MINUTES
Board of Regents
November 18, 2011

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 9:00 a.m., on Friday, November 18, 2011, in the Nursing Building, Room 205, Spokane, Washington.

Present: Regent Theodor Baseler, Chair; Regents, Jacob Bredstrand, Scott Carson, Harold Cochran (via phone), Elizabeth Cowles, Francois Forgette, Laura Jennings, Connie Niva, V. Rafael Stone and Michael Worthy; President Elson S. Floyd, 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 Regents’ Meeting. He started off by thanking Chancellor Pitcher and his staff for hosting them. He said that WSU is having an outstanding year at all the campuses despite the difficult economic situation and budgetary concerns and that WSU has a record number of students that are learning and are setting themselves up for their futures.

2. **Report from the President of the University.** President Elson S. Floyd thanked the Board for the opportunity to report. He began his report by asking the Board to approve Resolution #111118-423, recognizing Spokane Mayor Mary Verner for her leadership and support of WSU.

President Floyd read the resolution. The Board took action on the following:

**Resolution of commendation for Mary Verner, Mayor of Spokane.** It was moved and seconded that the Board of Regents approve Resolution #111118-423, commending Mary Verner, Mayor of Spokane, for her dedication and service to the City of Spokane and Washington State University. Carried.

President Floyd asked Chancellor Pitcher to make a few comments.

Chancellor of WSU Spokane, Brian Pitcher, said that they are extremely grateful and have benefited from the partnership with the City of Spokane and other business partners in the community. He said that Mayor Verner has been inclusive and adopted a post that really tied the campus and the city together. He added that they worked very effectively with the city staff and he concurs with the resolution.

President Floyd continued his report by highlighting a few announcements. He reported that the Governor will soon announce her official budget. He said that the Governor’s final budget has been out in the public domain and is not consistent with core Washington State University values. He said if the budget, as presented, were to
become state law, WSU would see a 62 percent reduction in state appropriations, which is roughly $260 million fewer dollars coming into the institution today than four years ago. He added that the budget is also not kind to issues involving access and affordability. He said there is the proposed elimination of the state work study program to be implemented next fall, and for Washington State University that would mean 600 students would no longer have access to a WSU education. He said that there is also a proposal not promulgated by the Governor but by the Legislature to eliminate WSU’s branch campuses, again, not consistent with core WSU’s core values, and not consistent with the strategic view. He said that he has been very outspoken about these issues, which also has included mention of the elimination of branch campuses. He noted that he has been quoted accurately saying that this is a non-starter for WSU. He said that there is no way that we could think of a world at WSU without the engagement of Tri-Cities, Vancouver, and the work that is obviously being conducted in Spokane. He said that the campuses were created with a theme around access and affordability and taking a WSU education to the communities in which it serves.

Dr. Floyd further stated that there is no doubt that the Legislature is relying increasingly on tuition and that over that over the next several months conversations need to occur with the students and others about tuition in preparation for recommendations to the Regents next Spring. He said that the diversification of resources for Washington State University is crucial, that there has never been a more compelling circumstance as we are in currently, and that we are relying on Regents Carson’s leadership with private donations. He said the contributions that we are receiving from our donors have been significant, but cannot serve as a substitution for the disinvestment that the State is making in higher education and specifically Washington State University. He said that is not what fundraising is about, rather it is about achieving the difference between mediocrity and excellence and making sure that the investment that donors make in the institution is being realized at its highest level.

President Floyd said that WSU needs to continue its robustness around research generation. He commended Dr. Howard Grimes on the amazing progress that WSU has achieved as an institution in this regard.

President Floyd said he was asked recently “What’s positive about WSU?” And he replied that what’s positive about the work WSU is engaged in right now are all of those things that we have control over, whether it is the work of the alumni, the faculty, students, and the engagement of volunteers and others around us. He said that the things that have not gone well are those things that are completely out of WSU’s control. Whether it is the State Legislature or the activities that are occurring in Washington DC, WSU will do all that it can as an institution to continue to influence those decisions in the best interests of WSU. He said that these are exciting times, yet challenging times, and that he has an incredible team to continue to advance the agenda of the institution and to implement the strategic goals and priorities that are in place.
3. Minutes.

It was moved and seconded that the Board of Regents approve the minutes of September 2, 2011, and October 25, 2011. Carried.

