

MINUTES
Board of Regents
May 4, 2012

The Board of Regents of Washington State University met pursuant to call in Open Meeting at 9:00 a.m., on Friday, May 4, 2012, in the Compton Union Building, Room 204, Pullman, Washington.

Present: Regent Theodor Baseler, Chair; Regents, Jacob Bredstrand, Scott Carson, Harold Cochran, T. Ryan Durkan, Francois Forgette, Laura Jennings, Connie Niva, Ron Sims (via phone) and Michael Worthy; President Elson S. Floyd, Provost and Executive Vice President Warwick Bayly.

1. Report from the Chair of the Board of Regents. Regent Theodor Baseler welcomed everyone to the Regents' Meeting. He said that this is the last meeting of the academic year, making it a total of nine meetings since last September. He also said that it is also one of the Regents favorite meetings of the year because it's held in conjunction with Commencement. He said that after today's meeting the Regents will travel to Spokane to participate in WSU Spokane's commencement and that they then will participate in the Pullman ceremonies the following day and in ceremonies in the Tri-Cities and the following week. He congratulated all the WSU graduates on their accomplishments.

2. Report from the President of the University. President Elson S. Floyd thanked the Board for the opportunity to report. He introduced Dr. Nancy Magnuson, Interim Vice President for Research, and Dr. David Cillay, Executive Director, WSU Online Administration.

President Floyd also reported that a total of 2,656 students would graduate in Pullman this week, as well as 424 in the Tri-Cities, 961 in Vancouver, and 440 in Spokane. He said that WSU is experiencing the manifestation of the very large classes over the past few years with no erosion in the quality of the educational experience. He said that WSU remains deeply committed to affordability. He also said that WSU must provide greater access to the University and that we accomplish that both through students attending in the traditional format--enrolling and attending any of our campuses in the traditional way--and by providing the opportunity for students to have access is through the electronic environment, which is becoming increasingly robust. President Floyd asked Dr. Cillay to provide information on the Global Campus (WSU's electronic campus), which is scheduled to launch July 1.

Dr. Cillay said the Global Campus will create a campus-like experience for students that never set foot on the physical campus, and it will be accomplished through stages. He said that this year a series of projects will be designed to connect students with one

another and with faculty. Some projects included will be a virtual academic showcase; an on-line career fair; and a common reading program. They will also have series of cultural events, online art exhibits, and over 100 curriculum presentations from faculty on campus. He added that all of these things are designed to help students network with one another to receive that educational experience that goes beyond just the classroom. He said the Global Campus will launch two new degrees this fall, with an undergraduate program in psychology and a graduate program in sports management, and over the coming year, there will be three additional degrees in the area of special education in the graduate level, criminal justice at the graduate level, and food security out of the College of Agriculture, Human, Natural, Resource Sciences.

Lastly, he said that the Global Campus is a statement that WSU is in a position to provide a quality education no matter how students access Washington State University. He said that he has had the opportunity to work with other universities that also provide distance on-line technology media education and that there are very few universities that are mature enough to make this transition to a campus-like environment and Washington State University is in that position.

3. Minutes. It was moved and seconded that the Board of Regents approve the minutes of March 23, 2012. Carried.

4. Reports from University Groups. Regent Baseler commented that this is the last meeting for David Turnbull, Denise Faerber, Riley Myklebust and Rhonda Kromm, as representatives of their constituent groups. He thanked them for their service and said that the Regents have enjoyed working with them this past year. 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. Executive Committee. Regent Baseler reported that the Executive Committee had reviewed four action items: 1) the Regents' Distinguished Alumnus Award, which had some outstanding candidates; 2) the establishment of the 2013 Board of Regents Meeting schedule; 3) election of officers to the Board of Regents; and 4) a recommendation to confer an Honorary Doctoral Degree. He also reported that the Committee reviewed revisions to the Board of Regents Bylaws that will be an action item at the next meeting.

