**Board of Regents** 



November 12, 2021

#### BOARD OF REGENTS MEETING NOTICE - REVISED November 18-19, 2021

The Washington State University Board of Regents will hold its next official meetings on Thursday and Friday, November 18-19, 2021, on the WSU Vancouver Campus in Vancouver, Washington, pursuant to the schedule below.

Meetings will take place in the room locations outlined in the schedule below, except as otherwise noted.

Pursuant to Governor Inslee's Proclamation 20-28, dated March 24, 2020 and related updates, and to reduce risks related to Coronavirus, public listening of Committee meetings and Board meeting is available as follows:

#### Thursday, November 18, 2021 – Strategic and Operational Excellence Committee

https://youtu.be/aWEh\_gwriWA Telephone access: dial 1-253-215-8782, enter code 833596

Meeting ID: 922 3897 1151

#### Thursday, November 18, 2021 – Concurrent Committee Meetings:

Research and Academic Affairs: <u>https://youtu.be/v5wKKSbZo1s</u> Telephone access: dial 1-253-215-8782, enter code 469347 Meeting ID: 960 1842 5278

Student Affairs and Student Life Committee: <u>https://youtu.be/uicYDKRr3MI</u> Telephone access: dial 1-253-215-8782, enter code 368889 Meeting ID: 961 4016 5197

Institutional Infrastructure Committee: https://youtu.be/IEdG32L8F3w Telephone access: dial 1-253-215-8782, enter code 934634 Meeting ID: 977 3256 2590

#### Thursday, November 18, 2021 – Finance and Compliance Committee

https://youtu.be/zjvw9P1KPzY

Telephone access: dial 1-253-215-8782, enter code 709513 Meeting ID: 948 4096 9876



**Board of Regents** 

#### Friday, November 19, 2021 - Board of Regents Meeting https://youtu.be/jdHPwh\_2x4w

Telephone access: dial 1-253-215-8782, enter code 829417 Meeting ID: 922 1063 1483

\*\*\*Note: Masks will be required for in-person attendees. Covid related requirements are subject to change at any time.\*\*\*

Committee meetings will run as outlined below throughout the day; starting times following the 1:15 pm committee meetings are estimates only. If a session ends earlier than expected, the next scheduled session may convene immediately. Committee meetings may be attended by all members of the Board of Regents, and all members may participate.

Thursday, November 18, 2021 Location			
7:30 am	Board of Regents Breakfast	The Heathman Lodge	
	-	7801 NE Greenwood Dr.	
		Vancouver, WA 98662	
9:00 am	Strategic and Operational Excellence Committee	FSC 101-103	
11:30 am	Board of Regents Lunch	FSC 136	
1:15 pm	Concurrent Meetings		
	Research and Academic Affairs Committee	FSC 101-103	
	Student Affairs and Student Life Committee	ECS 309	
	Institutional Infrastructure Committee	ECS 201M	
2:45 pm*	Finance and Compliance Committee	FSC 101-103	
4:30 pm*	Executive Session	FSC 101-103	
6:30 pm	Board of Regents Dinner	The Heathman Lodge	
-		7801 NE Greenwood Dr.	
		Vancouver, WA 98662	

<u>Friday, Nov</u>	/ember 19, 2021	Location
6:30 am	Board of Regents Breakfast	The Heathman Lodge
	-	7801 NE Greenwood Dr.
		Vancouver, WA 98662
8:00 am	Board of Regents Meeting	FCS101-103

In addition, on Wednesday, November 17 at approximately 6:00 pm the Regents will meet socially for dinner at The Heathman Lodge, 7801 NE Greenwood, Dr., Vancouver, WA and on Thursday, November 18 at approximately 11:30 am will participate in a groundbreaking ceremony followed by a luncheon with the WSU Vancouver Advisory Board on the WSU Vancouver campus.

Questions about the Board of Regents meeting and schedule may be directed to Desiree Jacobsen, 509-335-4200.

\*or upon conclusion of previous session

# BOARD OF REGENTS

WASHINGTON STATE UNIVERSITY

# Agenda Strategic and Operational Excellence Committee Thursday, November 18, 2021 9:00 a.m. – 11:30 a.m.

Location: WSU Vancouver, Firstenburg Student Commons, Rooms 101-103

Committee: Committee of the whole – John Schoettler (Chair)

# Focused Discussions

- 1. WSU's Equity Impact (EI) Assessment (Netzhammer/Higheagle Strong)
- 2. WSU's Tribal Consultation Policy (*Higheagle Strong*)
- 3. Equity in Research (*Portfors/Barbosa-Leiker*)

# Future Action Item

1. Proposed Amendments to the WSU Foundation Consolidated Endowment SO-1 Fund Investment Policy Statement and Spending Policy *(Shearer)* 

# Action Item

1. 2023 Board of Regents Meeting Schedule *(Schulz)* SO-2

# **FUTURE ACTION #1**

Proposed Amendments to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy (Don Shearer)

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy
- PROPOSED: That the Board of Regents approve proposed amendments to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy as adopted by the WSU Foundation Board of Directors on October 21, 2021 (Resolution 10-21-2021-03).
- SUBMITTED BY: Mike Connell, Acting Vice President of WSU Advancement; CEO WSU Foundation

SUPPORTING

INFORMATION: The Investment Committee of the Washington State University Foundation is charged with the responsibility for investment management of property and assets held for investment by the WSU Foundation, planned gift assets held in trust or agreement by WSU Foundation, and Washington State University assets entrusted to the WSU Foundation for investment management by agreement with the University. The Agreement between WSU and the WSU Foundation requires the WSU Foundation to invest and distribute funds held on behalf of the University in accordance with the governing gift instrument and the then applicable WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy ("Investment Policy Statement").

> The Investment Policy Statement addresses composition, appointment, duties, and reporting of the Investment Committee, investment objectives, asset allocation, and spending policy for endowed funds. The Agreement between WSU and the WSU Foundation requires all proposed changes to the Investment Policy Statement be presented to and approved by the governing boards of the WSU Foundation and University prior to becoming effective.

> Revisions were made to the Investment Policy Statement to update fiduciary language associated with the governance restructure of the WSU Foundation boards; updates to WSU and WSU Foundation staff titles; clarification of committee name(s); and general grammatical

and/or formatting changes. The following sections include such revisions:

- Purpose and Background
- Composition/Appointment/Reporting
- 2.1.1 Directors WSU Foundation
- 2.1.2 Regents WSU
- 2.2.1 Duties
- 2.3 Chair of the Committee
- 2.4 WSU Foundation CFO

The WSU Foundation Board of Directors adopted Resolution 10-21-2021-03, approving the Investment Policy Statement and Spending Policy, subject to approval of the Washington State University Board of Regents.

ATTACHMENTS: Attachment A: WSU Foundation Investment Committee Charter Investment Policy Statement and Spending Policy – Redline Copy Investment Policy Statement and Spending Policy – Clean Copy

# Washington State University Foundation

**Consolidated Endowment Fund** 

Charter & Investment Policy Statement and Spending Policy

(Draft 11/1808/2021)

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#### 1. Purpose and Background

PURPOSES/ROLE: The Investment Committee, a standing <u>fiduciary</u> committee established under the Restated Bylaws of the WSU Foundation, shall beis responsible for investments, reinvestments, and general management of all gifted property and assets held for investment byof the WSU Foundation, planned gift assets held in trust or agreement by the WSU Foundation, and those University assets entrusted to the WSU Foundation for investment management underby contract with the University, except planned gift assets under management and oversight of the WSU Foundation. This Investment Policy Statement and Spending Policy only applies to the endowed assets of the WSU Foundation and University, and not the planned gift assets of the WSU FoundationGift Acceptance and Management Committee. The Investment Committee shall-develops investment policies, to be presented to the Board of Directors for approval, for investing capital of the WSU Foundation, along with a consistent monitoring of investment performance and investment management, per its Investment Committee Charter, as amended from time to time. A copy of the Investment Committee Charter in effect on the date of this Investment Policy Statement and Spending Policy is attached as Appendix D.Investment policy and guidelines, as well as performance against benchmarks shall be reported, at least quarterly, to the Board of Directors, and the Board of Regents of the University and University administration.

#### **BACKGROUND:**

Washington State University Foundation (WSU Foundation) was established as a Washington nonprofit corporation in 1979. It is recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The WSU Foundation's mission is to promote, accept, and maximize private support for programs, initiatives, and properties of Washington State University (University), and prudently manage, invest, and steward the assets entrusted to it by the University and its alumni, friends, and donors. WSU Foundation is a separate and independent entity from the University and is neither a state agency or its functional equivalent.

The University has contracted with the WSU Foundation to be the sole entity for promoting, receiving, and managing all private gifts to the University as set forth in the Agreement between Washington State University and Washington State University Foundation <u>("Agreement")</u>adopted by both parties on December 19, 2016. Pursuant to the Agreement, the WSU Foundation actively solicits alumni and friends of the University on behalf of the University. Some donor's gifts are intended to create endowments. These endowments may be titled in the name of the WSU Foundation or the University depending on the donor's intent.

The Washington State University Foundation Consolidated Endowed Fund Investment Charter and Policy Statement and Spending Policy applies to WSU Foundation assets held as endowments as well as University endowed assets entrusted to the WSU Foundation for <u>investment</u> management under the Agreement. These endowed assets are managed by the WSU Foundation as part of the Washington State University Foundation Consolidated Endowment Fund (Fund). The Fund is an institutional fund (as that term is defined in RCW 24.55.010(4)). There are two components to the Fund, reflecting the sources of the Fund's corpus:

- a. WSU Foundation's endowed assets consists of permanent endowments, quasi-endowments and funds building to target (the endowment is funded over a period of time).
- b. University's endowed assets consists of permanent endowments, quasiendowments and funds building to target (the endowment is funded over a period of time).

Distributions from the Fund are made quarterly in accordance with the spending policy, set out in Section 4.1.1 hereof and mutually agreed upon by the Directors and the Regents. Furthermore, the Committee shall report, at least annually, to the Directors, the Regents, and University administration the investment performance against benchmarks.

The WSU Foundation Board of Directors (Directors) are fiduciaries for the WSU Foundation's endowed assets. The Washington State University Board of Regents (Regents) are fiduciaries for the University's endowed assets. Pursuant to the Agreement, and subject to this policy, the Directors, the WSU Foundation, and the WSU Foundation Investment Committee (Committee), as appropriate, are responsible for the investment and management of the WSU Foundation's endowed assets and the University's endowed assets.

#### COMPOSITION/APPOINTMENT/TERMSREPORTING:

The Investment Committee is comprised of at least seven (7), but not more than eleven (11) appointed members (voting) and between two (2) and four (4)select ex officio members (non-voting). The Regents appoint two (2) of these voting members, one of whom must be a member of the Regents, the other who may be a Regent or a volunteer with investment expertise and experience selected upon consultation with the Committee, subject to notice to the Directors. These members serve a one-year (1-year) renewable term upon appointment by the Regents. The other Committee members are appointed by the Chair/President of the Board of Directors and are selected from Board members or volunteers with investment expertise and experience upon consultation with the Committee, and subject to notice to the Regents. These members serve two (2)a four (4-year) year term renewable upon appointment by the Chair/President of the Board of Directorsrenewable staggered terms for a maximum of two (2) terms. Ex officio (non-voting) seats are designated by the Directors pursuant to the Charter and shall always include at least one (1) University representative and one (1) Audit Committee Member. The Committee Chair serves for one (1) two-year (2-year) term and is appointed by the Chair of the Board of Directors. As of the date of the adoption of this Investment Policy, the Executive Director of Budget and Planning of the UniversityChief Financial Officer and Vice President for Finance and Administration (CFO/VPFA) of WSU, the CEO of the WSU Foundation, and the Chief Financial Officer Snr. Associate Vice President of Finance, Operations and Services of the WSU Foundation or their designee are ex officio members of the Investment Committee. The Chair can serve one additional two\_year (2-year) term upon approval by the Chair of the Board of Directors. Members whose terms have expired, may serve until a successor is appointed. The Committee Chair must be a Director. The Chief Financial Officer Snr. Associate Vice President of Finance, Operations and Services of the WSU Foundation or their designee serves as Secretary to the Committee. Investment policy and guidelines, as well as performance against benchmarks shall be reported by the Committee Chair, at least quarterly, to the Board of Directors, and the Board of Regents of the University and University administration.

