

MINUTES  
Board of Regents  
January 27, 2012

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 9:00 a.m., on Friday, January 27, 2012, in the Consolidated Information Center, Rooms 212-214, Richland, Washington.

Present: Regent Francois Forgette, Chair Pro Tempore; Regents, Jacob Bredstrand, Harold Cochran, T. Ryan Durkan, Connie Niva, Ron Sims 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 Francois Forgette welcomed everyone to the Regents' Meeting. He noted that he was going to change the order of the agenda to ensure a quorum on the action items that need to be addressed. Regent Forgette welcomed new Regents Ryan Durkan and Ron Sims and thanked Chancellor Carwein and her staff for hosting them.

**2. Minutes.** It was moved and seconded that the Board of Regents approve the minutes of November 18, 2011, November 26, 2011, and December 13, 2011. Carried.

**3. Academic and Student Affairs Committee Report.** Regent Connie Niva reported that the Academic and Student Affairs Committee received an update on the search for Chancellor for WSU Vancouver and that the committee is expected to have a set of finalists by the end of February. She also reported that Dr. Patricia Butterfield, Dean, College of Nursing, spoke to the issues of nursing education. She highlighted that WSU's College of Nursing is the largest nursing program in the Pacific Northwest. Regent Niva reviewed each action item before Board approval.

The Board took action on the following:

Faculty Manual Revision: Program Discontinuance Appeals Procedures. It was moved and seconded that the Board of Regents approve the amendments to Section III.F.3. of the Faculty Manual as outlined in [Exhibit A](#). Carried.

WAC Revision: Standards of Conduct for Students. It was moved and seconded that the Board of Regents approve amendments and changes to the Washington Administrative Code (WAC), sections 504-26-100, 504-26-218, 504-26-402, 504-26-405, 504-26-407, as outlined in [Exhibit B](#). Carried.

**4. External Affairs Committee Report.** Regent Worthy reported for Laura Jennings who was unable to attend the Board Meeting. (Regent Jennings did join the committee

meetings via teleconference.) He reported that the External Affairs Committee received an update from Athletic Director Bill Moos and Associate Vice President of Facilities, Olivia Yang on the Martin Stadium project. He said that they have been assured that the project is on time and on budget. He also reported that the hiring of the new coach has led to significant economic enhancement of the facility in terms of purchases of luxury boxes and other premium seating.

Regent Worthy also reported that Colleen Kerr, Associate Vice President for Government Relations, provided an update on state the legislative activities. He added that a group of WSU Regents spent time in Olympia conferring with legislators and other trustees and Regents from other institutions around the state regarding the budget. Lastly, Regent Worthy said they heard from Kevin Harvey, Associate Vice President for University Development, who reported on the WSU Foundation progress report and said that they are well on track to reach the billion dollar goal of the Campaign with some significant gifting this year.

**5. Finance and Audit Committee.** Regent Worthy also reported for Scott Carson who was unable to attend the Board Meeting. (Regent Carson also joined the committee meetings via teleconference.) He reported that they heard results from an independent audit from the State Auditors Department and learned that there were no internal control weakness or instances of noncompliance that are required to report. He also stated that Barry Johnston, Assistant Vice President for Business and Finance, reported on the University's financial statement, which was also certified with a "clean opinion." He emphasized that for thirteen consecutive years Washington State University has had no concerns expressed in their audit reports or in their financial statements and that this is an extraordinary achievement. He commended President Floyd and the entire staff for their good work.

Regent Worthy said that the Committee also heard from Roger Patterson, Vice President for Business and Finance, on the state of the University's debt financing which was a very comprehensive report and consistent with Board of Regents standards for monitoring WSU's debt position from year to year. He added that they are pleased to learn that WSU's bond rating had been upgraded after a visit from bond rating agencies to the WSU campus. He said this upgrade continues to demonstrate thoughtful stewardship and fiscal management at WSU.

Regent Worthy further reported that Vice President Patterson had provided information regarding WSU Tri-Cities Nursing Program leasing space from Kadlec Regional Medical Center. He added that there has been great collaboration with Kadlec and that there is still work to be done before this comes back to the Board.

Lastly, Regent Worthy mentioned that the Committee received information on a potential future action regarding the realignment of lease space in the CUB.

He reviewed one action item for Board approval.

WSU Pullman, Northside Residence Hall, Schematic Design. It was moved and seconded that the Board of Regents approve the schematic design documents for the Northside Residence Hall. Carried.