The Board took action on the following:

Regents' Distinguished Alumnus Award. It was moved and seconded that the Board of Regents designate George R. Pettit, a 1953 graduate of Washington

State University, as the recipient of the 2012 Regents' Distinguished Alumnus Award. Carried.

Establishment of the 2013 Board of Regents Meetings. It was moved and seconded that the Board of Regents approve Resolution #120504-431, adopting the schedule for the 2013 Board of Regents Meeting; and delegating authority to the President of the University or his designee to select and designate appropriate meetings places, establish meeting times, establish the agenda and prepare agenda items, dispatch all official notices to meet the state Open Public Meetings Act or other notice requirements, publish minutes and maintain records of meetings, and take other necessary action as required for the orderly conduct of Board Meetings. Carried.

Election of Officers to the Board of Regents. It was moved and seconded that the Board of Regents elect Scott E. Carson to serve as Chair of the WSU Board of Regents for the year beginning May 16, 2012. The Board also elected Connie M. Niva to serve as Vice Chair of the WSU Board of Regents for the year beginning May 16, 2012, with the understanding that she shall act as Chair pro tempore in the absence of the Chair, with the power to preside at the meetings and to sign all instruments required to be executed by the WSU Board of Regents. Carried.

Recommendation to Confer Honorary Doctoral Degree. It was moved and seconded that the Board of Regents confer an Honorary Doctorate Degree of Letters from Washington State University to Governor Chris Gregoire. Carried.

6. External Affairs Committee Report. Regent Jennings indicated that prior to the External Affairs Committee meeting, the Regents took advantage of an opportunity provided by Anson Fatland, Associate Vice President for Economic Development and External Affairs, to visit the research park. She thanked the members of the Office of Intellectual Property for taking time to show them the park. She indicated how much they enjoyed it and said she wished they had more time to learn about their technology.

Regent Jennings reported on the Committee meeting, which included an update on Martin Stadium. She stated that it was once again communicated to them that the project is on time and on budget and that the upcoming part of the project will become even more complex as a greater number of vendors will be working on site.

Regent Jennings also reported that Colleen Kerr, Associate Vice President for Government Relations, provided a legislative update that focused on what was happening at the state level, at the federal level, and also at the local level in King County.

Further, Regent Jennings highlighted President Floyd's *Perspectives* column, which thanked members of the state legislature for their support of higher education. She pointed out the great work that President Floyd, the legislative staff and also the work of legislatures who have been advocates for higher education. She said it was the collective effort all of the students, the faculty, and the alumni to get to the outcome of no further cuts in this supplemental budget for higher education.

Regent Jennings also reported that Viji Murali, Vice President for Information Systems provided an update on the Student Information Systems Project that is nearing completion after two years. She added that it is clear that her team has done a tremendous job of bringing that project in on budget and on schedule.

Lastly, she reported that the Committee discussed the future action item on the Washington Administrative Code revision regarding alcohol at spectator events. She said the Board would consider approval of that item at an upcoming meeting. She added that this review had been precipitated by the new suites in Martin Stadium. She also said that prior to the meeting, the Committee has requested and received comparable information from all the other PAC 12 institutions so they were able to look at the revisions in light of what is coming in the PAC 12.

7. Academic and Student Affairs Committee Report. Regent Niva reported that the Academic and Student Affairs Committee had reviewed the action items on the Committee agenda. She said that the Regents are being asked to approve Vision Statements for the urban campuses and provided brief comments for each campus. She said that Chancellor Brian Pitcher from WSU Spokane indicated the focus is on health sciences enterprises, community partnerships, and professional services. Regent Niva added that Spokane is well on their way in that area. Interim Chancellor Valenter from WSU Vancouver indicated that WSU Vancouver was originally created simply to increase baccalaureate rates in the state, and are still looking for more focus. Regent Niva added that there seems to be an emphasis on research and scholarship and that it had been exciting to watch that campus grow under Hal Dengerink's great leadership, and with a new chancellor coming in August, it will be interesting to see that vision evolve. Regent Niva said that the statement from Chancellor Vicky Carwein of WSU Tri-Cities focused on the diverse priorities at the campus. She said that culturally diverse designation is being sought due to the great number of Hispanic students, and also included is an emphasis on programs in the sciences and engineering areas. It was stated that tuition increases have hurt the Tri-Cities in recruiting students who simply cannot afford the tuition nor the loans that are often required to pay for it.