**MEETINGS:** The Investment Committee shall<u>will</u> meet at least four (4) times a year with <u>at least</u> two (2) of the meetings held at the <u>WSU Foundation's Annual Fall</u> <u>Meeting orand Spring MeetingTrustees' meetings</u>, at which attendance in person by members is preferred. Other meetings may be called by the Chair of the Committee, as needed, to conduct the business of the Investment Committee. For members who cannot attend meetings of the Investment Committee in person, they may attend by teleconference, videoconference or similar communications technology so long as all persons participating in the meeting can hear each other at the same time. Participation by such means constitutes presence in person at such meetings. The presence of a majority of the voting members of the Investment Committee shall constitute a quorum for the purpose of transacting business. The minutes of all meetings of the Investment Committee, and all actions taken therein, shall be available for inspection at the registered office of the WSU Foundation.

#### 2. Allocation of Responsibilities

This section describes and delineates the responsibilities of the key parties to the Fund's investment process. The Directors and the Regents, as the governing boards for the WSU Foundation and the University, respectively, have a responsibility to set investment and spending policy with respect to the endowed assets of each entity in the Fund, and to review and approve any changes thereto. Management and investment of the Fund may be delegated to the extent that the WSU Foundation and/or the University may prudently delegate under the circumstances. In delegating, the Directors and the Regents shall act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

The responsibilities identified in this section and elsewhere in this policy delineate the scope of the respective delegations by the Directors and the Regents, and the authority retained.

# 2.1 Governing Boards – Board of Directors (WSUF) and Board of Regents (WSU)

#### 2.1.1 Directors WSU Foundation

The Directors provide performance accountability, membership oversight, and governance evaluation for the Committee. The Directors' responsibilities are to:

a. Approve the Investment Committee Charter, annually.

- a.<u>b.</u> Approve the Investment Policy, and changes to the Investment Policy as it relates to the WSU Foundation endowed assets.
- b.<u>c.</u> Assess Fund performance against annual goals.
- e.<u>d.</u> Review and approve final Directors-appointed candidates for open positions on the Committee, as recommended by the Committee, including additional *ex officio* members, Committee Chair, and Committee Vice Chair.
- d.e.\_\_\_\_Annually review the operational performance of the Committee and its members.
- e.<u>f.</u> Review member de-selection recommendations as submitted by the Committee Chair, approve de-selection recommendations of Directorsappointed members, and forward de-selection recommendations of Regentsappointed members to Regents for approval. De-selection does not include normal end-of-term roll-off of members.
- f.g. Maintain "best in class" operations by periodically assessing Committee performance and evaluating changes in: the roles and responsibilities of Committee and staff; the structure and composition of the Committee; the characteristics and qualifications of Committee Chair and members; and the Committee support model.
- g.h. Address problems with Committee operations as they arise.
- h.<u>i. ApproveIdentify</u> a group of higher education institutions where the WSU Foundation can benchmark its results with endowments similar in size.
- i. Ensure compliance with the Investment Policy and all applicable laws, regulations, and rulings pertaining to the investment and management of the Fund.
- j. Ensure selection of qualified external investment managers to invest Fund assets, and qualified consultants, bank custodians and other service providers necessary to carry out the duties under this Investment Policy.

#### 2.1.2 Regents WSU

The Regents' responsibilities are to:

- a. Approve the Investment Policy and changes to the Investment Policy as it relates to University endowed assets.
- b. Review and approve Regents-appointed Committee members.

- c. Annually review the operational performance of the Fund and the actions of the WSU Foundation, its Directors, and <u>itsthe Investment</u> Committee in their role as manager of University endowed assets in order to monitor performance and compliance with the scope of the delegation of management of University endowed assets.
- d. Review and approve de-selection recommendations from the Committee of Regents-appointed members. De-selection does not include normal end-of-term roll-off of members.

#### 2.2 WSU Foundation Investment Committee

#### **2.2.1 Duties**

The <u>Investment</u> Committee is responsible for implementation of this Investment Policy, and for investing capital, monitoring and reviewing investment performance, establishing appropriate benchmarks, and investment management. It may delegate fulfillment of investment and administrative tasks to others. The Committee's responsibilities with respect to the Fund's assets include completing each of the duties below in a prudent manner:

- a. Exercise ordinary business care and prudence under the facts and circumstances prevailing in managing and investing the assets of the endowment. Specific factors guiding the Committee in managing and investing the assets are:
  - 1. General economic conditions;
  - 2. Effects of inflation and deflation;
  - 3. Expected tax consequences of investment decisions;
  - 4. Role of each investment in fund portfolio;
  - 5. Expected total return from income and growth of investments;
  - 6. Other University resources;
  - 7. Needs for the fund to make distributions and preserve capital;
  - 8. An assets special relationship or special value to the University's mission;
  - 9. To incur only costs that are appropriate and reasonable in relation to the Fund's assets;
  - 10. Make reasonable effort to verify facts relevant to the management and investment of the Fund; and
  - 11. Annually (each December) review Investment Policy Statement and <u>Spending Policy</u>.

- b. Act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in delegating management and investment of the Fund to an external agent in:
  - 1. Selecting the agent;
  - 2. Establishing the scope and terms of the delegation; and
  - 3. Reviewing and monitoring the agent's performance.
- c. Act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making decisions to appropriate for expenditure or accumulate Fund assets, taking into consideration:
  - 1. Duration and preservation of the endowment fund;
  - 2. Purposes of the University and the endowment fund;
  - 3. General economic conditions;
  - 4. Possible effect of inflation or deflation;
  - 5. The expected total return from income and the appreciation investments;
  - 6. Other resources of the University
  - 7. This Investment Policy.
- d. Comply with all applicable state and federal laws, regulations, and rulings that relate to the Fund's investment management process<del>, as provided by the Foundation</del>.
- e. Recommend Investment Policy <u>and Spending Policy</u> changes to the Directors and the Regents.
- f. Operate within the allocation ranges of the Investment Policy.
- g. Establish and review objectives, asset allocation, and guidelines for the investment of the Funds' assets.
- h. Establish and comply with policies addressing issues that may result in perceived or actual conflicts of interest (including but not limited to relationships with investment managers or other firms doing business with the Fund and receipt of gifts or entertainment above a certain dollar value from firms doing business with the Fund) and other governance issues.
- i. Select qualified external investment managers to manage the Fund's assets.

- j. Select other service providers it deems appropriate to carry out its function, including, but not limited to, independent investment consultant(s).
- k. Meet quarterly to evaluate policy compliance, review progress in achieving the Fund's goals, and assess the effectiveness of the investment program.
- 1. Evaluate the Fund's performance and the performance of the professionals hired to assist the Committee in managing the Fund's investment program.
- m. Communicate on a regular basis with the investment consultant.
- n. Periodically review and evaluate ongoing understanding and relevance of investment policies of commingled funds in which Fund assets are invested.
- o. Take appropriate action if objectives are not being met or if policy and guidelines are not being followed.
- p. Keep the Audit Committee informed of any laws, regulations, rulings or investment decisions that might affect the annual audit of the WSU Foundation.

**p.q.** Keep the Finance Committee informed of any changes to the spending rate applicable to the endowed Fund.

#### 2.3 Chair of the Committee

The Chair of the Investment Committee shall be a member of the Board of Directors. The Chair shall serve a term of two (2) years. The Chair can serve one additional two-year term upon approval by the Chair of the Board of Directors.

The Chair is responsible for the following duties:

- a. Provide leadership in the conduct of Committee responsibilities and preside at Committee meetings.
- b. Report Committee activities and actions and Fund performance at meetings of the Directors and the Regents.
- c. Communicate on behalf of the Committee, as the Committee speaks with one voice through the Chair.
- d. Manage the Committee member performance review and de-selection process. Participate in new member orientation sessions.
- e. Collaborate with the WSU Foundation's <u>CFO or their designee</u> <u>Snr. Associate</u> <u>Vice President of Finance, Operations and Services</u> on developing meeting agendas and meeting locations.

f.—Must be a member of the Board of Directors.

#### 2.4 WSU Foundation <u>CFOSnr. Associate Vice President of Finance, Operations</u> and Services or Secretary of the Committee

The Snr. Associate Vice President of Finance, Operations and Services<u>WSU</u> Foundation CFO or their designee is responsible for the following duties:

- a. Assist the Committee in maintaining relevant policies and procedures.
- b. Coordinate contract reviews and execution.
- c. Day-to-day relationship management of investment program service providers.
- d. Act as liaison between the Committee and investment program service providers.
- e. Execute asset allocation and rebalance upon consultation with the investment consultant and Chair, as needed.
- f. Provide direction letters to the investment managers, bank custodian, and consultant.
- g. Determine liquidity needs and communicate same to appropriate service providers.
- h. Provide reports to internal and external constituencies as required.
- i. Develop meeting agendas and collaborate with Committee Chair and appropriate service providers, as needed.
- j. Provide orientation to new Committee members.

#### 2.5 Custodian Bank

Fund assets will be held by an institution designated as the Custodian Bank who shall manage, control, and collect the assets of the Fund in accordance with the terms of a separate custodial agreement as well as the terms of this Investment Policy. The custodian bank for the Fund is responsible for:

- a. Fulfilling all the customary fiduciary duties of a custodian in accordance with applicable state and federal laws.
- b. Receiving all contributions and paying all disbursements and Fund expenses as directed by designated and authorized Staff.
- c. Safekeeping of assets, timely settlement of securities transactions, and the daily sweep of excess cash from manager accounts into suitable cash management vehicles.

- d. Accurate and timely reporting of the assets to Staff by individual manager account(s), investment pool, and total Fund.
- e. Coordinating asset transfers as requested by Staff.
- f. Meeting with Staff as requested.

#### 2.6 Investment Managers

The manner in which the Funds' investment objectives are to be accomplished and the account ability of the investment managers in seeking to achieve the investment objectives shall be consistent with the fiduciary provisions of RCW 24.55 and the Prudent Management of Institutional Funds Act, and other pertinent state and federal laws, regulations, and rulings that relate to the investment process.

The investment managers are given full discretionary authority to accomplish specific investment objectives of the Fund, subject to the guidelines set forth in this Investment Policy. The investment managers are responsible for the following:

- a. Implementing investment strategy according to the style for which they were hired.
- b. Implementing security selection and timing decisions.
- c. Providing reports and data as requested by the Committee, Staff, bank custodian, and/or investment consultant.
- d. Meeting with the Committee and Staff as requested.
- e. Voting proxies.

Investments in pooled funds shall be subject to the Investment Policy guidelines established by the respective fund managers.

#### 2.7 Investment Consultant

The Investment Consultant is responsible for the following:

- a. Assist the Committee and Staff in maintaining a relevant investment policy.
- b. Evaluate and report performance of Fund assets on a quarterly basis.
- c. Monitor and report any material changes in personnel, organization, or investment strategy of the Funds' investment managers.
- d. Proactively suggest improvements to the Funds' investment program.
- e. Identify appropriate investment manager candidates.
- f. Provide investment expertise and analyses, as needed by the Committee and Staff.

- g. Establish and regularly review manager structure guidelines for the Fund's components.
- h. Keep the Committee informed of current investment trends, issues, and material changes in the regulatory environment.
- i. Evaluate investment opportunities.
- j. Recommend asset allocation and manager allocation targets.
- k. Recommend asset manager finalists.
- 1. Annually, provide results of selected benchmark schools for the Committee to track.

#### 3. Investment Objectives

The investment objectives of the Fund reflect its long-term nature and intergenerational equity concerns. It is recognized that the desire to grow corpus and to produce a large, stable, and predictable payout stream involves trade-offs that must be balanced in establishing the investment and spending policies. Operating and philosophical considerations shape the Fund's objectives as outlined below:

- a. Produce a relatively predictable and stable payout stream each year.
- b. Maintain purchasing power of the assets over the investment horizon.
- c. Balance the support of present and future generations of students, faculty, facilities and programs.
- d. Include assets that provide inflation protection and assets that can drive long-term growth.

# 3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

- a. The long-term total rate of return should equal or exceed the endowment spending rate (5.5% as of the date of adoption of this Investment Policy) plus the increase in the Consumer Price Index. It is recognized that in order to achieve this objective over extended periods, endowments have had to exceed the objective substantially during some periods, such as the 1980s, in order to compensate for shortfalls during other periods, such as the 1970s and 2000s.
- b. The Fund is expected to produce a rate of return that at least matches that of the benchmarks, which are set out in Appendix B. Investment policy and

benchmarks in Appendix B are subject to change with approval by the Directors upon consultation with the Committee, its Investment Consultant and Staff. Risk (as measured by standard deviation of quarterly returns) should not exceed that of the Policy Portfolio without a corresponding increase in performance above the Policy Portfolio.

