MINUTES
Board of Regents
September 2, 2011

The Board of Regents of Washington State University met pursuant to call in Open
Meeting at 8:38 a.m., on Friday, September 2, 2011, in the Chinook Conference Room,
Tulalip Resort, Tulalip, Washington.

Present: Regent Theodor Baseler, Chair; Regents, Jacob Bredstrand, Scott Carson,
Harold Cochran, Elizabeth Cowles, Francois Forgette, Laura Jennings, Connie Niva 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 Theodor Baseler
welcomed everyone to the first Regents’ Meeting of the 2012 academic year. He said
that it is exciting to hold their first meeting at the Tulalip Conference facilities to
celebrate the new union with North Puget Sound and Everett. He asked Mr. Mel
Sheldon, Chair of the Tulalip Tribe Board, to say a few words and also thanked him and
his staff for the outstanding hospitality they have provided.

Regent Baseler also welcomed Student Regent Jake Bredstrand to the Board of Regents.

2. Report from the President of the University. President Elson S. Floyd thanked
the Board for the opportunity to report. He said that he would like to provide just a
brief update on the current activities in which the University has been engaged. He
began by addressing the budget and said that we remain in a fiscal crisis in the State
and to a large measure within the nation. He said that they have been very deliberate
regarding the proposed response to the budgetary reductions that must be taken as an
institution of approximately $20 million. He said that they have had a series of open
forums, and they are meeting with faculty and staff leadership, chancellors and others
to make sure that they have a budget protocol that balances the fiscal year budget, as
well as the biennial budget. He indicated that the Regents have seen the timelines that
is in place for that. President Floyd emphasized that we must be very strategic in all
that we do, maintaining the quality and excellence of Washington State University,
even in the face of this fiscal crisis.

President Floyd noted that there is considerable conversation surrounding the proposed
merger of the Colleges of Liberal Arts and Sciences. He said that they will see how the
final conversations ensue over the next coming weeks and that it is their plan and
expectation to balance the budget by the end of September, with implementation of
the new budget in the October 1 timeframe.

President Floyd said that over the next several meetings they will need to begin a
conversation regarding tuition. He said that the legislature made the decision to provide
tuition-setting authority to the individual Boards of Regents and Boards of Trustees of their respective institutions. He said that this is a significant step forward in his judgment, and that he has believed for a long time that each institution should have control of pricing policies and the legislature has extended that to them. He added that the reality however, is that WSU simply cannot balance the budget on the backs of its students and so they must figure out ways in which they can be responsive to the fiscal crisis, but also make sure they are not denying affordability within Washington State University. He added that they have had preliminary conversations with deans and leadership within the faculty regarding a slightly different protocol relative to the distribution of tuition dollars. He said more would come on those conversations in the future. He said it has to be a very thoughtful and responsive process, but that they have to figure out new ways upon which WSU can run during times of fiscal crisis and maintain excellence.

President Floyd thanked Chairman Baseler and his colleagues for the significant contribution that they made to the advancement of wine sciences at Washington State University. He also thanked Regent Carson for his work with the Campaign and said that they are still meeting the benchmarks that he aggressively laid out for them and that they are grateful for that.

President Floyd also discussed Spokane and mentioned that he thought it a very interesting and fascinating community, and added that the Riverpoint Campus is serving as a model of collaborative higher education in the state. He thanked Regent Cowles for the leadership she has provided and continues to provide. He said that they want to be very strategic around the health sciences in Spokane and that process and protocol is working out exceedingly well. He said they have begun the construction on the new Health Sciences building with the appropriation they received from the legislature.

President Floyd indicated that he is very pleased with the quality and size of the classes entered into WSU this fall. He commended all areas involved for making sure they prepared the way for the largest entering freshman class in the history of Washington State University.

Lastly President Floyd said that WSU is doing an amazing job, paving new pathways associated with the availability of higher education in the nation. He commended the Regents for their vision and leadership and said that they rely on it each and every day.

3. Minutes. It was moved and seconded that the Board of Regents approve the minutes of May 6, 2011, and June 6, 2011. Carried.

4. Reports from University Groups. Regent Baseler welcomed new University group leadership, including Denise Faerber, Chair, Administrative Professional Advisory Council; Riley Myklebust, President, Associated Students of Washington State University;
Ericka Christenson, President, Graduate and Professional Advisory Council; and Rhonda Kromm, President, Alumni Association. (Ms. Christenson and Ms. Kromm were unable to attend.) Other leaders presenting were Tony Rojas, Chair, Foundation Board of Governors (via phone); and David Turnbull, Chair-elect of the Faculty Senate, who reported for Max Kirk.