Regents Regent Carson indicated that the Vision Statements appear to be a work in progress and he encourages each of the branches to continue to refine their thinking and their vision for what they're going to mean to the institution.

All the Regents concurred with Regent Carson's view in that the Vision for each campus needs to be enhanced. After much discussion, the Regents decided that they would adopt the Vision Statements with the proviso that they would continue to evolve because operating with the absence of any Vision Statement would not be good practice.

Regent Niva continued her report by reviewing each action item before Board approval and also mentioned that the Board discussed the future action of extending the Bachelor of Science in Neuroscience to the WSU Vancouver campus.

The Board took action on the following:

Vision Statements for Urban Campuses. It was moved and seconded that the Board of Regents approve the Vision Statements for WSU Spokane, WSU Tri-Cities, and WSU Vancouver. Carried.

WAC Revision: Campus Parking and Traffic Regulations for Washington State University Vancouver (WAC 504-19). It was moved and seconded that the Board of Regents adopt the amendments to WAC Chapter 504-19, addressed in **Exhibit A**. Carried.

Extend the Bachelor of Science in Civil Engineering to WSU Tri-Cities. It was moved and seconded that the Board of Regents approve the extension of the Bachelor of Science in Civil Engineering to WSU Tri-Cities. Carried.

Extend the Bachelor of Science in Mechanical Engineering to the University Center of North Puget Sound, Everett. It was moved and seconded that the Board of Regents approve the extension of the Bachelor of Science in Mechanical Engineering to the University of North Puget Sound, Everett. Carried.

Formation of the School of Politics, Philosophy and Public Affairs. It was moved and seconded that the Board of Regents approve the formation of the School of Politics, Philosophy, and Public Affairs. Carried.

Formation of the School of Design and Construction. It was moved and seconded that the Board of Regents approve the formation of the School of Design and Construction. Carried.

Recognition of Regent Jacob K. Bredstrand. The Regents passed a resolution presented by Regent Baseler and President Floyd commending Student Regent Jake Bredstrand for his dedication and service to the University and the Board of Regents during his term as the fourteenth student regent for the 2011-2012 academic year. Carried.

8. Finance and Audit Committee. Regent Carson reported that this will be his last meeting as Chair for the Finance and Audit Committee and said that has been very exciting, sometimes challenging and always rewarding. He reported that the Committee started off with two information items. The first item was an update of the internal audit organization, and he thanked Heather Lopez, Director, Internal Audit, for her work in making sure that WSU maintains a tightly-controlled environment. Regent Carson encouraged the next Chair of the Finance and Audit Committee to continue to maintain a good relationship with that area for the protection of the institution. He added that the second information item on their agenda was an update on the football operations building schematic design. He added that it is clear that the addition of this facility, when it gets to that point, will further make the core campus an important symbol of the progress that the institution has made over the years. He said that it will be great to sit in the new stadium to watch football, as well as to give the players, at an appropriate time, the facility they need to continue the journey of excellence.

Regent Carson reported that the committee had 10 actions to review. He reviewed each before Board approval.

The Board took action on the following:

2012 Pullman Campus Master Plan Update. It was moved and seconded that the Board of Regents adopt the 2012 Pullman Campus Master Plan Update. Carried.

WSU Pullman, Proposed Sale of Cougar Depot. It was moved and seconded that the Board of Regents adopt Resolution #120504-432, delegating authority to the President or his designee to sell the land and structure commonly referred to as the Cougar Depot in Pullman, Washington, and execute all related transaction documents. Carried.