#### 3.2 Investment Strategy Objectives

Achieving these objectives requires a combination of investment strategies that are categorized by differences in their expected response to economic conditions, specifically price inflation or changes to interest rates, and weighted in the Fund by considering risk-adjusted returns and correlations. Broad categories considered in asset allocation are: domestic equities, international equities, alternative investments (private equity, private real assets, hedge funds, managed futures, commodities and derivative contracts), inflation hedge strategies, and fixed income.

The Directors and the Regents recognize that asset allocation decisions are the most important factors determining the long-term performance of the Fund, and the success of the investment management strategy. Asset allocation decisions shall be made by the Directors and the Committee as described herein. The Fund's allocation to equities and fixed income and alternative investments shall be approved by the Directors with input from the Committee, its Investment Consultant, and Staff based upon the current spending policy and estimates of the long-term investment performance likely to be achieved by the various asset classes and investment styles.

Appendix A sets out the current target and minimum and maximum investment by percentage for identified asset classes. Appendix A is subject to change with approval by the Directors upon consultation with the Committee, its Investment Consultant, and Staff. The Committee Chair shall inform the University of any changes to Appendix A within ten (10) days of approval of the change. Operating and philosophical considerations that shape the Fund's strategies are outlined below:

- a. Seek growth of assets by emphasizing equity investments with a mix of active and passive investment strategies, while avoiding excessive risk levels.
- b. Favor active investment strategies that offer the opportunity for the total portfolio to outperform in very poor markets and some opportunity for the total portfolio to participate in exceptionally strong markets.
- c. The acceptable risk profile for the Foundation should generally be to assume the lowest possible risk for the return goal desired. While negative returns in any single year may be unavoidable, over longer terms, asset allocations should be selected which are expected to achieve overall positive portfolio returns. In order to assess and monitor portfolio risk, the Investment Committee will review its asset allocation policy and asset allocation at least annually. Risk can be construed to include multiple different outcomes including loss of principal, failure to meet an expected return, or volatility of investment returns around an expected mean (standard deviation). The

Investment Committee's policy regarding investment risk, consistent with modern portfolio theory, is that risk cannot be eliminated but should be managed. Investment committee members, with the help of the External Investment Manager and investment managers, are responsible for understanding the risks inherent in various investment strategies, ensuring that they are properly compensated for these risks, and measuring and monitoring them. It should be considered in the hiring of new investment managers as well as in the continued monitoring of existing investment managers and the overall portfolio. Risk should also be considered in the selection of individual asset classes and the overall portfolio asset allocation. Most importantly, the level of overall portfolio risk taken should be consistent with the overall return objectives of the Foundation.

#### 3.3 Domestic Equities

The purpose of holding domestic equity securities is to provide long-term capital growth through participation in the growth of the U.S. economy. The objective of the domestic equity portfolio is to earn, over the long term, an average annual total return, net of fees, that at least matches that of the Dow Jones U.S. Total Stock Market Index.

#### 3.4 International Equities

The purpose of holding international equities is to expand the universe of capital growth opportunities and diversify economic risk. The objective of the international equity portfolio is to earn, over time, an average annual total return, net of fees, that at least matches that of the MSCI All Country World ex-U.S. Index.

#### 3.5 Alternative Assets – Private Equity

The purpose of investing in private equity partnerships (including venture capital and leveraged buyout limited partnerships) is to expand the universe of capital growth opportunities, with the potential to enhance the return of the portfolio, by investing in the non-public sector of the equities market. The objective of the private equity portfolio is to earn, over the long term, an average annual total return, net of fees, that exceeds the Burgiss Global Private Equity Index or such other private equity benchmark, as might be appropriate.

#### 3.6 Alternative Assets - Hedge Funds

The purpose of investing in hedge funds is to enhance diversification by providing returns that are not dependent on the direction of the stock market or interest rates and are less correlated with the U.S. equity and bond markets than conventional stock and bond managers. The objective of the hedge fund portfolio is to earn, over the long term, an average annual total return, net of fees, that exceeds Hedge Fund Research, Inc. Fund of Funds Composite Index.

#### 3.7 Alternative Assets – Real Assets

The purpose of investing in real assets (including real estate and natural resource partnerships) is to provide attractive returns, visible current cash flows, portfolio diversification, and a hedge against unanticipated inflation. Real assets are expected to provide relative stability to the Fund during periods of public market turmoil and provide a measure of protection against inflation. The objective of the inflation hedge is to earn, over the long term, an average annual total return, net of fees, that exceeds a custom real assets benchmark (consisting of illiquid real estate, liquid and illiquid natural resources and TIPS).

#### 3.8 Inflation Protected Fixed Income

The purpose of investing in inflation protected fixed income (TIPS) is to provide visible current cash flows, portfolio diversification, and a hedge against unanticipated inflation. TIPS are expected to provide relative stability to the Fund during periods of public market turmoil but tend to impose a drag on performance during bull markets. The objective of TIPS is to earn, over the long term, an average annual total return, net of fees, that at least matches that of the Bloomberg Barclays Capital U.S. TIPS Index

#### 3.9 Fixed Income

The purposes of the fixed income investments are to provide some protection against financial disruptions and periods of deflation, to provide higher current income than equities to help meet the spending requirements, and to mitigate the volatility of the Fund. The objective of the fixed income portfolio is to earn, over the long term, an average annual total return net of fees that at least matches that of the Bloomberg Barclays Capital Aggregate Bond Index.

#### 4. Policy Guidelines

#### 4.1 Spending Policy/Rebalancing/Cash Flow Management

In rebalancing, investing, or withdrawing cash in accordance with these provisions, the percentages specified shall be determined with reference to the market values set forth in the most recent bank custodian balances when available and taking into account the cash to be invested or withdrawn.

#### 4.2 Spending Policy

Funds flow from the Fund to the University for the purposes specified in the donor agreements and to the WSU Foundation for operating support. The Fund spending policy is intended to balance the competing goals of providing a stable payout stream each year with maintaining the purchasing power of the assets. The policy takes into consideration the following factors:

- Duration and preservation of the Fund;
- Purposes of the University and the Fund;

- Possible effect of inflation or deflation;
- Expected return from income and appreciation of investments;
- Other University resources; and
- The Fund Investment Policy.
- a. Withdrawals shall be made from the Fund only pursuant to this spending policy and in consideration of the factors listed in Section 2.2 of this spending policy regarding appropriation of Fund assets for expenditure or accumulation of Fund assets.
- b. The spending policy is for the Fund to distribute 5.5% per year. Individual accounts shall receive, 4% pursuant to the terms in the gift use agreement, with 1.5% for Management and Advancement fees, from all funds in the pool.
- c. Distributions are computed quarterly based on the average market value for the thirty-six (36) months preceding and including the quarter ended prior to the distribution date, adjusted for new gifts on the first day of the distribution quarter, hereinafter referred to as the "distribution calculation."
- d. Distribution calculations shall begin when the fund reaches the established minimum endowment level or target balance specified in the gift instrument.
- e. Distributions from the Fund will be computed quarterly based on the average market value for the thirty-six (36) months preceding and including the quarter ended prior to the distribution date. (For example, the September 30, 2009, distribution was based on monthly market values for the period July 31, 2006, through June 30, 2009).
- f. No distributions will be made from an individual endowment fund to a program, until it has reached the established minimum endowment level or the target balance specified in the gift instrument and at least one (1) full quarter investment history after reaching that threshold balance.
- g. Distribution of the 1.5% Management and Advancement fee for administration cost shall only be waived pursuant to the terms in the gift used agreement.
- h. Fund distributions will include cash-basis expenses for scholarships, instructions, professorships, capital, operating, and administrative costs of the WSU Foundation and University. Investment-related expenses (e.g., investment manager and investment consultant fees, custody charges, etc.) will be charged against the Fund's investment return, and are not considered a part of the 5.5% annual distribution.

- i. In addition to annual reviews, if the Fund's real return (nominal return minus CPI) falls below 5.5% over the previous three-year (3-year) rolling time period, the Investment Committee should review and make a recommendation to the Directors and Regents in the next reporting cycle for purposes of determining whether to revise the rate.
- Market downturns present a particular challenge in balancing the goals of a j. stable payout stream and maintaining purchasing power. In a market downturn, individual endowment funds may have a market value that is less than the corpus (principal) of the fund; such a fund is defined to be "underwater" for purposes of this policy. A distribution from an underwater fund results in a reduction of principal. The decision to distribute or not distribute from an underwater fund depends initially on the donor's expressed written instructions. If the donor specifies that the principal (corpus) may not be invaded, or places other restrictions on spending, then distributions from that fund shall be made in accordance with the donor's restrictions. For all other funds, distributions shall be made consistent with the prudence principles herein and as stated in RCW 24.55 (UPMIFA), with an emphasis on the duration of the fund. All determinations herein shall be made based on fund values on the end date of the distribution calculation period, e.g., the value of the given fund on the quarter ended prior to the distribution date.
- k. No Distribution shall be made to any individual endowment fund whose market value is 30% or more below contributions to the fund.

# 4.3 Rebalancing/Cash Flow Management

Rebalancing and cash flow management will be made in amounts and proportions intended to preserve the asset allocation targets set forth in <u>attached</u> Appendix  $A_7$  below.

Rebalancing will be undertaken when the allocations fall outside of the ranges specified in Appendix A. The Investment Consultant should recommend to the Staff, Chair of the Committee or Committee any portfolio changes, as appropriate. The staff will execute the rebalancing process through written instruction to the Fund's custodian and investment managers.

#### 4.4 Usage of Derivatives

The Committee recognizes that investment managers have come to use various derivative instruments and that the prudent use of such instruments can be advantageous for controlling portfolio risk, increasing returns, implementing strategies quickly and reducing costs. Accordingly, the Committee permits the use of derivative securities only in a manner consistent with the overall investment objectives and policies described herein.

**4.4.1** Derivatives may be used by the WSU Foundation's investment managers to hedge existing portfolio investments (e.g., to hedge the currency risk of a foreign stock or bond position) or to create un-leveraged investment

positions as a more efficient and cheaper alternative to investments that would otherwise be made in the cash market (e.g., purchasing Treasury bond futures contracts). Derivatives may not be used by marketable securities managers to leverage a portfolio or significantly increase its risk above that of an account with similar objectives that is managed without derivatives. Use of derivatives by a manager, other than as described in this paragraph, is permitted only if authorized by the Committee. This provision does not apply to investments with absolute return or hedge fund managers.

**4.4.2** The Committee expects that its investment managers utilizing derivatives will have in place processes and procedures to control and measure risk.

#### 4.5 Proxy Voting

The Committee acknowledges its responsibility for seeing that the proxy voting rights for securities held by the Fund are exercised in a prudent manner and in the best interests of the Fund beneficiaries. The Committee may delegate their proxy voting rights to the investment managers of the Fund, or to another qualified agent that acknowledges that it will function as a fiduciary with respect to exercising proxy voting rights. Any such third party shall provide a complete listing, no less frequently than annually, of the issues for which proxies were voted and how the votes were cast. Proxy voting responsibilities have been delegated by the Committee to the investment managers.

#### 4.6 Securities Lending

The Committee may allow for the lending of Fund securities, to earn additional income for the Fund, pursuant to a securities lending policy that is consistent with the investment objectives of the Fund. The Committee may delegate securities lending activities (including the management of collateral received for the borrowed securities) to a qualified securities lending manager that acknowledges that it will function as a fiduciary with respect to the lending of Fund securities (and the management of collateral received) to the extent that the securities lending manager exercises discretionary authority under the securities lending agreement. Any such third party shall provide a complete accounting, no less frequently than annually, of the lending activities and income earned by the Fund.

# 4.7 Cougar Investment Fund

The Directors and Regents deemed it prudent to allocate a one-time amount of one million dollars (\$1,000,000) from the Fund to the Cougar Investment Fund (CIF). The CIF is managed by students as the central component of a special section of an approved professor of Investments and Portfolio Theory and Risk Management classes. The portfolio is subject to risk controls, oversight, and reporting guidelines specified in a separate Memorandum of Understanding. In addition to providing the Fund with organizational diversification within the large cap core U.S. equity portfolio, the CIF provides valuable experience to the students in applied securities analysis and portfolio management and enhances the University's ability to attract and retain quality, high-achieving students.

#### 4.8 Conflicts of Interest

No Committee member should be placed in a conflict of interest position.

All persons responsible for investment decisions, including Committee members, or who are involved in the management of the WSU Foundation or who are consulting to, or providing any service whatsoever to the Committee, shall adhere to the WSU Foundation Conflicts of Interest Policy, attached hereto for reference as Appendix C. Updated policy attached.

