

MINUTES  
Board of Regents  
March 28, 2019

The Board of Regents of Washington State University (WSU) held a special meeting pursuant to call in Open Meeting at 11:00 a.m., on Thursday, March 28, 2019. The meeting was held on the WSU Pullman campus in French Administration Building, Room 422B.

I. Call to Order. Regent Ron Sims, Chair called the special meeting to order. He welcomed everyone to the meeting and said the purpose of the meeting was for Regents to consider a request for approval of additional expenditures over \$250,000 that were not included in the Fiscal Year 2019 Athletic Budget. Chair Sims informed the audience that the Regents would be participating in the meeting by telephone conference call. Chair Sims noted President Kirk Schulz, Provost Dan Bernardo, Senior Assistant Attorney General Danielle Hess, Faculty Representative to the Board Judi McDonald, Chief of Staff Chris Hoyt and Executive Assistant to the Board Desiree Jacobsen were present in Pullman. Chair Sims reminded the audience that there would be a public comment period during the meeting and that the public comment period would be after the regular agenda items and would be for up to 10 minutes. Chair Sims then instructed Ms. Jacobsen to take a roll call.

II. Roll Call. Present: Regent Ron Sims, Chair; Regents Ted Baseler, Brett Blankenship, Scott Carson, Marty Dickinson, Jordan Frost, Lura Powell, Heather Redman, Lisa Schauer and Mike Worthy.

III. Action Item 1: FY2018-2019 Athletics Budget – Approval for additional Expenditure Exceeding \$250,000.

President Schulz reviewed the Action Item with the Board. After Board discussion it was moved and seconded that the Washington State University Board of Regents approve additional expenditures by the Athletics department for the purposes of hiring men's basketball coaching staff, not to exceed \$500,000 during the remainder of the current fiscal year. Carried. (*Exhibit A*)

VII. Public Comment. No public comment.

VIII. Adjourn. The meeting adjourned at 11:33 a.m.

Approved by the Board of Regents at its meeting held May 3, 2019, on the WSU Health Sciences Spokane Campus.

SIGNED COPY AVAILABLE IN THE PRESIDENT'S OFFICE

**ACTION ITEM #1**  
**FY2018-2019 Athletics Budget – Approval for Additional  
Expenditure Exceeding \$250,000  
(Kirk Schulz)**

March 28, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

**SUBJECT:** FY2018-2019 Athletic Budget – Approval for Additional  
Expenditure Exceeding \$250,000

**PROPOSED:** That the Washington State University Board of Regents approve  
additional expenditures by the Athletics department for the  
purposes of hiring men’s basketball coaching staff, not to exceed  
\$500,000 during the remainder of the current fiscal year.

**SUBMITTED BY:** Kirk H. Schulz, President

**SUPPORTING  
INFORMATION:** Washington State University has implemented a 3-year fiscal health  
restoration plan. As a part of the University’s plan, WSU Athletics  
has developed a targeted plan to ensure that it will return to an  
operating breakeven position in the next few years. The Athletics  
plan also ensures that WSU is fully compliant with Substitute Senate  
Bill 6493, which was passed by the 65<sup>th</sup> Legislature during its 2018  
regular session. This bill requires certain actions of the boards of  
the state’s colleges and universities, related to intercollegiate  
athletics programs. (See SSB 6493, attached.)

This bill requires that the WSU Board of Regents specifically  
approve, in an open public meeting, the annual budget for the  
Athletics program; the plan for reducing the operating deficits in  
future fiscal year; any transfers that are necessary at year-end for  
WSU Athletics; and any expenditure over \$250,000 that was not  
included in the approved annual budget. The three prior fiscal  
years’ financial statements for the program will also be  
conspicuously posted to the University’s web site.

**ATTACHMENT:** Attachment A: Substitute Senate Bill 6493

S-4650.1

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**SUBSTITUTE SENATE BILL 6493**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** Senate Higher Education & Workforce Development (originally sponsored by Senators Billig, Palumbo, Ranker, Carlyle, Hasegawa, and Kuderer)

READ FIRST TIME 02/01/18.

1 AN ACT Relating to increased transparency and accountability for  
2 intercollegiate athletic programs at public colleges and  
3 universities; and adding a new section to chapter 28B.15 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.15  
6 RCW to read as follows:

7 (1) The board of trustees or regents of each of the state's  
8 colleges and universities under RCW 28B.15.005 must specifically  
9 approve in an open public meeting, the annual budget for its programs  
10 for intercollegiate athletic competition in advance of any  
11 expenditure for that fiscal year.

12 (2) If a college or university's programs experience an operating  
13 deficit at the end of any fiscal year, the board of trustees or  
14 regents must:

15 (a) Approve a plan for how the programs will reduce operating  
16 deficits in future fiscal years;

17 (b) Conspicuously post to the college or university's web site  
18 the financial statements of the programs for the three prior fiscal  
19 years and the plan in (a) of this subsection. Any public records  
20 request for a copy of the financial statements or plan must be at no  
21 cost to the requester;

1 (c) Approve in advance any transfer exceeding two hundred fifty  
2 thousand dollars; and

3 (d) Except as provided in subsection (3) of this section, approve  
4 in advance any expenditure over two hundred fifty thousand dollars  
5 that was not included in the approved annual budget, in an open  
6 public meeting.

7 (3) Approval of an expenditure by the board of trustees or  
8 regents may occur at the next regularly scheduled board meeting after  
9 the expenditure if the expenditure is:

10 (a) Time sensitive and the net fiscal impact of the expenditure  
11 results in a direct revenue gain to the program; or

12 (b) Required to meet an immediate public safety need.

13 (4) Unless the context clearly requires otherwise, the  
14 definitions in this subsection apply throughout this section:

15 (a) "Expenditure" means any discrete purchase, payment, contract  
16 amendment, or expense, unless that expenditure is required to meet an  
17 immediate public safety need.

18 (b) "Operating costs" means all direct and indirect costs to  
19 operate the programs including the value of any costs that are  
20 typically charged to departments, but have been waived by the college  
21 or university. Waived costs include, but are not limited to the value  
22 of tuition waivers for student athletes and any internal or central  
23 service costs not charged to the programs.

24 (c) "Operating deficit" means the amount by which the aggregate  
25 operating costs of the programs exceeds the aggregated receipts and  
26 revenue directly generated by the programs in the fiscal year.

27 (d) "Programs for intercollegiate athletic competition" or  
28 "programs" means those programs established under RCW 28B.10.703.

29 (e) "Transfers" means any transfer of moneys to an account used  
30 by programs for intercollegiate athletic competition from any account  
31 that holds moneys not directly generated by the programs.

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