WSU Pullman, Clean Technology Laboratory Building. It was moved and seconded that the Board of Regents adopt Resolution #120504-434, authorizing the Clean Technology Laboratory Building to proceed to design and preconstruction, and delegated authority to the President or his designee to select contractor(s) as needed and enter into any and all contracts necessary to complete the design and preconstruction for the project, within the budgeted amount of \$2.5 million. Carried.

WSU Spokane, Biomedical and Health Sciences Building, Phase I, Revised Fund Sources and Bond Resolution for General Revenue Debt. It was moved and seconded that the Board of Regents adopt Resolution #1200504-436, approving the revised fund sources for the Biomedical and Health Sciences Building, Phase I project. The resolution also approved a General Revenue Bond Resolution to

authorize the issuance and sale of bonds, in one or more series, to be used for the completion of the Biomedical and Health Sciences Building, Phase I, with the bond size not to exceed \$30 million, the maximum term not to exceed 30 years, and the average interest cost not to exceed 5.00%, and 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.

Regent Carson said the single most important item on the agenda and the one that has received the most attention has been about tuition rates for the academic year 2012-2013. He said that the discussions around this item were robust and vigorous. He said that he thinks all members of the Board feel the pressure that this increase puts on the students. However, at the same time, there is a need to maintain a quality education at Washington State University. He said the only reservation he has is that they should not let the legislature off the hook in terms of their obligation of providing adequate funding for the state research universities. He said the request of setting the tuition rates at 16 percent is certainly painful for the students, but he believes is absolutely necessary for the future of the institution and higher education in the state.

The Regents made the following comments:

Regent Forgette indicated that he was particularly impressed with the comments provided by the public. He also commented that the committee that was reviewing the subject of tuition levels was comprised of a number of people from administration, faculty, staff and students. He said that there seemed to be a unified understanding of the need for the increase in light of all circumstances. He added that obviously students and their parents would have some resistance to the increase, but there seemed to be an understanding that we were certainly a bit trapped by circumstances at the state and federal levels. He added that we need to preserve the quality of the education provided by our institution and the ongoing value of our degrees that we will be giving out. He said that he took some comfort in the fact that students were participating in the process and understood.

Regent Baseler said that this is one of the most challenging discussions the Board has had and has spent considerable time analyzing in preparation for this meeting. He said that the mission of a land grant university is to educate the public at a high quality level, and to improve society. He said this becomes a dilemma between having affordability on one hand and on the other hand, having the highest quality faculty providing a superior education. He said he is very sensitive to the students and the parents, but he feels that WSU needs to maintain a high quality education.

Regent Worthy said that his son begins his first semester at WSU this coming fall, and he has absolutely no hesitation as a parent to write an enlarged tuition check for him to

have a WSU degree. He added however, that it is not without some struggle. He said as Regents, they have to protect the quality of a WSU education going forward and the continued commentary around the compromises that the administrative team has to constantly face when they have insufficient resources to retain the best faculty and provide the best programming for students at Washington State University. He also said for the record, he wanted to reiterate that the biennial budget that was adopted over a year ago, implied that this 16 percent tuition increase would be a part of WSU's operating budget. He said, while it can be confusing that they are sitting here today deciding on an increase going forward, it actually was a decision made over a year ago by the state legislature in their crafting of the biennial budget that WSU is now operating under and any change with respect to an increase of 16 percent would represent in the coming year, a need for cuts in university programs, which aren't tolerable.

Regent Niva highlighted what the university has already done administratively to cut programs, and phasing out degrees. She said it is not that WSU has been sitting here not doing anything watching tuition go up, but there were attempts through retirements and through a variety of course eliminations to deal with these costs to keep the price as low as possible. She said that WSU needs to be sure a student can get an education in four years if at all possible. She added when you start taking so many courses away, that through no fault of a student, they could be here five to six years, and then they have simply increased the tuition beyond what we have today.

Regent Cochran said that not only are students and families feeling the pain of increased tuition, but there was also pain in the faculty and staff positions that have been eliminated, and also the lack of salary increases has also been felt. He said that the faculty at WSU is a top notch, world class faculty who continue to get the job done with increased teaching loads.