This provision shall not preclude the payment of ordinary fees and expenses to the WSU Foundation's custodian(s), investment managers, or Investment Consultant in the course of their services on behalf of the WSU Foundation.

Further, this provision does not replace obligations under the Washington State Ethics Act, which applies to all state officers and state employees.

#### 5. Monitoring of Objectives

**5.1** The Committee will normally review the Fund's asset allocation, manager team, and performance at least quarterly in order to evaluate diversification and progress toward long-term objectives, and will direct the CFO Snr. Associate Vice President of Finance, Operations and Services of the WSU Foundation or their designee to make such review, or have such review made by a consultant with appropriate expertise, each quarter. While short-term results will be monitored, it is understood that the objectives for the Fund are long-term in nature and that progress toward these objectives will be evaluated from a long-term perspective (i.e., 20 years or longer).

**5.2** Each manager's performance will be evaluated against an appropriate passive index and the median return of an appropriate universe of institutional quality managers or funds as determined by the Committee. The Committee will evaluate each manager periodically in order to establish that the factors that initially led to performance expectations remain in place and that each manager's philosophy is appropriate for the Fund's overall objectives.

**5.3** At its sole discretion, the Committee may terminate any manager at any time if it determines for whatever reason that the manager is no longer appropriate for the Fund.

**5.4** The Investment Consultant acting on behalf of the Committee shall provide each manager of a separately managed account with a set of mutually agreed-upon guidelines.

**5.5** The Committee may invest in a commingled fund (e.g., a mutual fund or limited partnership agreement), provided that the policies of such fund are consistent with this Investment Policy. The Committee will periodically review the policies of any commingled fund investment in order to determine if they remain appropriate for the Fund.

**5.6** The Committee shall have prepared and shall review, on a quarterly basis, an investment performance report setting forth the asset allocation of the Fund and the investment returns by asset class, manager, and for the total Fund. The returns shall be calculated on a time-weighted basis, net of manager fees, for the most recent quarter for which data are available and any other periods that the Committee may select and shall include fiscal-year returns when such data are available. The Committee will use the short-term performance data to monitor the Endowment Fund and the managers for consistency of investment philosophy, returns relative to performance benchmarks, and volatility of returns.

**5.7** The Committee, through the Investment Consultant and Staff, shall have regular communication with the managers of actively managed accounts concerning investment strategy and outlook.

**5.8** The Chair of the Committee shall notify the Chair of the Directors and the Chair of the Regents immediately upon becoming aware of the occurrence of any event that might preclude the Fund from achieving its long-term investment objective.

#### 6. Communications and Reporting

#### 6.1 Chair of the Committee

Annually, the Chair will:

- a. Distribute forms and compile performance reviews of Committee members;
- b. Summarize and report overall Committee performance to Directors and Regents with recommendations for changes in Committee membership (de-selection) as needed.
- c. Present a report to Directors and Regents summarizing the Fund's asset allocation as of the end of each fiscal year, performance for the fiscal year and other periods then ended, and any significant actions taken by the Committee during the fiscal year.
- d. Meet with Directors and Regents, or duly authorized subcommittees thereof, to review and discuss Fund performance, investment strategy and strategy changes, and Committee member performance. Additional meetings may be held as needed.

#### 6.2 WSU Foundation Staff

Promptly after adoption or approval, Staff will:

- a. Provide copies of Committee meeting minutes to the members.
- b. Provide copies of recommended amendments, additions, or deletions to this Investment Policy <u>Statement and Spending Policy</u> to Directors and Regents.

#### 6.3 Investment Managers

Immediately, each investment manager will report, in writing:

- a. Any and all material changes in the firm's ownership, management, investment personnel, and investment style and approach.
- b. Any occurrences of material litigation or regulatory investigation.

Quarterly, each investment manager will:

a. Provide a report to the <u>CFO of the</u> WSU Foundation <u>Snr. Associate Vice</u> <u>President of Finance, Operations and Services</u> on Fund assets and performance. The report is to show a list of current holdings at cost and market, transactions occurring during the quarter, capital gains and losses, a summary of the investment performance of the account (on a time-weighted basis, both gross and net of fees) and the use of derivatives. Separate account managers will include a reconciliation of the Fund's custodian statements to the manager's records.

Annually, each *equity* investment manager will provide the Investment Consultant and <u>CFO of the WSU Foundation</u>Snr. Associate Vice President of Finance, Operations and Services:

- a. A report on the various transaction charges incurred on behalf of the Fund. The report shall indicate the number of shares traded, brokerage firms used, total trading costs, and cost per share.
- b. Present a copy of proxy voting policies and report on the manner in which proxies were voted.

#### 6.4 Investment Consultant

On a quarterly basis:

a. Provide the Committee with performance reports detailing the performance of individual managers, asset classes, and the total Fund, including relevant performance standards and assessment of managers' continued appropriateness for inclusion in the Fund's investment program.

On an annual basis:

- b. Provide the Committee with any recommended changes needed to this Investment Policy.
- c. Participate in the Committee's annual planning process.
- d. Provide an appropriate peer group fee analysis.

#### 7. Evaluation and Review

#### 7.1 Evaluation

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Performance and investment policy compliance will be measured and evaluated no less than quarterly by the Committee and annually by the Directors and the Regents. Performance will be evaluated on a long-term basis, in light of the investment environment and investment style of each manager. Evaluation will take into consideration both rates of return and volatility of returns, as well as the consistency and discipline with which each manager or limited partnership applies its investment strategy.

This Investment Policy will be evaluated at least annually by the Committee, with input from the investment managers, Investment Consultant, and Staff, to ensure its continuing relevance. The Chair of the Committee, through coordination with Staff, will forward recommendations for change to this Investment Policy to the Directors and the Regents.

If at any time in review of this Investment Policy the Directors and the Regents elect to have differing investment or spending policies, each entity shall separately adopt a new policy and the Consolidated Endowment Fund shall be divided into two funds, one holding University endowed assets and another holding WSU Foundation endowed assets. Each entity will diligently pursue such division and ensure that it occurs in a timely, reasonable, and prudent manner. Upon completion of the division, each fund shall be managed in accordance with the new investment and spending policy for that fund by the entity (ties) so designated in the new policies.

Investment management fees will be compared to an appropriate universe, supplied by the investment consultant, on an annual basis.

#### 7.2 Meetings

The Committee will meet at least quarterly, coinciding with the performance reporting cycle, which attendance in person by members is preferred. Other meetings may be called by the Chair of the Committee, as needed, to conduct the business of the Investment Committee. For members who cannot attend meetings of the Investment Committee in person, they may attend by teleconference, videoconference or similar communications technology so long as all persons participating in the meeting can hear each person at such meetings. The presence of a majority of the voting members of the Investment Committee shall constitute a quorum for the purpose of transacting business. The minutes of all meeting of the Investment Committee, and all action taken therein, shall be available for inspection at the registered office of the WSU Foundation for all members of the Board of Directors, promptly following any Investment Committee meeting.

Additional meetings will be held as needed to accommodate special needs of the Committee or the WSU Foundation Board of Directors.

Each investment manager will meet at least annually with the Investment Consultant to review the investment performance of the Funds' assets allocated to that investment manager, discuss current and expected changes in investment strategy, discuss any changes in personnel and investment philosophy, and discuss the firm's business plan and any litigation or regulatory issues.

The Investment Consultant will meet with the Committee quarterly to review performance and discuss investment program issues.

The Investment Policy Statement <u>and Spending Policy</u> will be reviewed annually and updated as necessary by the <u>Investment</u> Committee.

#### 7.3 Authorities & Limitations

<u>— 11-18-18: Resolution AA-BB-CC-DD Updates the Committee Charter.</u>

<u>9-26-13</u>: Resolution 9-26-13-03 Updates the Committee Charter.

<u>10-20-11</u>: Resolution 10-20-11-03 Updates the Committee Charter.

<u>10-08-04</u>: Resolution 10-8-04-5 authorizes creation of the Investment Committee

<u>10-6-04</u>: Creating of an Investment Committee is contemplated by the Restated Bylaws of Washington State University Foundation (Bylaws effective 10/06/04.)

# APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	50%	60%
U.S. Equity	12%	15%	18%
International Equity	16%	20%	24%
Private Equity	12%	15%	18%
Risk Reduction Assets	24%	30%	36%
U.S. / Global Fixed Income	8%	10%	12%
Hedge Funds	16%	20%	24%
Inflation Protected Assets	16%	20%	24%
U.S. TIPS	4%	5%	6%
Real Assets	12%	15%	18%

Total

100%

#### APPENDIX B

#### ASSET CLASS

#### **Growth Assets**

U.S. Equity International Equity Private Equity

#### BENCHMARK

Dow Jones U.S. Total Stock Market MSCI ACWI ex U.S. Burgiss Global Private Equity Index

#### **Risk Reduction Assets**

U.S. / Global Fixed Income	Bloomberg Barclays Capital Aggregate Bond
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index

#### **Inflation Protected Assets**

U.S. TIPS	Bloomberg Barclays Capital U.S. TIPS
Real Assets	Custom Real Assets Benchmark

#### **Conflicts of Interest**

#### Statement & Certification

#### Introduction

This policy is designed to help members of the Board of Directors ("Directors") and members of standing committees (Audit, Operations, Investment, Gift Acceptance and Management, and Nominating) of the Washington State University Foundation ("Committee Members") identify situations that present potential conflicts of interest and to emphasize the importance of adhering to high standards of responsibility, accountability, and public scrutiny. This policy is applicable to all Directors and Committee Members of Washington State University Foundation ("WSU Foundation").

It is important to note that a conflict of interest involving a Director or Committee Member does not necessarily result in a prohibited transaction or arrangement. The Board of Directors may determine that despite the existence of a conflict of interest, the transaction or arrangement is in the best interests of the WSU Foundation.

This policy is intended to supplement, not supersede, the WSU Foundation's governing documents or any other federal or state laws governing conflicts of interest applicable to nonprofit corporations. Article 7 of the Restated Bylaws of the WSU Foundation pertaining to conflicts of interest, is included in Appendix 1.

On February 14, 2008 the Internal Revenue Service (IRS) promulgated a revised Form 990, the annual reporting form applicable to tax-exempt entities such as the WSU Foundation. Two of the guiding principles behind the form redesign were to enhance transparency and promote tax compliance. The new form significantly increased disclosure requirements related to the exempt organizations governance and management. This Conflict of Interest Statement & Certification serves as a mechanism for collecting the information necessary to properly complete the new Form 990. The IRS requires that each exempt organization undertake a "reasonable effort" to collect the following information.

#### Duty to the WSU Foundation

Directors and Committee Members have a clear fiduciary duty to the WSU Foundation in connection with their service as a Director or Committee Member. At all times Directors and Committee Members must act in a manner consistent with this fiduciary obligation and must exercise particular care that no detriment to the interests of the WSU Foundation (or appearance of such detriment) may result from a conflict between those interests and any personal interest of a Director or Committee Member.

#### Identifying a Conflict of Interest

A conflict of interest may arise whenever a Director or Committee Member or a member of his/her family: (1) has an existing or potential interest which impairs or might appear to impair his/her independent judgment in the discharge of responsibilities to the WSU Foundation; (2) may receive a material benefit from knowledge of information which is confidential to the WSU Foundation; (3) knowingly misrepresents, withholds, or falsifies relevant information used for decision-making purposes or to derive personal benefits; or (4) solicits benefits in exchange for using influence as a Director or Committee Member.

#### **Potential Conflicts of Interest**

Each Director and each Committee Member who is not a Director must file an annual statement, at or immediately following the fall meeting of the Board of Directors, with the Secretary of the Board of Directors setting forth any conflicts of interest that might be expected to occur within the coming year. The statement shall disclose as fully as possible the nature of the potential conflicts and the nature of the Directors or Committee Member's interest in the potential transactions. All statements that anticipate conflicts of interest will be circulated to the Directors.

In the interim, if any Directors or Committee Member or member of his/her family has or is about to assume an interest or other relationship which might result in a conflict of interest, it is the Directors or Committee Member's responsibility immediately to disclose all material facts to the Chair of the Board of Directors or the Chair of the Audit Committee.

Each Directors and Committee Member must be willing and available to answer any questions about potential conflicts.

#### **Confidentiality Policy**

All information concerning actual or potential conflicts of interest on the part of Directors or Committee Members, as well as all other information provided on this Statement & Certification, will be held in confidence. Any disclosure beyond the members of the Board of Directors will take place only upon majority vote of the Board of Directors.

