>	<u>% Rate Increase</u>	<u>\$ Incr Over FY 13</u>
<u>RESIDENT RATES</u>				
Undergraduate	\$10,874	\$11,092	2%	\$ 218
Undergraduate Global Campus	\$10,874	\$11,092	2%	\$ 218
Graduate	\$11,224	\$11,448	2%	\$ 224
Graduate Global Campus	\$11,224	\$11,448	2%	\$ 224
MBA (Pullman) ¹	\$17,268	\$17,614	2%	\$ 346
Master of Nursing	\$17,234	\$17,578	2%	\$ 344

<u>Tuition Category</u>	<u>Current FY 13 Rate</u>	<u>FY 14 FT Rate</u>	<u>% Rate Increase</u>	<u>\$ Incr Over FY 13</u>
PharmD	\$19,990	\$20,390	2%	\$ 400
DVM	\$21,830	\$22,268	2%	\$ 438
WWAMI	\$27,040	<i>per MOU</i> ³		
<u>NON-RESIDENT RATES</u>				
Undergraduate	\$23,956	\$24,436	2%	\$ 480
Undergraduate Global Campus	\$14,058	\$11,092	-21% ²	(\$2,966)
Graduate	\$24,656	\$25,150	2%	\$ 494
Graduate Global Campus	\$14,514	\$11,448	-21% ²	(\$3,066)
MBA (<i>Pullman</i>) ¹	\$32,676	\$33,330	2%	\$ 654
Master of Nursing	\$32,256	\$32,902	2%	\$ 646
PharmD	\$36,644	\$37,378	2%	\$ 734
DVM	\$52,884	\$53,942	2%	\$1,058
WWAMI	\$55,970	<i>per MOU</i> ³		

NOTES:

1. This rate is for the Master of Business programs on the Pullman campus. Students enrolled in the MBA programs at WSU Tri-Cities and WSU Vancouver will continue to pay the regular graduate student tuition rate.
2. Resident tuition rates apply to online students regardless of location.
3. Under a memorandum of understanding between WSU and UW, students attending the first year of medical school in Seattle, Pullman or Spokane will pay the same total tuition and enrollment fees. These rates will be set by the University of Washington for the medical school. Other mandatory fees are assessed based on the campus where the student is enrolled.