Representative in attendance from the university groups reviewed their reports as submitted. (Individual written reports may be found online at the Board of Regents website or requested from the President’s Office.)

5. **Focused Discussion – Hospitality Business Management.** Eric Spangenberg, Dean for the College of Business and Nancy Swanger, Director for the School of Hospitality Business Management provided an overview of the Hospitality Business Management program. They included a historical perspective, recent accomplishments and also provided some strategic opportunities involving senior living, areas in Everett, Tulalip Tribe, WSU Online, and Vancouver. They also went over their operational challenges, as well as discussing undergraduate access allowing year-round access of required courses, enhanced access to internship sites through proximity and increased the potential for development dollars through enhanced partnerships. They also highlighted graduate student research and areas where revenue can be generated.

6. **Executive Committee.** Regent Baseler reported that the Executive Committee reviewed the actions for the Establishment of Framework for International Operations, a Facilities Names Recommendation for the Administration Building on the Vancouver campus, and an Appointment to the Foundation Investment Committee.

The Board took action on the following:

**Establishment of Framework for International Operations.** It was moved and seconded that the Board of Regents adopt Resolution #110902 authorizing the incorporation and organization of a parent and country specific subsidiary non-profit corporation for international operations, and delegate to the President the authority to take all necessary actions to do so, and to exercise all membership rights in the parent corporation. Carried.

**Facilities Names Recommendation – WSU Vancouver Administration Building.** It was moved and seconded that the Board of Regents approve the recommendation to name the administration building on the WSU Vancouver campus the “Dengerink Administration Building.” Carried.

**Regents’ Appointment to the Foundation Investment Committee.** It was moved and seconded that the Board of Regents appoint William O. Ward to the WSU Foundation Investment Committee. Carried.
7. Finance and Audit Committee. Regent Scott Carson reported that the Finance and Audit Committee received another good report from Heather Lopez who spoke on the challenges and the collaboration of the Internal Audit Department. He said they also held an extensive discussion on Phase I of the Riverpoint Campus Biomedical and Health Sciences Building around the way the funding for that facility has been provided and the implications of that funding model for the future. He said it is important and imperative that it is noted that half of the funding has been received and they are assuming that the second half of that funding will be provided by the legislature as they move forward with that project. He added that, although there is risk associated with this, there is also economic benefit in doing it this way and that it is important that they continually remind the legislature of the need to complete the funding for that facility.

He reported that they received a budget update provided by Joan King and that it was both informative and painful to look at the path that they have been on and the implications of that path for the future of the institution. He said it is also important to note that a person cannot go through that presentation without acknowledging the fact that the administration of the University has been both proactive and progressive in terms in how they anticipate where they are and what happens in the future.

Regent Carson reported that the committee reviewed three future action items all dealing with the Athletics Department. The items included resurfacing Mooberry Track, Martin Stadium facility improvements and financing of those improvements, and also a discussion around the Martin Stadium General Revenue Bond Financing. He added that there was the strong sense of the committee that more time was needed to review the details of that plan before they move forward with the funding requirements.

Regent Carson reviewed each action item before Board Approval.

The Board took action on the following:

2012 Supplemental Budget Request. It was moved and seconded that the Board of Regents approve creating decision packages to be submitted in the 2012 supplemental budget requests (operating and capital) as outlined in the list below; and delegate authority to the President to approve the final detailed decision packages for the 2012 supplemental budget requests, including any changes to the packages which will address critical funding issues for the University:

- WWAMI recruitment/curriculum
- Full funding, rather than marginal funding, for maintenance and operations ($973,000)
- A technical correction to a calculation in the 2011-13 appropriation ($253,000)
• Removal of the line item from operating budget for the WSU debt service associated with local fund capital projects
• An increase in the minor capital threshold from $2 M to $5 M
• Additional funding needed for the Riverpoint Biomedical building ($35.8 million)

Carried.

Amendments to the Investment Policy Statement for the Consolidated Endowment Fund. It was moved and seconded that the Board of Regents approved the proposed amendments to the Investment Policy in substantially the same form as appears in Exhibit A. Carried.

WSU Pullman, Revised Project Budget for Duncan Dunn-Community Hall. It was moved and seconded that the Board of Regents approve the revised project budget of $24.6 million for the Duncan Dunn-Community Hall Project, provided the total construction cost can be established with the funds available. Carried.