Regent Cochran also pointed out the many positive things that are going on at WSU despite the economic crisis. He said that the Global Animal Health School is almost ready to open; the campaign, chaired by Regent Carson, has been raising an average of a \$100 million a year, which is heading into the final stages. He added that the WSU family is amazing and everyone has pulled together during a tough time. He said that he is proud to serve on this Board and to work with such fine individuals.

Regent Durkan thanked the individuals who have provided their comments on the tuition increases and felt that the Board members have expressed that they agree with many of those comments but find themselves in a very difficult position. She also acknowledged the leadership of Dr. Floyd, many of the Regents, faculty, students, and all others who have worked so hard in Olympia this year, because she thinks WSU could have been facing an even more difficult decision.

The Regents took action on the following:

Tuition Rates for Academic Year 2012-2013. It was moved and seconded that the Board of Regents approve the tuition rates for Academic Year 2012-2013 as shown in **Exhibit B**. Carried.

After Board approval, President Floyd said that there is no doubt that tuition increases at this level is unsustainable. He said as an administration they would do everything they can to continue to control and contain the cost of education, not compromising the quality of the educational product which they are charged to deliver. He added tuition increases at this level will ultimately compromise access and affordability, that they must always be mindful of these issues, and that the administration has made a very strong commitment to both of those core principles associated with the university. President Floyd also said they believe very strongly in university shared governance and, in formulating this recommendation which has now been endorsed by the Regents, they did it in an open collaborative way throughout the institution with stakeholders making comments in very meaningful ways to help inform them. He added that they would redouble their efforts with their federal delegation in communicating to them very clearly and, hopefully, very effectively the implications associated with the loss of subsidy for the Stafford loan program. He said the program is absolutely vital for the graduate and professional students.

Dr. Floyd said to the WSU students that he knows that this is very difficult for them and their parents and wanted them to know that his administration is very mindful of it and they will do everything they can to help them through continued enhancement of financial aid and other means to help curtail the cost of this escalating tuition.

Regent Worthy continued the Finance and Audit Committee report on behalf of Regent Carson, who departed the meeting.

Regent Worthy continued reviewing each action before Board approval.

Services and Activities Fees Increase for Academic Year 2012-2013 and Summer 2013. It was moved and seconded that the Board of Regents authorized a zero percent increase in the Services and Activities Fee for 2013-2013 and Summer 2013. Carried.

Services and Activities Fees Allocations for Summer 2012 and Academic Year 2012-2013. It was moved and seconded that the Board of Regents approve the allocation of Services and Activities Fees for summer 2012 and the academic year 2012-2013, from the Services and Fees committees and the Services and Activities Facilities committee representing the Washington State University system. Carried.

2013-2015 Biennial Capital Budget Request. It was moved and seconded that the Board of Regents adopt Resolution #120504-438, approving the 2013-2015 Biennial Capital Budget Request in **Exhibit C**. The Board also delegated authority to the President to approve the final detailed product list including any changes or adjustments that may need to be made before the submission is finalized for presentation to the Office of Financial Management. Carried.

2013-2015 Biennial Operating Budget Request. It was moved and seconded that the Board of Regents adopt Resolution #120504-437, approving the 2013-2015 Biennial Operating Budget Request in **Exhibit D**. The Board also delegated authority to the President to approve the final detailed decision packages for this request, including any changes or adjustments that may need to be made before the submission is finalized for presentation to the Office of Financial Management. Carried.

10. Adjournment. In closing, Regent Baseler reminded the Board that the next Regular meeting would be held August 23-24, 2012, in Pullman. He also added that the Board would hold a summer retreat and once that date and time were determined, it would be announced accordingly.

The meeting adjourned at 10:37 am.

Approved by the Board of Regents at its meeting held August 24, 2012, at the Compton Union Building, Rooms 204, Pullman, Washington.

Chair, Board of Regents

Secretary, Board of Regents