**6. Other Business – Request for Defense of a University Employee.** Regent Forgette reported that the Regents met in Executive Session to discuss a request for defense of a University employee, Mr. Jaime Contreras, who was named as a defendant in the case of *Curtiss, et al. v. WSU, et al.*, Benton County Superior Court, No. 11-2-02187-1.

The Board took action on the following:

Request for State Attorney General to Provide Defense for University Employee. It was moved and seconded that the Board of Regents found that there was insufficient facts to conclude that Mr. Contreras was acting within the scope of his WSU employment and in good faith with regard to the conduct alleged by the plaintiffs in the complaint against him. Therefore, the Regents did not approve the request for defense. Carried.

**7. Report from the President of the University.** President Elson S. Floyd thanked the Board for the opportunity to report. He began his report by also welcoming Regents Durkan and Sims. He told them that WSU has an amazing Board, and he has the great privilege of working for all of them and could not be more pleased with the fiduciary responsibilities and obligations they implement each and every day.

President Floyd also commended Chancellor Carwein and her team for hosting the Regents at WSU Tri-Cities. He said that WSU Tri-Cities is always a great place to be and Chancellor Carwein has done an amazing job leading the campus. He extended his appreciation to Tagaris Winery and the Tri-City Development Council for their support and sponsorship of the community reception held the evening prior to the Board meeting. He said that the strength of a great university comes as a consequence of communities in which they are a part of and that WSU wants to do everything within its power to be very good neighbors and partners with the Tri-Cities. He stated that there is no doubt that the work being done is having a significant impact and their engagement as a community is making a fundamental difference.

President Floyd reviewed several slides with the Board regarding the budget within the context of the legislative environment in which the University is currently facing. [Exhibit C.](#)

President Floyd pointed out the historical pattern that has taken place for statewide funding and the overall state's budget that goes to general government functions, as

well as a percentage for the 4-year sector. He said that in 1991-1993 the total state budget (for all of state government) was approximately 15.9 billion dollars of that 91 percent went to other state functions with 9 percent going to the 4-year sector. He said out of a total budget of 15.9 billion dollars, approximately 1.4 billion dollars went to higher education. President Floyd forwarded to 2011-2013, which reflects the state's overall budget growing from 15.9 to 32 billion dollars, and out of that, 97 percent of the state's overall budget is going towards other state government functions other than higher education. He stated that higher education now receives 3 percent of the budget or 980 million dollars and said that this is the challenge that is currently in place.

President Floyd also pointed out that state funding support for WSU students have declined rapidly. He said for the record that the budget cannot be balanced on the backs of the students through the payment of tuition. He said there is no way to keep up with the accelerated pace. He said that State funding has been cut by 241 million dollars over 4 years and that represents roughly a reduction of 52 percent. He said that the supplemental budget as approved by the governor would then reduce WSU's budget another 26 million dollars, which would then put the cumulative effect of a reduction in support of higher education to 65 percent.

President Floyd provided a visual depiction of what has happened relative to the trend lines, which reflects the gap that continues to present itself in the context of state appropriations when balanced against tuition. He said that if the Governor's budget becomes reality, the state would pay roughly 35 percent of the cost of education for students and the students and their parents would pay 65 percent, which is in direct contrast of where we were in FY1990 when tuition represented 16 percent and state appropriations was 84 percent. He added that if we are to use a baseline of fall of 2009 in which tuition and fees represented a total cost of \$6,218 with the 14 percent increase that we had in consecutive years, plus the 16 percent increase last year with another anticipated 16 percent, it would then put total tuition at \$10,874. He said for an undergraduate student who takes 5 years to complete his or her education, they would then see an incremental increase in tuition of 75 percent over the 5 years if one were to look at the cumulative effect of the tuition increases. President Floyd emphasized that there is no way that parents and students and others can keep up with that pace. He said if we were to consider the fall of 2007, tuition that year was \$5,432, and again fast forward to a 16 percent increase this coming fall, that would place a 100 percent tuition increase on the backs of our students and parents.

President Floyd indicated that there are no more powerful set of slides and data than what had just been presented and if there is ever any question about the urgency of the legislature renewing its investment in higher education, these slides say it all. He repeated that we simply cannot balance the higher education budget on the backs of the students. He said that is a challenge and that is the message he has continued to give to the Legislature and will do so with greater vim and vigor because we are at a

point in which if this economy is to recover, the path forward is through an investment in higher education and we need to do that at both the 4-year level as well as the 2-year level. He said there is much work ahead, and he is going to continue to enlist the Board's support and assistance in that regard.