#### Definitions

<u>Interested Person</u>: Any director, principal officer, or member of a committee with governing board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

<u>Financial Interest</u>: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

• An ownership or investment interest in any entity with which the WSU Foundation has a transaction or arrangement.

- A compensation arrangement with the WSU Foundation or with any entity or individual with which the WSU Foundation has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the WSU Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

<u>Business Transactions</u>: A business transaction includes, but is not limited to, contracts of sale, leases, licenses, arrangements for the performance of services, and joint ventures in which the interests of the organization and the interested person each exceeds 10%. Membership dues, grants and loans are not considered to be business transactions.

<u>Business Relationship</u>: A business relationship between two persons includes (but presumably is not limited to) the following types of relationships:

- One person is employed by a sole proprietorship owned by the other person or by an organization of which the other person is a director, trustee, officer, key employee or greater-than-35% owner.
- One person is transacting business with the other, directly or indirectly, in one or more contracts of sale, leases, licenses, loans, service arrangements or other transactions involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the year. An indirect transaction is a transaction by one person with an organization of which the other person is a director, trustee, officer, key employee or greater-than-35% owner.
- The two persons are each a director, trustee, officer or greater-than-10% owner in the same business or investment entity.

A "business relationship" does not, however, include the following:

- "ordinary course of business exception": a transaction between the two persons in the ordinary course of either party's business and on the same terms as are generally offered to the public; and
- "Privileged relationship exception": a relationship between attorney and client, medical professional and patient, or priest/clergy and penitent/communicant.

<u>Family Member</u>: Family members include an interested person's spouse, ancestors, siblings (whether of the whole or half-blood), children (natural or adopted), grandchildren, great grandchildren, and spouses of siblings, children, grandchildren and great grandchildren.

#### Appendix 1 – Article 7 of the WSU Foundation Bylaws – Conflicts of Interest

#### Definitions

A conflict of interest arises when any "Responsible Person" or any "Party Related to a Responsible Person" has an "Interest Adverse to the WSU Foundation." A Responsible Person is any individual in a position to exercise substantial influence over the affairs of the WSU Foundation, and specifically includes, without limitation, Members, Directors and Officers of the WSU Foundation and the chairperson and members of any committee making decisions on behalf of the WSU Foundation. A Party Related to a Responsible Person includes his or her extended family (including spouse, ancestors, descendants and sibling, and their respective spouses and descendants), an estate or trust in which the Responsible Person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the Responsible Person or any member of his or her extended family is a director, trustee or officer or has a financial interest. An "Interest Adverse to the WSU Foundation" includes any interest in any contract, transaction or other financial relationship with the WSU Foundation, and any interest in an entity whose best interests may be impaired by the best interests of the WSU Foundation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the WSU Foundation, an entity in which the WSU Foundation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the WSU Foundation.

#### Disclosure

If a Responsible Person is aware that the WSU Foundation is about to enter into any transaction or make any decision involving a conflict of interest (a "Conflicting Interest Transaction") such person shall: (i) immediately inform those charged with approving the Conflicting Interest Transaction on behalf of the WSU Foundation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the Responsible Person's knowledge that bear on the advisability of the WSU Foundation entering into the Conflicting Interest Transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

#### Approval of Conflicting Interest Transactions

The WSU Foundation may enter into a Conflicting Interest Transaction provided the material facts as to the Responsible Person's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors or to a committee of the WSU Foundation that authorizes, approves or ratifies the Conflicting Interest Transaction, and the Board of Directors in good faith authorizes, approves or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Directors on the Board, even though the disinterested Directors are less than a quorum.

# Washington State University Foundation

**Consolidated Endowment Fund** 

#### **Investment Policy Statement and Spending Policy**

(October 2021)

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#### 1. Purpose and Background

**PURPOSES/ROLE:** The Investment Committee, a standing fiduciary committee established under the Restated Bylaws of the WSU Foundation, is responsible for investments, reinvestments, and general management of all property and assets held for investment by the WSU Foundation, planned gift assets held in trust or agreement by the WSU Foundation, and those University assets entrusted to the WSU Foundation for investment management under contract with the University. This Investment Policy Statement and Spending Policy only applies to the endowed assets of the WSU Foundation and University, and not the planned gift assets of the WSU Foundation. The Investment Committee develops investment policies, to be presented to the Board of Directors for approval, for investing capital of the WSU Foundation, along with a consistent monitoring of investment performance and investment management, per its Investment Committee Charter, as amended from time to time. A copy of the Investment Committee Charter in effect on the date of this Investment Policy Statement and Spending Policy is attached as Appendix D.

#### **BACKGROUND:**

Washington State University Foundation (WSU Foundation) was established as a Washington nonprofit corporation in 1979. It is recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The WSU Foundation's mission is to promote, accept, and maximize private support for programs, initiatives, and properties of Washington State University (University), and prudently manage, invest, and steward the assets entrusted to it by the University and its alumni, friends, and donors. WSU Foundation is a separate and independent entity from the University and is neither a state agency or its functional equivalent.

The University has contracted with the WSU Foundation to be the sole entity for promoting, receiving, and managing all private gifts to the University as set forth in the Agreement between Washington State University and Washington State University Foundation ("Agreement"). Pursuant to the Agreement, the WSU Foundation actively solicits alumni and friends of the University on behalf of the University. Some donor's gifts are intended to create endowments. These endowments may be titled in the name of the WSU Foundation or the University depending on the donor's intent.

The Washington State University Foundation Consolidated Endowed Fund Investment Policy Statement and Spending Policy applies to WSU Foundation assets held as endowments as well as University endowed assets entrusted to the WSU Foundation for investment management under the Agreement. These endowed assets are managed by the WSU Foundation as part of the Washington State University Foundation Consolidated Endowment Fund (Fund). The Fund is an institutional fund (as that term is defined in RCW 24.55.010(4)). There are two components to the Fund, reflecting the sources of the Fund's corpus:

- a. WSU Foundation's endowed assets consists of permanent endowments, quasi-endowments and funds building to target (the endowment is funded over a period of time).
- b. University's endowed assets consists of permanent endowments, quasiendowments and funds building to target (the endowment is funded over a period of time).

Distributions from the Fund are made quarterly in accordance with the spending policy, set out in Section 4.1.1 hereof and mutually agreed upon by the Directors and the Regents. Furthermore, the Committee shall report, at least annually, to the Directors, the Regents, and University administration the investment performance against benchmarks.

The WSU Foundation Board of Directors (Directors) are fiduciaries for the WSU Foundation's endowed assets. The Washington State University Board of Regents (Regents) are fiduciaries for the University's endowed assets. Pursuant to the Agreement, and subject to this policy, the Directors, the WSU Foundation, and the WSU Foundation Investment Committee (Committee), as appropriate, are responsible for the investment and management of the WSU Foundation's endowed assets and the University's endowed assets.

#### COMPOSITION/APPOINTMENT/REPORTING:

The Investment Committee is comprised of at least seven (7), but not more than eleven (11) appointed members (voting) and select ex officio members (nonvoting). The Regents appoint two (2) of these voting members, one a member of the Regents, the other a Regent or a volunteer with investment expertise and experience selected upon consultation with the Committee, subject to notice to the Directors. These members serve a one-year (1-year) renewable term upon appointment by the Regents. The other Committee members are appointed by the Chair/President of the Board of Directors and are selected from Board members or volunteers with investment expertise and experience upon consultation with the Committee, and subject to notice to the Regents. These members serve a four (4) year term renewable upon appointment by the Chair/President of the Board of Directors. Ex officio (non-voting) seats are designated by the Directors pursuant to the Charter and shall always include at least one (1) University representative and one (1) Audit Committee Member. As of the date of the adoption of this Investment Policy, the Chief Financial Officer and Vice President for Finance and Administration (CFO/VPFA) of WSU, the CEO of the WSU Foundation, and the Chief Financial Officer of the WSU Foundation or their designee are ex officio members of the Investment Committee. The Committee Chair must be a Director. The Chief Financial Officer of the WSU Foundation or their designee serves as Secretary to the Committee. Investment policy and guidelines, as well as performance against benchmarks shall be reported by the Committee Chair, at least quarterly, to the Board of Directors, and the Board of Regents of the University and University administration.

**MEETINGS:** The Investment Committee will meet at least four (4) times a year with two (2) of the meetings held at the WSU Foundation's Annual Fall Meeting and Spring Meeting.

# 2. Allocation of Responsibilities

This section describes and delineates the responsibilities of the key parties to the Fund's investment process. The Directors and the Regents, as the governing boards for the WSU Foundation and the University, respectively, have a responsibility to set investment and spending policy with respect to the endowed assets of each entity in the Fund, and to review and approve any changes thereto. Management and investment of the Fund may be delegated to the extent that the WSU Foundation and/or the University may prudently delegate under the circumstances. In delegating, the Directors and the Regents shall act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

The responsibilities identified in this section and elsewhere in this policy delineate the scope of the respective delegations by the Directors and the Regents, and the authority retained.

# 2.1 Governing Boards – Board of Directors (WSUF) and Board of Regents (WSU)

# 2.1.1 Directors WSU Foundation

The Directors provide performance accountability, membership oversight, and governance evaluation for the Committee. The Directors' responsibilities are to:

- a. Approve the Investment Committee Charter, annually.
- b. Approve the Investment Policy, and changes to the Investment Policy as it relates to the WSU Foundation endowed assets.
- c. Assess Fund performance against annual goals.
- d. Review and approve final Directors-appointed candidates for open positions on the Committee, as recommended by the Committee, including additional *ex officio* members, Committee Chair, and Committee Vice Chair.
- e. Annually review the operational performance of the Committee and its members.
- f. Review member de-selection recommendations as submitted by the Committee Chair, approve de-selection recommendations of Directorsappointed members, and forward de-selection recommendations of Regentsappointed members to Regents for approval. De-selection does not include normal end-of-term roll-off of members.

- g. Maintain "best in class" operations by periodically assessing Committee performance and evaluating changes in: the roles and responsibilities of Committee and staff; the structure and composition of the Committee; the characteristics and qualifications of Committee Chair and members; and the Committee support model.
- h. Address problems with Committee operations as they arise.
- i. Identify a group of higher education institutions where the WSU Foundation can benchmark its results with endowments similar in size.

#### 2.1.2 Regents WSU

The Regents' responsibilities are to:

- a. Approve the Investment Policy and changes to the Investment Policy as it relates to University endowed assets.
- b. Review and approve Regents-appointed Committee members.
- c. Annually review the operational performance of the Fund and the actions of the WSU Foundation, its Directors, and the Investment Committee in their role as manager of University endowed assets in order to monitor performance and compliance with the scope of the delegation of management of University endowed assets.
- d. Review and approve de-selection recommendations from the Committee of Regents-appointed members. De-selection does not include normal end-of-term roll-off of members.

#### 2.2 WSU Foundation Investment Committee

#### **2.2.1 Duties**

The Investment Committee is responsible for implementation of this Investment Policy, and for investing capital, monitoring and reviewing investment performance, establishing appropriate benchmarks, and investment management. It may delegate fulfillment of investment and administrative tasks to others. The Committee's responsibilities with respect to the Fund's assets include completing each of the duties below in a prudent manner:

- a. Exercise ordinary business care and prudence under the facts and circumstances prevailing in managing and investing the assets of the endowment. Specific factors guiding the Committee in managing and investing the assets are:
  - 1. General economic conditions;
  - 2. Effects of inflation and deflation;

- 3. Expected tax consequences of investment decisions;
- 4. Role of each investment in fund portfolio;
- 5. Expected total return from income and growth of investments;
- 6. Other University resources;
- 7. Needs for the fund to make distributions and preserve capital;
- 8. An assets special relationship or special value to the University's mission;
- 9. To incur only costs that are appropriate and reasonable in relation to the Fund's assets;
- 10. Make reasonable effort to verify facts relevant to the management and investment of the Fund; and
- 11. Annually review Investment Policy Statement and Spending Policy.
- b. Act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in delegating management and investment of the Fund to an external agent in:
  - 1. Selecting the agent;
  - 2. Establishing the scope and terms of the delegation; and
  - 3. Reviewing and monitoring the agent's performance.
- c. Act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making decisions to appropriate for expenditure or accumulate Fund assets, taking into consideration:
  - 1. Duration and preservation of the endowment fund;
  - 2. Purposes of the University and the endowment fund;
  - 3. General economic conditions;
  - 4. Possible effect of inflation or deflation;
  - 5. The expected total return from income and the appreciation investments;
  - 6. Other resources of the University
  - 7. This Investment Policy.