It was moved and seconded that the Board of Regents approve corrections to the minutes of May 6, 2011. 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, the 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 online at the Board of Regents website or requested from the President’s Office.)*

5. Focused Discussion – WSU Spokane. Chancellor Pitcher presented on “Creating a Healthier Washington.” He reviewed the planning steps for the Academic Health Science Center which includes Pharmacy, Nursing, Medical Sciences (WWAMI), Vet Med, Public Health, and Allied Health Sciences. Rich Hadley, President and CEO of Greater Spokane, Incorporated, also joined for the discussion.

6. Executive Committee. Regent Baseler reported that the Executive Committee reviewed the self-evaluation of the Board and noted that overall the Board rated itself “consistently good” to “outstanding.” He said that they have discussed some areas that could be improved, but were pleased with the results. He asked Sharyl Kammerzell, Director of Legal Affairs and Special Counsel, to speak on the action item regarding the amendments to the WSU Retirement Plan.

Sharyl Kammerzell reported that the changes to the WSU retirement plan are a result of both legislation last session (HB1981), as well as structural changes that are recommended in order to improve the operation of the plan.

The Board took action on the following:

*Amendments to the WSU Retirement Plan.* It was moved and seconded that the Board of Regents adopt Resolution #111118-422 approving amendments to and restatement of the WSU Retirement Plan and the WSU 401(a) Supplemental Retirement Plan. The Regents also delegated authority to the President or his designee(s) the authority to make such changed in the plan documents in substantial conformity with the versions presented in Exhibit A, to execute the Plans in the University’s name, and to take such other actions as deemed necessary or appropriate to implement the Plans. Carried.
Regent Baseler also reported that at the last meeting, the Regents passed a resolution recognizing Regent Betsy Cowles for her service and at that time thought it might be her last meeting. He said the Regents are delighted that it was not as she continues to serve on the Board of Regents. He added that he would like to also do the same for Regent V. Rafael Stone who will also be departing from the Board in the very near future. He read a resolution recognizing Regent Stone for his outstanding work over the past ten years.

**Recognition of Regent V. Rafael Stone.** The Regents passed Resolution #11902-416, recognizing V. Rafael Stone for his service to Washington State University. Carried.

7. **Finance and Audit Committee.** Regent Scott Carson first thanked Regent Worthy for filling in so ably while he was unavailable. He reported that the Finance and Audit Committee agenda included four action items and two future action items. Regent Carson reviewed each action item before Board Approval.

The Board took action on the following:

**FY2013 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 following percentages from the FY2012 Rates:

**Residence Halls:**
4.5% ($102) of the total weighted average for room and board:
(weighted average of a double room and level 2 dining plan)

**Apartments:**
3% of the total weighted average for apartment rates.

Carried.

**WSU Pullman, Mooberry Track Resurfacing.** It was moved and seconded that the Board of Regents adopt Resolution #111118-419, approving the Mooberry Track Resurfacing project with a total budget not to exceed $1.35 million. The Regents also delegated authority to the President or his designee to enter into any and all contract necessary to complete the project. Carried.

Before asking for Board approval on the next two items, Regent Carson explained that the third and fourth action items were related. The first of those was the approval of the schematic design for the south side of Martin Stadium and the authorization of a project budget not to exceed $80 million. He said that there has been a long history on this particular item, which initially started as a north side expansion and included the
recognition needed to improve facilities for the athletic department which would be on the west end. He said that this particular action before them now is to improve the south side of the stadium instead of the previous north side; to improve the facilities for the media since all games will now be televised; and to improve the seating with more premium seats, both in the terms of suite and loge seating and other facilities including a large pavilion area that will improve the overall experience at Martin Stadium. He said it is worthy to note that the current PAC-12 program has dramatically improved WSU’s revenue situation both in terms of TV rights and also in terms of how the potential sales or the conditional sales of these facilities have gone with WSU’s alumni. He said that it points to a well thought-out program by the athletic department and he felt that all the Regents were impressed with what this facility would look like and the dramatic difference it would make in the central core of campus. He said that WSU is unique in having its stadium right in the middle of campus and that it will be quite a dramatic improvement in the overall facility which will help recruit outstanding athletics.

Student Regent Bredstrand wanted the Regents to know that he has not heard one student who thinks this is a poor decision for the future of the University and he thinks every student in his experience wants a strong athletic program at their university and to see results on the field. So, from a student perspective he fully supports the initiative.