President Floyd also reported that earlier in the week they had a delightful reception for first-year students (both transfer and freshmen students) who had earned a gpa of 3.5 or higher. He said they had over 200 students with whom they celebrated their academic excellence. He commended ASWSU and the leadership team for putting on such a great event.

Lastly, President Floyd reported that it was the first time in the history of the university to close the institution during the traditional Christmas holiday, referred to as the "52<sup>nd</sup> week." He said that it went exceedingly well and that they received great reviews. He added that this again is another way in which they are trying to respond to the fiscal crisis in a manner that is as humane as possible and being sensitive to WSU's employment needs, especially at a time in which faculty and staff have not seen general salary increase now for almost four years. He added that it is a very long time not to have an increase in salary and they are going to do everything possible to create a workforce environment within the institution that is sensitive to those realities.

**8. 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.)*

**9. Focused Discussion – WSU Tri-Cities.** Chancellor Carwein started off by introducing some of the members of the campus Advisory Board and also her staff at WSU Tri-Cities.

Chancellor Carwein had Diahann Howard, Executive Director of the Tri-Cities Research District and Director of Economic Development at the Port of Benton, speak on the partnership with the Tri-Cities Research District, which is known as an Innovation Partnership Zone with the State of Washington (noting this is basically the State of Washington's research park). Ms. Howard said that for the Tri-Cities, the Research District is one of the top priorities for diversification and for renewal of jobs. She said the bottom line from the master planning perspective is driving our land-grant university, WSU, together with their virtual university, Pacific Northwest National Laboratory, and creating the collaboration space in between. Ms. Howard also spoke on some of the key features that will connect WSU Tri-Cities to the PNNL Campus including an apartment complex.

Chancellor Carwein also asked Gary Ballew, Business and Economic Development Manager for the City of Richland, and Rob McKinney, Vice President of Operations at St. Michelle Wine Estates, to speak on the Wine Science Center and WSU Tri-Cities Public Development Authority (PDA) Option. They discussed that the PDA option is better for WSU rather than WSU building the Wine Science Center because the wait time for a building to make it through the University's and State's capital budget and funding process is too lengthy. They said that the program, the researchers, and the students are here now and waiting eight to ten years to get a building in place will cause the Washington wine industry to fall further behind national and international competitors. The PDA would eventually be disbanded with remaining assets transferred to WSU. The goal is to break ground in the spring of 2013.

Lastly, Chancellor Carwein introduced Ms. Amber Eubanks, WSUTC Student Body President. Ms. Eubanks reported that there were two things on the minds of WSUTC students and that the first is tuition. She said that the Student Government is doing all it can to try to keep tuition as low as possible. She said that have been collaborating with other WSU campuses, Spokane, online, Vancouver, and Pullman as well as increasing their student presence in Olympia. She said locally they have been working with their development office to find ways to raise money for book stipends. She also reported that they have developed a website called wazzulist.org mimicking Craigslist. She said this website is designed for WSU students and that it allows them to trade textbooks.

Ms. Eubanks said the second most important item on the minds of WSUTC students is their need for more space. She said that they hosted a survey for a Student Union Building, which had a large turnout for discussion and survey participation. She said that of the 1,500 students attending the Tri-Cities campus, 503 opened the link and 473 took the survey. She said 15 percent of the respondents were graduate students, so she felt there was a diverse array of academic age, full-time and part-time students. She added that the students were given four options ranging from 6,800 square feet to 11,300 square feet, taxing themselves from a range of \$90 to \$200. She said the least favorite was the 11,300 square foot option because of the higher tax range, but it still had high support of 56 percent who said they would vote today to tax themselves for the additional space and amenities. She said the most favorite was the 6,800 square foot space with the lower tax range of \$90, and 64 percent of respondents said they would vote yes, to tax themselves today, for that space. She added that do have over \$1 million in reserves for this project and that this spring they will be moving forward with putting this on the ballot.

**10. Adjournment.** In closing, Regent Forgette reminded the Board that the next meeting will be held March 22-23, 2012, in Pullman.

The meeting adjourned at 10:37 am.

Approved by the Board of Regents at its meeting held March 23, 2012, at the Compton Union Building, Rooms 204, Pullman, Washington.

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Chair, Board of Regents

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Secretary, Board of Regents