MINUTES
Board of Regents
June 6, 2011

The Board of Regents of Washington State University held a special meeting at 4:30 p.m., on Monday, June 6, 2011, to take action on tuition rates for the Academic Year 2011-2012. The meeting was held in Lighty Student Services Building, Room 405, Pullman, Washington. The Regents joined via teleconference.

Present via teleconference: Regent Theodor Baseler, Chair; Regents, Ericka Christensen, Scott Carson, Harold Cochran, Elizabeth Cowles, Francois Forgette, Laura Jennings, and Michael Worthy.

Present in Pullman: President Elson S. Floyd, Provost and Executive Vice President Warwick Bayly, and Executive Assistant to the Board of Regents Christine Hoyt.

1. Report from the Chair of the Board of Regents. Regent Theodor Baseler called the special meeting to order. Regent Baseler stated that the purpose of the special meeting of the Board of Regents was to take action on tuition rates for the Academic Year 2011-2012. He asked Christine Hoyt to conduct roll call to ensure the presence of each of the Board members.

2. Report from the President of the University. President Elson S. Floyd thanked the Board for coming together to talk about tuition and the recommendations that had been advanced to them. He said earlier in the day, the Governor signed several bills focusing on higher education and that one of the bills she signed gave the Boards of Regents for Washington State University and the University of Washington, and the Boards of Trustees for the State’s regional institutions, the authority to set tuition. He noted that the recommendations that have been advanced to the Regents have been in the public domain since May 27, 2011, which he had outlined Perspectives column. He added that they have met with the student leaders in Pullman, Tri-Cities, Vancouver, and Spokane campuses and that it was absolutely essential to make sure that the students were engaged in the recommendations. He said that given the timing of the budget and the short time frame to advance this recommendation, they are not exercising the institutional authority which was granted to them to set tuition at levels different than what was discussed and recommended by the legislature.

Dr. Floyd explained that the legislature built its budget around a 16 percent resident undergraduate tuition rate, and they are advancing the same recommendation to the Regents. He said a 16 percent assumption would then yield approximately $69 million and the budget that is now waiting the Governor’s signature reduces WSU’s state allocation by $108 million or 26 percent from the current maintenance level over the next two years. He said this means that over 4 years the university will have experienced a net appropriated budget reduction of 52 percent or $231 million. He said that there
is no doubt that the state is relying more and more on tuition to balance the budgets that the university is dealing with, and that even with a 16 percent resident undergraduate tuition increase, there is still a shortfall in the budget of $49 million. He added that they have also made the appropriate financial aid investments to help defray the cost to the extent that they can. He said that financial aid will eclipse $14 million next year and they are adding an additional $2 million from this budget to help with the financial aid considerations. He mentioned that they have also made a commitment to provide aid to those individuals who have been receiving financial aid. He emphasized that Washington State University is deeply committed to access and affordability and will do everything possible to maintain both quality and affordability, and he believes that the recommended budget levels in front of the Regents strikes that balance between affordability and the continued need for access.

Dr. Floyd added that Washington State University is increasingly becoming an institution of choice in the state and will have projections of having the largest freshman class in the history of the University this coming fall.

President Floyd provided absolute dollar amounts for some of the categories of tuition:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate resident tuition</td>
<td>16%</td>
<td>$1,294 over the a/y</td>
</tr>
<tr>
<td>Undergraduate non-residents</td>
<td>8%</td>
<td>$1,530 over the a/y</td>
</tr>
<tr>
<td>Distance Program</td>
<td>16%</td>
<td>$1,940 over the a/y</td>
</tr>
</tbody>
</table>

Following are questions and discussion by members of the Board of Regents.

Regent Christensen asked if tuition waivers were increasing to cover the extra costs of tuition for graduate students. President Floyd responded that tuition waivers are separate and apart from those. He added that they will continue to make the investment in tuition waivers for graduate students primarily.

Regents Cowles asked President Floyd to give a sense of scale regarding the additional $2 million added to the $14 million to financial aid. She asked if students were getting additional money and if any additional scholarships were being created. President Floyd said that they have made a commitment to continue financial aid for students who are returning to the institution. He said that the additional $2 million is dedicated to the new freshman, which will enable them to continue their financial aid commitment for students who are already enrolled, while making some projections forward regarding students who have yet to be enrolled. He also added that the state has put $100 million into the State Need Grant Program, as well, so students will be eligible for that program on top of the institutional aid that WSU provides.