Chairman Baseler said that he appreciates the thoughtful deliberation and debate and stated that in this current environment, it is important to look at every dollar the university spends. He said when you benchmark the other eleven schools in the PAC 12, it becomes clear that WSU needs to bring its facilities up to date to be competitive and he fully supports this project.

Following a thorough discussion of both the facilities improvements and the associated financing, the Board took action on the following:

**WSU Pullman, Martin Stadium Football Facilities Improvements Southside Project.** It was moved and seconded that the Board of Regents adopt Resolution #111118-420, approving the schematic design documents for the Martin Stadium Project, project budget and construction approval for the Martin Stadium Football Facilities Improvements Southside project. The Regents also delegated authority to the President or his designee to enter into any and all contracts necessary to complete the Southside Project provided a total construction cost can be established with the funds available. Carried.

**WSU Pullman, Athletic Facilities/Martin Stadium Southside Project Bond Resolution for General Revenue Debt.** It was moved and seconded that the Board of Regents adopt Resolution #111118-421, approving the General Revenue Bond Resolution and authorized the issuance and sale of bonds to be used for improvements to Athletic Facilities, primarily for Martin Stadium premium seating, press box improvements and related costs to the Southside
Project, with any remainder to be directed initially to the Football Operations Facility and secondarily to other Athletic Facilities, with bonds not to exceed $84.5 million, a maximum term not to exceed 27 years, and a maximum interest rate not to exceed 5.5%. The Regents also delegated authority to the President, or his designee, to sell bonds including determining the final bond size, maturity schedule, redemption provisions, and timing of sale of the bonds. Carried. (Note: Regent Cowles voted against approval of this item.)

8. Academic and Student Affairs Committee Report. Regent Connie Niva reported that the Academic and Student Affairs Committee received a report from Athletic Director Bill Moos on WSU’s basketball program, which had utilized the services of a national expert on ethics and excellence. She said they also watched a short video of the men's basketball team interacting in the community and with young children, which she felt was a great way for the athletes to give back. She also reported that Vice President Grimes provided an excellent report on Research and the Graduate School. She said that they also reviewed the action on WAC Revisions on Library Policies and also reviewed two future actions regarding Faculty Manual Revisions and WAC Revisions on Standards of Conduct for Students that will come before the Board at its January meeting.

The Board took action on the following:

WAC Revisions: Library Policies, Rules and Regulations (504-40, and 504-41). It was moved and seconded that the Board of Regents approve the repealing of WAC chapter 504-40 and creation of new WAC chapter 504-41 as outlined in Exhibit B. Carried.

9. External Affairs Committee Report. Regent Laura Jennings reported that the External Affairs Committee received a legislative update from Associate Vice President for Government Relations Colleen Kerr both on what is occurring at the State level and at the Federal level. She said that things are changing very rapidly and that the group is doing an excellent job of keeping information up to date on the website. She encouraged the Board to visit the website often as things will change again due to the November 28, Special Session.

Regent Jennings also reported that the committee received a Campaign update and year-to-date progress report from Associate Vice President for University Development Kevin Harvey. She added that Tony Rojas, Board of Governors Chair, mentioned earlier that although he did point out some of the groups who are exceeding Campaign to date expectations, he also wanted the Board to know that based on particular gift pyramids of some of the groups who appear to be underperforming, they are still quite confident that those groups will be able to make their objectives, as well.
Lastly, Regent Jennings indicated that Kevin Harvey also provided a synopsis of a presentation that was made at the recent Foundation meeting about what fundraising in the current economic climate looks like. She added that she had attended the Foundation meeting where the full presentation was given. She said that an expert who spoke at the meeting commended WSU for the performance that they have been able to achieve in this economic climate. She said he pointed out that historically annual giving is very little and has been hovering around 2 percent GDP for decades, but major gifts that come out of net worth or assets are based on the performance of the stock market. Kevin Harvey said that WSU has done an exceptional job in this difficult climate and that looking forward, he anticipated that WSU may see more gifts coming out of income rather than assets.

10. Adjournment. In closing, Regent Baseler reminded the Board that the next meeting will held November 26, 2011, in Seattle, and that Fall Commencement will take place December 10, 2011, in Pullman.

The meeting adjourned at 10:52 am.

Approved by the Board of Regents at its meeting held January 27, 2012, at the Consolidated Information Center, Rooms 212-214, WSU Tri-Cities, Richland, Washington.

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