8. Academic and Student Affairs Committee Report. Regent Connie Niva reported that the Academic and Student Affairs Committee heard from Lynn Valenter, Interim Chancellor, WSU Vancouver, who spoke to the issues of Chancellor Dengerink’s retirement, naming of the Administration Building, an update on the search for the new Chancellor for WSU Vancouver, the budget hearings, and also the exploration of housing on the Spokane, Tri-Cities and Vancouver campuses. She added that housing does not seem to be something that they are going to proceed with in the near future, however the consultant looking into the matter did comment that on-site housing often leads to retention because the students feel much more engaged in their college as well as their academics. Regent Niva said that Tri-Cities Chancellor Carwein spoke to the issue that enrollment is down by 1 percent or less, but spoke highly about the wine science center. She said that they recently broke ground for the Columbia Center Rotary Stage, which will be used as a gathering place for students and the community. Regent Niva asked Regent Forgets to expand on the project.

Regent Forgets said that Columbia Center Rotary Club put in a substantial amount of money to build this stage with power and ceiling so it can be used for a number of functions including musical drama productions and may be able to use it for graduations. He said the City of Richland also joined in as a sponsor as well as the students of WSU Tri-Cities.

Regent Niva reported that Paul Pitre, Special Assistant to the President for Academic Affairs in North Puget Sound, reported on the North Puget Sound Higher Education Partnership Summit that took place over the summer and also spoke the next steps will be in developing the vision for the University Center. Regent Niva said that John Fraire, Vice President for Enrollment Management, provided an enrollment update and that
they also had a future action item pertaining to a revision to the Washington Administrative Code on Library Policies, Rules, and Regulations.

9. **External Affairs Committee Report.** Regent Laura Jennings reported that the External Affairs Committee had a meeting full of good news. She said that Dan Bernardo, Dean of the College of Agricultural, Human, and Natural Resource Sciences, who also chaired the NCAA Certification Self-Study Review Steering Committee, started off by reporting on the results of the NCAA certification process. She said the positive result of that process certification by the NCAA. She said that Dr. Bernardo also shared the learning that came out of the process.

Regent Jennings also reported that the committee heard from Kevin Harvey, Associate Vice President for University Development, who provided a Campaign update and year-to-date-progress report. He also provided an update on the search for the next Vice President for the WSU Foundation and reported on the endowment plan.

Lastly, Regent Jennings reported that Bill Moos, WSU Athletic Director, provided an overview of the past accomplishments of the athletics department the previous year and what he plans to do over the next year. She indicated that the list is quite extensive and summarized some of what the athletic department has accomplished under his leadership in the last year, including restructuring of the department; athletic rebranding (rebranding includes everything from the uniforms to the facilities to the signage to the letterhead); a new website; better social media presence; the undefeated fans campaign; the multimedia deal with IMG; increased Westside media; increased presence in Spokane, which is a strategic initiative that includes both a spring football game and radio show and really working to reach out to that community as a fan base; renewed focus and plans for the annual Seattle game, plans for facility improvements across the board; and the activity around the Pac 12 and television contract. Regent Jennings indicated that looking forward, he talked about improving student athlete support services, not only academically, but also in areas of nutrition and other areas of life skills. He talked with great emphasis about the drug free sports program and shared comments that he made to over 500 student athletes recently where he talked about the “three strikes you’re out” in accordance with state policy and also how the first strike would include help for those athletes that this is going to be a zero tolerance drug free sports program under his watch. She said he talked about increasing the competitive stature of all sports teams; ongoing facility improvements; developing WSU’s Pac 12 network content; improving relationships with the campus and the community around athletic participation of athletes and athletic events and also he had great enthusiasm for renewed and reenergized Hall of Fame. She said that he has got a lot on his list but given what he has accomplished over the past year, she is quite confident he will accomplish those things.
10. **Other Business.**

Regent Basler reported that given the possibility of it being the last meeting for Regent Betsy Cowles, the Regents wanted to take the opportunity to recognize her for her twelve years of service to the University. He read a resolution recognizing Regent Cowles for her outstanding work over the years.

**Recognition of Regent Elizabeth Cowles.** The Regents passed Resolution #11902-415, recognizing Elizabeth Cowles for her twelve years of service to Washington State University. Carried.

11. **Adjournment.** In closing, Regent Baseler reminded the Board that the next meeting will held November 17-18, 2011, at WSU Spokane.

The meeting adjourned at 10:40 am.

Approved by the Board of Regents at its meeting held November 18, 2011, at the Nursing Building, Room 205, WSU Spokane, Spokane, Washington.

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