- d. Comply with all applicable state and federal laws, regulations, and rulings that relate to the Fund's investment management process.
- e. Recommend Investment Policy and Spending Policy changes to the Directors and the Regents.
- f. Operate within the allocation ranges of the Investment Policy.
- g. Establish and review objectives, asset allocation, and guidelines for the investment of the Funds' assets.
- h. Establish and comply with policies addressing issues that may result in perceived or actual conflicts of interest (including but not limited to relationships with investment managers or other firms doing business with the Fund and receipt of gifts or entertainment above a certain dollar value from firms doing business with the Fund) and other governance issues.
- i. Select qualified external investment managers to manage the Fund's assets.
- j. Select other service providers it deems appropriate to carry out its function, including, but not limited to, independent investment consultant(s).
- k. Meet quarterly to evaluate policy compliance, review progress in achieving the Fund's goals, and assess the effectiveness of the investment program.
- 1. Evaluate the Fund's performance and the performance of the professionals hired to assist the Committee in managing the Fund's investment program.
- m. Communicate on a regular basis with the investment consultant.
- n. Periodically review and evaluate ongoing understanding and relevance of investment policies of commingled funds in which Fund assets are invested.
- o. Take appropriate action if objectives are not being met or if policy and guidelines are not being followed.
- p. Keep the Audit Committee informed of any laws, regulations, rulings or investment decisions that might affect the annual audit of the WSU Foundation.
- q. Keep the Finance Committee informed of any changes to the spending rate applicable to the endowed Fund.

# 2.3 Chair of the Committee

The Chair of the Investment Committee shall be a member of the Board of Directors.

The Chair is responsible for the following duties:

- a. Provide leadership in the conduct of Committee responsibilities and preside at Committee meetings.
- b. Report Committee activities and actions and Fund performance at meetings of the Directors and the Regents.
- c. Communicate on behalf of the Committee, as the Committee speaks with one voice through the Chair.
- d. Manage the Committee member performance review and de-selection process. Participate in new member orientation sessions.
- e. Collaborate with the WSU Foundation's CFO or their designee on developing meeting agendas and meeting locations.

# 2.4 WSU Foundation CFO

The WSU Foundation CFO or their designee is responsible for the following duties:

- a. Assist the Committee in maintaining relevant policies and procedures.
- b. Coordinate contract reviews and execution.
- c. Day-to-day relationship management of investment program service providers.
- d. Act as liaison between the Committee and investment program service providers.
- e. Execute asset allocation and rebalance upon consultation with the investment consultant and Chair, as needed.
- f. Provide direction letters to the investment managers, bank custodian, and consultant.
- g. Determine liquidity needs and communicate same to appropriate service providers.
- h. Provide reports to internal and external constituencies as required.
- i. Develop meeting agendas and collaborate with Committee Chair and appropriate service providers, as needed.
- j. Provide orientation to new Committee members.

#### 2.5 Custodian Bank

Fund assets will be held by an institution designated as the Custodian Bank who shall manage, control, and collect the assets of the Fund in accordance with the

terms of a separate custodial agreement as well as the terms of this Investment Policy. The custodian bank for the Fund is responsible for:

- a. Fulfilling all the customary fiduciary duties of a custodian in accordance with applicable state and federal laws.
- b. Receiving all contributions and paying all disbursements and Fund expenses as directed by designated and authorized Staff.
- c. Safekeeping of assets, timely settlement of securities transactions, and the daily sweep of excess cash from manager accounts into suitable cash management vehicles.
- d. Accurate and timely reporting of the assets to Staff by individual manager account(s), investment pool, and total Fund.
- e. Coordinating asset transfers as requested by Staff.
- f. Meeting with Staff as requested.

# 2.6 Investment Managers

The manner in which the Funds' investment objectives are to be accomplished and the account ability of the investment managers in seeking to achieve the investment objectives shall be consistent with the fiduciary provisions of RCW 24.55 and the Prudent Management of Institutional Funds Act, and other pertinent state and federal laws, regulations, and rulings that relate to the investment process.

The investment managers are given full discretionary authority to accomplish specific investment objectives of the Fund, subject to the guidelines set forth in this Investment Policy. The investment managers are responsible for the following:

- a. Implementing investment strategy according to the style for which they were hired.
- b. Implementing security selection and timing decisions.
- c. Providing reports and data as requested by the Committee, Staff, bank custodian, and/or investment consultant.
- d. Meeting with the Committee and Staff as requested.
- e. Voting proxies.

Investments in pooled funds shall be subject to the Investment Policy guidelines established by the respective fund managers.

# 2.7 Investment Consultant

The Investment Consultant is responsible for the following:

- a. Assist the Committee and Staff in maintaining a relevant investment policy.
- b. Evaluate and report performance of Fund assets on a quarterly basis.
- c. Monitor and report any material changes in personnel, organization, or investment strategy of the Funds' investment managers.
- d. Proactively suggest improvements to the Funds' investment program.
- e. Identify appropriate investment manager candidates.
- f. Provide investment expertise and analyses, as needed by the Committee and Staff.
- g. Establish and regularly review manager structure guidelines for the Fund's components.
- h. Keep the Committee informed of current investment trends, issues, and material changes in the regulatory environment.
- i. Evaluate investment opportunities.
- j. Recommend asset allocation and manager allocation targets.
- k. Recommend asset manager finalists.
- 1. Annually, provide results of selected benchmark schools for the Committee to track.

# 3. Investment Objectives

The investment objectives of the Fund reflect its long-term nature and intergenerational equity concerns. It is recognized that the desire to grow corpus and to produce a large, stable, and predictable payout stream involves trade-offs that must be balanced in establishing the investment and spending policies. Operating and philosophical considerations shape the Fund's objectives as outlined below:

- a. Produce a relatively predictable and stable payout stream each year.
- b. Maintain purchasing power of the assets over the investment horizon.
- c. Balance the support of present and future generations of students, faculty, facilities and programs.
- d. Include assets that provide inflation protection and assets that can drive long-term growth.

# 3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

- a. The long-term total rate of return should equal or exceed the endowment spending rate (5.5% as of the date of adoption of this Investment Policy) plus the increase in the Consumer Price Index. It is recognized that in order to achieve this objective over extended periods, endowments have had to exceed the objective substantially during some periods, such as the 1980s, in order to compensate for shortfalls during other periods, such as the 1970s and 2000s.
- b. The Fund is expected to produce a rate of return that at least matches that of the benchmarks, which are set out in Appendix B. Investment policy and benchmarks in Appendix B are subject to change with approval by the Directors upon consultation with the Committee, its Investment Consultant and Staff. Risk (as measured by standard deviation of quarterly returns) should not exceed that of the Policy Portfolio without a corresponding increase in performance above the Policy Portfolio.

# 3.2 Investment Strategy Objectives

Achieving these objectives requires a combination of investment strategies that are categorized by differences in their expected response to economic conditions, specifically price inflation or changes to interest rates, and weighted in the Fund by considering risk-adjusted returns and correlations. Broad categories considered in asset allocation are: domestic equities, international equities, alternative investments (private equity, private real assets, hedge funds, managed futures, commodities and derivative contracts), inflation hedge strategies, and fixed income.

The Directors and the Regents recognize that asset allocation decisions are the most important factors determining the long-term performance of the Fund, and the success of the investment management strategy. Asset allocation decisions shall be made by the Directors and the Committee as described herein. The Fund's allocation to equities and fixed income and alternative investments shall be approved by the Directors with input from the Committee, its Investment Consultant, and Staff based upon the current spending policy and estimates of the long-term investment performance likely to be achieved by the various asset classes and investment styles.

Appendix A sets out the current target and minimum and maximum investment by percentage for identified asset classes. Appendix A is subject to change with approval by the Directors upon consultation with the Committee, its Investment Consultant, and Staff. The Committee Chair shall inform the University of any changes to Appendix A within ten (10) days of approval of the change. Operating and philosophical considerations that shape the Fund's strategies are outlined below:

a. Seek growth of assets by emphasizing equity investments with a mix of active and passive investment strategies, while avoiding excessive risk levels.

- b. Favor active investment strategies that offer the opportunity for the total portfolio to outperform in very poor markets and some opportunity for the total portfolio to participate in exceptionally strong markets.
- c. The acceptable risk profile for the Foundation should generally be to assume the lowest possible risk for the return goal desired. While negative returns in any single year may be unavoidable, over longer terms, asset allocations should be selected which are expected to achieve overall positive portfolio In order to assess and monitor portfolio risk, the Investment returns. Committee will review its asset allocation policy and asset allocation at least annually. Risk can be construed to include multiple different outcomes including loss of principal, failure to meet an expected return, or volatility of investment returns around an expected mean (standard deviation). The Investment Committee's policy regarding investment risk, consistent with modern portfolio theory, is that risk cannot be eliminated but should be managed. Investment committee members, with the help of the External Investment Manager and investment managers, are responsible for understanding the risks inherent in various investment strategies, ensuring that they are properly compensated for these risks, and measuring and monitoring them. It should be considered in the hiring of new investment managers as well as in the continued monitoring of existing investment managers and the overall portfolio. Risk should also be considered in the selection of individual asset classes and the overall portfolio asset allocation. Most importantly, the level of overall portfolio risk taken should be consistent with the overall return objectives of the Foundation.

# 3.3 Domestic Equities

The purpose of holding domestic equity securities is to provide long-term capital growth through participation in the growth of the U.S. economy. The objective of the domestic equity portfolio is to earn, over the long term, an average annual total return, net of fees, that at least matches that of the Dow Jones U.S. Total Stock Market Index.

# 3.4 International Equities

The purpose of holding international equities is to expand the universe of capital growth opportunities and diversify economic risk. The objective of the international equity portfolio is to earn, over time, an average annual total return, net of fees, that at least matches that of the MSCI All Country World ex-U.S. Index.

# 3.5 Alternative Assets – Private Equity

The purpose of investing in private equity partnerships (including venture capital and leveraged buyout limited partnerships) is to expand the universe of capital growth opportunities, with the potential to enhance the return of the portfolio, by investing in the non-public sector of the equities market. The objective of the private equity portfolio is to earn, over the long term, an average annual total return, net of fees, that exceeds the Burgiss Global Private Equity Index or such other private equity benchmark, as might be appropriate.

#### 3.6 Alternative Assets - Hedge Funds

The purpose of investing in hedge funds is to enhance diversification by providing returns that are not dependent on the direction of the stock market or interest rates and are less correlated with the U.S. equity and bond markets than conventional stock and bond managers. The objective of the hedge fund portfolio is to earn, over the long term, an average annual total return, net of fees, that exceeds Hedge Fund Research, Inc. Fund of Funds Composite Index.

#### 3.7 Alternative Assets – Real Assets

The purpose of investing in real assets (including real estate and natural resource partnerships) is to provide attractive returns, visible current cash flows, portfolio diversification, and a hedge against unanticipated inflation. Real assets are expected to provide relative stability to the Fund during periods of public market turmoil and provide a measure of protection against inflation. The objective of the inflation hedge is to earn, over the long term, an average annual total return, net of fees, that exceeds a custom real assets benchmark (consisting of illiquid real estate, liquid and illiquid natural resources and TIPS).

#### 3.8 Inflation Protected Fixed Income

The purpose of investing in inflation protected fixed income (TIPS) is to provide visible current cash flows, portfolio diversification, and a hedge against unanticipated inflation. TIPS are expected to provide relative stability to the Fund during periods of public market turmoil but tend to impose a drag on performance during bull markets. The objective of TIPS is to earn, over the long term, an average annual total return, net of fees, that at least matches that of the Bloomberg Barclays Capital U.S. TIPS Index

#### 3.9 Fixed Income

The purposes of the fixed income investments are to provide some protection against financial disruptions and periods of deflation, to provide higher current income than equities to help meet the spending requirements, and to mitigate the volatility of the Fund. The objective of the fixed income portfolio is to earn, over the long term, an average annual total return net of fees that at least matches that of the Bloomberg Barclays Capital Aggregate Bond Index.

#### 4. Policy Guidelines

#### 4.1 Spending Policy/Rebalancing/Cash Flow Management

In rebalancing, investing, or withdrawing cash in accordance with these provisions, the percentages specified shall be determined with reference to the market values set forth in the most recent bank custodian balances when available and taking into account the cash to be invested or withdrawn.