Regent Worthy asked President Floyd about the flexibility WSU is now afforded in this legislation to differentiate tuition levels. He asked whether or not they will be looking at this again at the end of the next academic year or whether this covered the biennium.
President Floyd indicated that traditionally tuition is approved for the biennium but that these recommendations would only apply to the academic year 2011-2012. He said that we must continue a very active conversation with the students regarding tuition and that there is continued uncertainty regarding state appropriations and what may happen relative to the budget in the future. He stated that this would provide the Regents with maximum flexibility. He said in the broader context, Regents now have the flexibility to set tuition and that it is the Regents’ fiduciary obligation to do that. He added that the recommendations that are being advanced to the Regents today have not taken advantage of the tuition flexibility in that they have made their recommendations consistent with the way that the budget was finalized by both the Senate and the House, which is a 16 percent increase in resident undergraduate tuition. He added that they may exercise their legislative authority in the future, but for this budget they felt that it was appropriate to be consistent with where the legislature was, given the timing in the semester, as well as the fact that they have not had the ability to talk with students to the extent that they are desirous of doing so in the future. President Floyd noted that there is very good representation of student leaders in the audience, as well as faculty leadership.

Regent Baseler said that he can speak for the entire Board saying that none of them like the idea of adopting a double digit tuition increase for the upcoming academic year. He said, however, given the financial situation that has resulted from this historic recession, they must focus on the strong educational programs that have been built over decades at WSU. He said he does not believe they are doing this generation of students or the next any favors by cutting even more deeply into the programs that they and the state need. He said that the institution has already made deep cuts in the previous three years, and they will have to make further cuts under this budget. He said that he believes it will be irresponsible of them as a Board to preside over the further erosion of higher education institutions that state taxpayers have built since 1890.

Regent Baseler said that over the years, higher education has made every reasonable effort to hold the line on costs and that, in fact, the overall cost of educating a student in Washington’s public baccalaureate institutions, when measured in constant dollars, is actually stable over the last two decades. He added that clearly over that same time, the price that students and their parents pay has skyrocketed and that the state is paying a lesser share and students are paying much more.

Regent Baseler added to what President Floyd said regarding the designation of some of the funds from the tuition increase for financial aid and that is estimated to be about $2 million for the upcoming year. He said that WSU will strive, even in the face of this budget, to maintain access for Washington students. He echoed earlier comments that the University still plans to welcome the largest freshman class to Pullman in the fall, and has adopted a number of efficiency measures to meet that increased demand.
He said that he wished that today’s economic circumstances were different but that, as a Board, they must deal with the situation as it is. He said he believes the proposal before the Board accurately reflects the needs of the University, the students and the state, and he supports it.

Regent Carson said that he paid his own education without support from either scholarships or from family, so he recognizes the burden that these increases will place on young people and, in particular, returning military people who now seek to further their education. He also said, however, that he is passionate about the need for high quality education to be provided by research universities. He added that it is a dilemma they are in, but he does not see a path other than supporting this that they are to maintain the quality of education that the citizens of the state deserve.

Regent Forgette commented that as difficult as these increases are and will be, it seems that there is some small comfort when you look at the other globally challenged states, which we look to as peer institutions, to see where this places WSU in terms of comparative tuition levels. He asked President Floyd to briefly comment on where WSU is placed among peer institutions. President Floyd said that they had worked very closely in better understanding where WSU is relative to the globally challenged states and that even with these tuition increases, WSU will be at the lower end of the tuition levels of peers in that category.

Regent Cochran said that over the past three years everyone has been working hard on increasing graduation rates. He said that he feels WSU is making progress to help people complete their degree in four years, which is an obvious cost savings.

Regent Cowles commended President Floyd and his team for the process. She said that this has been a very difficult time for everyone at the University, and she feels they have handled it very well by listening to people’s needs and seeking their input.

Following discussion among the Board and University officials, the Board took the following action:

**Academic Year 2011-2012 Tuition Rates.** It was moved and seconded that the Board of Regents approve the tuition at all WSU campuses for the academic year 2011-2012 according to the schedule outlined in Exhibit A. The motion carried. (Note: Student Regent Christenson voted “nay” on the proposal.)

At 4:54 p.m. the Regents’ Meeting adjourned.

Approved by the Board of Regents at its meeting held September 2, 2011, at the Tulalip Resort, Chinook 1 Conference Room, Tulalip, Washington.

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