#### 4.2 Spending Policy

Funds flow from the Fund to the University for the purposes specified in the donor agreements and to the WSU Foundation for operating support. The Fund spending policy is intended to balance the competing goals of providing a stable payout stream each year with maintaining the purchasing power of the assets. The policy takes into consideration the following factors:

- Duration and preservation of the Fund;
- Purposes of the University and the Fund;
- Possible effect of inflation or deflation;
- Expected return from income and appreciation of investments;
- Other University resources; and
- The Fund Investment Policy.
- a. Withdrawals shall be made from the Fund only pursuant to this spending policy and in consideration of the factors listed in Section 2.2 of this spending policy regarding appropriation of Fund assets for expenditure or accumulation of Fund assets.
- b. The spending policy is for the Fund to distribute 5.5% per year. Individual accounts shall receive, 4% pursuant to the terms in the gift use agreement, with 1.5% for Management and Advancement fees, from all funds in the pool.
- c. Distributions are computed quarterly based on the average market value for the thirty-six (36) months preceding and including the quarter ended prior to the distribution date, adjusted for new gifts on the first day of the distribution quarter, hereinafter referred to as the "distribution calculation."
- d. Distribution calculations shall begin when the fund reaches the established minimum endowment level or target balance specified in the gift instrument.
- e. Distributions from the Fund will be computed quarterly based on the average market value for the thirty-six (36) months preceding and including

Washington State University Foundation Consolidated Endowment Fund Investment Policy Statement the quarter ended prior to the distribution date. (For example, the September 30, 2009, distribution was based on monthly market values for the period July 31, 2006, through June 30, 2009).

- f. No distributions will be made from an individual endowment fund to a program, until it has reached the established minimum endowment level or the target balance specified in the gift instrument and at least one (1) full quarter investment history after reaching that threshold balance.
- g. Distribution of the 1.5% Management and Advancement fee for administration cost shall only be waived pursuant to the terms in the gift used agreement.
- h. Fund distributions will include cash-basis expenses for scholarships, instructions, professorships, capital, operating, and administrative costs of the WSU Foundation and University. Investment-related expenses (e.g., investment manager and investment consultant fees, custody charges, etc.) will be charged against the Fund's investment return, and are not considered a part of the 5.5% annual distribution.
- i. In addition to annual reviews, if the Fund's real return (nominal return minus CPI) falls below 5.5% over the previous three-year (3-year) rolling time period, the Investment Committee should review and make a recommendation to the Directors and Regents in the next reporting cycle for purposes of determining whether to revise the rate.
- j. Market downturns present a particular challenge in balancing the goals of a stable payout stream and maintaining purchasing power. In a market downturn, individual endowment funds may have a market value that is less than the corpus (principal) of the fund; such a fund is defined to be "underwater" for purposes of this policy. A distribution from an underwater fund results in a reduction of principal. The decision to distribute or not distribute from an underwater fund depends initially on the donor's expressed written instructions. If the donor specifies that the principal (corpus) may not be invaded, or places other restrictions on spending, then distributions from that fund shall be made in accordance with the donor's restrictions. For all other funds, distributions shall be made consistent with the prudence principles herein and as stated in RCW 24.55 (UPMIFA), with an emphasis on the duration of the fund. All determinations herein shall be made based on fund values on the end date of the distribution calculation period, e.g., the value of the given fund on the quarter ended prior to the distribution date.
- k. No Distribution shall be made to any individual endowment fund whose market value is 30% or more below contributions to the fund.

# 4.3 Rebalancing/Cash Flow Management

Rebalancing and cash flow management will be made in amounts and proportions intended to preserve the asset allocation targets set forth in attached Appendix A.

Rebalancing will be undertaken when the allocations fall outside of the ranges specified in Appendix A. The Investment Consultant should recommend to the Staff, Chair of the Committee or Committee any portfolio changes, as appropriate. The staff will execute the rebalancing process through written instruction to the Fund's custodian and investment managers.

# 4.4 Usage of Derivatives

The Committee recognizes that investment managers have come to use various derivative instruments and that the prudent use of such instruments can be advantageous for controlling portfolio risk, increasing returns, implementing strategies quickly and reducing costs. Accordingly, the Committee permits the use of derivative securities only in a manner consistent with the overall investment objectives and policies described herein.

**4.4.1** Derivatives may be used by the WSU Foundation's investment managers to hedge existing portfolio investments (e.g., to hedge the currency risk of a foreign stock or bond position) or to create un-leveraged investment positions as a more efficient and cheaper alternative to investments that would otherwise be made in the cash market (e.g., purchasing Treasury bond futures contracts). Derivatives may not be used by marketable securities managers to leverage a portfolio or significantly increase its risk above that of an account with similar objectives that is managed without derivatives. Use of derivatives by a manager, other than as described in this paragraph, is permitted only if authorized by the Committee. This provision does not apply to investments with absolute return or hedge fund managers.

**4.4.2** The Committee expects that its investment managers utilizing derivatives will have in place processes and procedures to control and measure risk.

# 4.5 Proxy Voting

The Committee acknowledges its responsibility for seeing that the proxy voting rights for securities held by the Fund are exercised in a prudent manner and in the best interests of the Fund beneficiaries. The Committee may delegate their proxy voting rights to the investment managers of the Fund, or to another qualified agent that acknowledges that it will function as a fiduciary with respect to exercising proxy voting rights. Any such third party shall provide a complete listing, no less frequently than annually, of the issues for which proxies were voted and how the votes were cast. Proxy voting responsibilities have been delegated by the Committee to the investment managers.

# 4.6 Securities Lending

The Committee may allow for the lending of Fund securities, to earn additional income for the Fund, pursuant to a securities lending policy that is consistent with the investment objectives of the Fund. The Committee may delegate securities lending activities (including the management of collateral received for the borrowed securities) to a qualified securities lending manager that acknowledges

that it will function as a fiduciary with respect to the lending of Fund securities (and the management of collateral received) to the extent that the securities lending manager exercises discretionary authority under the securities lending agreement. Any such third party shall provide a complete accounting, no less frequently than annually, of the lending activities and income earned by the Fund.

# 4.7 Cougar Investment Fund

The Directors and Regents deemed it prudent to allocate a one-time amount of one million dollars (\$1,000,000) from the Fund to the Cougar Investment Fund (CIF). The CIF is managed by students as the central component of a special section of an approved professor of Investments and Portfolio Theory and Risk Management classes. The portfolio is subject to risk controls, oversight, and reporting guidelines specified in a separate Memorandum of Understanding. In addition to providing the Fund with organizational diversification within the large cap core U.S. equity portfolio, the CIF provides valuable experience to the students in applied securities analysis and portfolio management and enhances the University's ability to attract and retain quality, high-achieving students.

# 4.8 Conflicts of Interest

No Committee member should be placed in a conflict of interest position.

All persons responsible for investment decisions, including Committee members, or who are involved in the management of the WSU Foundation or who are consulting to, or providing any service whatsoever to the Committee, shall adhere to the WSU Foundation Conflicts of Interest Policy, attached as Appendix C. Updated policy attached.

This provision shall not preclude the payment of ordinary fees and expenses to the WSU Foundation's custodian(s), investment managers, or Investment Consultant in the course of their services on behalf of the WSU Foundation.

Further, this provision does not replace obligations under the Washington State Ethics Act, which applies to all state officers and state employees.

# 5. Monitoring of Objectives

**5.1** The Committee will normally review the Fund's asset allocation, manager team, and performance at least quarterly in order to evaluate diversification and progress toward long-term objectives, and will direct the CFO of the WSU Foundation or their designee to make such review, or have such review made by a consultant with appropriate expertise, each quarter. While short-term results will be monitored, it is understood that the objectives for the Fund are long-term in nature and that progress toward these objectives will be evaluated from a long-term perspective (i.e., 20 years or longer).

**5.2** Each manager's performance will be evaluated against an appropriate passive index and the median return of an appropriate universe of institutional quality managers or funds as determined by the Committee. The Committee will evaluate each manager periodically in order to establish that the factors that initially led to performance expectations remain in place and that each manager's philosophy is appropriate for the Fund's overall objectives.

**5.3** At its sole discretion, the Committee may terminate any manager at any time if it determines for whatever reason that the manager is no longer appropriate for the Fund.

**5.4** The Investment Consultant acting on behalf of the Committee shall provide each manager of a separately managed account with a set of mutually agreed-upon guidelines.

**5.5** The Committee may invest in a commingled fund (e.g., a mutual fund or limited partnership agreement), provided that the policies of such fund are consistent with this Investment Policy. The Committee will periodically review the policies of any commingled fund investment in order to determine if they remain appropriate for the Fund.

**5.6** The Committee shall have prepared and shall review, on a quarterly basis, an investment performance report setting forth the asset allocation of the Fund and the investment returns by asset class, manager, and for the total Fund. The returns shall be calculated on a time-weighted basis, net of manager fees, for the most recent quarter for which data are available and any other periods that the Committee may select and shall include fiscal-year returns when such data are available. The Committee will use the short-term performance data to monitor the Endowment Fund and the managers for consistency of investment philosophy, returns relative to performance benchmarks, and volatility of returns.

**5.7** The Committee, through the Investment Consultant and Staff, shall have regular communication with the managers of actively managed accounts concerning investment strategy and outlook.

**5.8** The Chair of the Committee shall notify the Chair of the Directors and the Chair of the Regents immediately upon becoming aware of the occurrence of any event that might preclude the Fund from achieving its long-term investment objective.

#### 6. Communications and Reporting

#### 6.1 Chair of the Committee

Annually, the Chair will:

a. Distribute forms and compile performance reviews of Committee members;

- b. Summarize and report overall Committee performance to Directors and Regents with recommendations for changes in Committee membership (de-selection) as needed.
- c. Present a report to Directors and Regents summarizing the Fund's asset allocation as of the end of each fiscal year, performance for the fiscal year and other periods then ended, and any significant actions taken by the Committee during the fiscal year.
- d. Meet with Directors and Regents, or duly authorized subcommittees thereof, to review and discuss Fund performance, investment strategy and strategy changes, and Committee member performance. Additional meetings may be held as needed.

# 6.2 WSU Foundation Staff

Promptly after adoption or approval, Staff will:

- a. Provide copies of Committee meeting minutes to the members.
- b. Provide copies of recommended amendments, additions, or deletions to this Investment Policy Statement and Spending Policy to Directors and Regents.

#### 6.3 Investment Managers

Immediately, each investment manager will report, in writing:

- a. Any and all material changes in the firm's ownership, management, investment personnel, and investment style and approach.
- b. Any occurrences of material litigation or regulatory investigation.

Quarterly, each investment manager will:

a. Provide a report to the CFO of the WSU Foundation on Fund assets and performance. The report is to show a list of current holdings at cost and market, transactions occurring during the quarter, capital gains and losses, a summary of the investment performance of the account (on a time-weighted basis, both gross and net of fees) and the use of derivatives. Separate account managers will include a reconciliation of the Fund's custodian statements to the manager's records.

Annually, each *equity* investment manager will provide the Investment Consultant and CFO of the WSU Foundation:

a. A report on the various transaction charges incurred on behalf of the Fund. The report shall indicate the number of shares traded, brokerage firms used, total trading costs, and cost per share. b. Present a copy of proxy voting policies and report on the manner in which proxies were voted.

# 6.4 Investment Consultant

On a quarterly basis:

a. Provide the Committee with performance reports detailing the performance of individual managers, asset classes, and the total Fund, including relevant performance standards and assessment of managers' continued appropriateness for inclusion in the Fund's investment program.

On an annual basis:

- b. Provide the Committee with any recommended changes needed to this Investment Policy.
- c. Participate in the Committee's annual planning process.
- d. Provide an appropriate peer group fee analysis.

#### 7. Evaluation and Review

#### 7.1 Evaluation

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards. Performance and investment policy compliance will be measured and evaluated no less than quarterly by the Committee and annually by the Directors and the Regents. Performance will be evaluated on a long-term basis, in light of the investment environment and investment style of each manager. Evaluation will take into consideration both rates of return and volatility of returns, as well as the consistency and discipline with which each manager or limited partnership applies its investment strategy.

This Investment Policy will be evaluated at least annually by the Committee, with input from the investment managers, Investment Consultant, and Staff, to ensure its continuing relevance. The Chair of the Committee, through coordination with Staff, will forward recommendations for change to this Investment Policy to the Directors and the Regents.

If at any time in review of this Investment Policy the Directors and the Regents elect to have differing investment or spending policies, each entity shall separately adopt a new policy and the Consolidated Endowment Fund shall be divided into two funds, one holding University endowed assets and another holding WSU Foundation endowed assets. Each entity will diligently pursue such division and ensure that it occurs in a timely, reasonable, and prudent manner. Upon completion of the division, each fund shall be managed in accordance with the new investment and spending policy for that fund by the entity (ties) so designated in the new policies.

Investment management fees will be compared to an appropriate universe, supplied by the investment consultant, on an annual basis.

Each investment manager will meet at least annually with the Investment Consultant to review the investment performance of the Funds' assets allocated to that investment manager, discuss current and expected changes in investment strategy, discuss any changes in personnel and investment philosophy, and discuss the firm's business plan and any litigation or regulatory issues.

The Investment Consultant will meet with the Committee quarterly to review performance and discuss investment program issues.

The Investment Policy Statement and Spending Policy will be reviewed annually and updated as necessary by the Investment Committee.

#### 7.3 Authorities & Limitations

<u>9-26-13</u>: Resolution 9-26-13-03 Updates the Committee Charter.

<u>10-20-11</u>: Resolution 10-20-11-03 Updates the Committee Charter.

10-08-04: Resolution 10-8-04-5 authorizes creation of the Investment Committee

<u>10-6-04</u>: Creating of an Investment Committee is contemplated by the Restated Bylaws of Washington State University Foundation (Bylaws effective 10/06/04.)

# APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	50%	60%
U.S. Equity	12%	15%	18%
International Equity	16%	20%	24%
Private Equity	12%	15%	18%
Risk Reduction Assets	24%	30%	36%
U.S. / Global Fixed Income	8%	10%	12%
Hedge Funds	16%	20%	24%
Inflation Protected Assets	16%	20%	24%
U.S. TIPS	4%	5%	6%
Real Assets	12%	15%	18%

Total

100%

#### APPENDIX B

#### ASSET CLASS

#### **Growth Assets**

U.S. Equity International Equity Private Equity

#### BENCHMARK

Dow Jones U.S. Total Stock Market MSCI ACWI ex U.S. Burgiss Global Private Equity Index

#### **Risk Reduction Assets**

Bloomberg Barclays Capital Aggregate Bond
Hedge Fund Research, Inc. Fund of Funds Composite Index

#### **Inflation Protected Assets**

U.S. TIPS	Bloomberg Barclays Capital U.S. TIPS
Real Assets	Custom Real Assets Benchmark

#### **Conflicts of Interest**

#### **Statement & Certification**

#### Introduction

This policy is designed to help members of the Board of Directors ("Directors") and members of standing committees (Audit, Operations, Investment, Gift Acceptance and Management, and Nominating) of the Washington State University Foundation ("Committee Members") identify situations that present potential conflicts of interest and to emphasize the importance of adhering to high standards of responsibility, accountability, and public scrutiny. This policy is applicable to all Directors and Committee Members of Washington State University Foundation ("WSU Foundation").

It is important to note that a conflict of interest involving a Director or Committee Member does not necessarily result in a prohibited transaction or arrangement. The Board of Directors may determine that despite the existence of a conflict of interest, the transaction or arrangement is in the best interests of the WSU Foundation.

This policy is intended to supplement, not supersede, the WSU Foundation's governing documents or any other federal or state laws governing conflicts of interest applicable to nonprofit corporations. Article 7 of the Restated Bylaws of the WSU Foundation pertaining to conflicts of interest, is included in Appendix 1.

On February 14, 2008 the Internal Revenue Service (IRS) promulgated a revised Form 990, the annual reporting form applicable to tax-exempt entities such as the WSU Foundation. Two of the guiding principles behind the form redesign were to enhance transparency and promote tax compliance. The new form significantly increased disclosure requirements related to the exempt organizations governance and management. This Conflict of Interest Statement & Certification serves as a mechanism for collecting the information necessary to properly complete the new Form 990. The IRS requires that each exempt organization undertake a "reasonable effort" to collect the following information.

#### Duty to the WSU Foundation

Directors and Committee Members have a clear fiduciary duty to the WSU Foundation in connection with their service as a Director or Committee Member. At all times Directors and Committee Members must act in a manner consistent with this fiduciary obligation and must exercise particular care that no detriment to the interests of the WSU Foundation (or appearance of such detriment) may result from a conflict between those interests and any personal interest of a Director or Committee Member.

#### Identifying a Conflict of Interest

A conflict of interest may arise whenever a Director or Committee Member or a member of his/her family: (1) has an existing or potential interest which impairs or might appear to impair his/her independent judgment in the discharge of responsibilities to the WSU Foundation; (2) may receive a material benefit from knowledge of information which is confidential to the WSU Foundation; (3) knowingly misrepresents, withholds, or falsifies relevant information used for decision-making purposes or to derive personal benefits; or (4) solicits benefits in exchange for using influence as a Director or Committee Member.

#### **Potential Conflicts of Interest**

Each Director and each Committee Member who is not a Director must file an annual statement, at or immediately following the fall meeting of the Board of Directors, with the Secretary of the Board of Directors setting forth any conflicts of interest that might be expected to occur within the coming year. The statement shall disclose as fully as possible the nature of the potential conflicts and the nature of the Directors or Committee Member's interest in the potential transactions. All statements that anticipate conflicts of interest will be circulated to the Directors.

In the interim, if any Directors or Committee Member or member of his/her family has or is about to assume an interest or other relationship which might result in a conflict of interest, it is the Directors or Committee Member's responsibility immediately to disclose all material facts to the Chair of the Board of Directors or the Chair of the Audit Committee.

Each Directors and Committee Member must be willing and available to answer any questions about potential conflicts.

#### **Confidentiality Policy**

All information concerning actual or potential conflicts of interest on the part of Directors or Committee Members, as well as all other information provided on this Statement & Certification, will be held in confidence. Any disclosure beyond the members of the Board of Directors will take place only upon majority vote of the Board of Directors.

#### Definitions

<u>Interested Person</u>: Any director, principal officer, or member of a committee with governing board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

<u>Financial Interest</u>: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

• An ownership or investment interest in any entity with which the WSU Foundation has a transaction or arrangement.

- A compensation arrangement with the WSU Foundation or with any entity or individual with which the WSU Foundation has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the WSU Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

<u>Business Transactions</u>: A business transaction includes, but is not limited to, contracts of sale, leases, licenses, arrangements for the performance of services, and joint ventures in which the interests of the organization and the interested person each exceeds 10%. Membership dues, grants and loans are not considered to be business transactions.

<u>Business Relationship</u>: A business relationship between two persons includes (but presumably is not limited to) the following types of relationships:

- One person is employed by a sole proprietorship owned by the other person or by an organization of which the other person is a director, trustee, officer, key employee or greater-than-35% owner.
- One person is transacting business with the other, directly or indirectly, in one or more contracts of sale, leases, licenses, loans, service arrangements or other transactions involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the year. An indirect transaction is a transaction by one person with an organization of which the other person is a director, trustee, officer, key employee or greater-than-35% owner.
- The two persons are each a director, trustee, officer or greater-than-10% owner in the same business or investment entity.

A "business relationship" does not, however, include the following:

- "ordinary course of business exception": a transaction between the two persons in the ordinary course of either party's business and on the same terms as are generally offered to the public; and
- "Privileged relationship exception": a relationship between attorney and client, medical professional and patient, or priest/clergy and penitent/communicant.

<u>Family Member</u>: Family members include an interested person's spouse, ancestors, siblings (whether of the whole or half-blood), children (natural or adopted), grandchildren, great grandchildren, and spouses of siblings, children, grandchildren and great grandchildren.

# Appendix 1 – Article 7 of the WSU Foundation Bylaws – Conflicts of Interest

#### Definitions

A conflict of interest arises when any "Responsible Person" or any "Party Related to a Responsible Person" has an "Interest Adverse to the WSU Foundation." A Responsible Person is any individual in a position to exercise substantial influence over the affairs of the WSU Foundation, and specifically includes, without limitation, Members, Directors and Officers of the WSU Foundation and the chairperson and members of any committee making decisions on behalf of the WSU Foundation. A Party Related to a Responsible Person includes his or her extended family (including spouse, ancestors, descendants and sibling, and their respective spouses and descendants), an estate or trust in which the Responsible Person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the Responsible Person or any member of his or her extended family is a director, trustee or officer or has a financial interest. An "Interest Adverse to the WSU Foundation" includes any interest in any contract. transaction or other financial relationship with the WSU Foundation, and any interest in an entity whose best interests may be impaired by the best interests of the WSU Foundation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the WSU Foundation, an entity in which the WSU Foundation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the WSU Foundation.

#### Disclosure

If a Responsible Person is aware that the WSU Foundation is about to enter into any transaction or make any decision involving a conflict of interest (a "Conflicting Interest Transaction") such person shall: (i) immediately inform those charged with approving the Conflicting Interest Transaction on behalf of the WSU Foundation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the Responsible Person's knowledge that bear on the advisability of the WSU Foundation entering into the Conflicting Interest Transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

#### Approval of Conflicting Interest Transactions

The WSU Foundation may enter into a Conflicting Interest Transaction provided the material facts as to the Responsible Person's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors or to a committee of the WSU Foundation that authorizes, approves or ratifies the Conflicting Interest Transaction, and the Board of Directors in good faith authorizes, approves or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Directors on the Board, even though the disinterested Directors are less than a quorum.

#### WASHINGTON STATE UNIVERSITY FOUNDATION INVESTMENT COMMITTEE Last Revision Date: October 21, 2021

#### **PURPOSE:**

The Investment Committee, a standing committee established under the Restated Bylaws of the WSU Foundation, shall have the limited authority to act on behalf of the Board of Directors in the investment and management of all property and assets held for investment by the WSU Foundation, planned gift assets held in trust or agreement by the WSU Foundation, and those University assets entrusted to the WSU Foundation for investment management under contract (collectively, "Institutional Funds"). The Investment Committee shall prepare, oversee and maintain investment policies and asset allocation strategies for investing capital of, or managed by, the WSU Foundation, along with a consistent monitoring of investment performance and investment management.

#### **ESTABLISHMENT:**

The WSU Foundation exists for the sole and exclusive benefit of the University and under agreement with the University the WSU Foundation shall:

"Accept, hold, administer, invest, and disburse funds of any kind or character, as from time to time may be given to it, in accordance with the terms of such gift, and distribute all unrestricted gift funds to the University, and distribute the spending rate from endowed funds in accordance with the then applicable Washington State University Foundation Consolidated Endowment Fund-Investment Policy Statement."

The Board of Directors of the WSU Foundation delegates management and investment of its Institutional Funds, pursuant to RCW 24.55.035, to the Investment Committee. The Amended and Restated Bylaws of the WSU Foundation establishes the Investment Committee in stating the following:

"The Investment Committee shall be responsible for investments, reinvestments, and general management of all property and assets held for investment by the WSU Foundation, planned gift assets held in trust or agreement by the WSU Foundation, and those University assets entrusted to the WSU Foundation for investment management under contract with the University. The Investment Committee shall develop investment policies and asset allocation strategies to be presented to the Board of Directors for approval, for investing capital of the WSU Foundation, along with a consistent monitoring of investment performance and investment management. Investment policy and guidelines, as well as performance against benchmarks shall be reported, at least quarterly, to the Board of Directors, and the Board of Regents of the University and University administration."

WSU Foundation Investment Committee Charter Last Revision Date: October 21, 2021 Page 1 of 5

#### **COMPOSITION:**

- 1. The Committee shall be comprised of at least seven (7) but not more than eleven (11) appointed members (voting) and select ex-officio members (non-voting). Ex-officio (non-voting) member positions are designated by the Board of Directors, but shall include at least one University representative, the WSU Foundation Chief Executive Officer, the WSU Foundation Chief Foundation Officer, one Audit Committee Member, and the Board Treasurer.
- 2. The Regents shall appoint two (2) voting members, one of whom must be a member of the Regents, the other a Regent or a volunteer with investment expertise and experience, selected upon consultation with the Committee, subject to notice to the Board of Directors. These members serve a one-year (1-year) renewable term upon appointment by the Regents.
- 3. Other voting members shall be appointed by the Chair/President of the Board of Directors and are selected from Board members or volunteers with investment expertise and experience upon consultation with the Committee, and subject to notice to the Regents. These members serve a four-year (4-year) term, renewable upon appointment by the Chair/President of the Board of Directors.

#### **COMMITTEE CHAIR:**

The Chair/President of the WSU Foundation shall appoint the Investment Committee Chair, in consultation with the CEO of the WSU Foundation, and subject to approval of the Board of Directors or the Executive Committee and subject to notice to the Board of Regents.

- 1. The Committee Chair will be a member of the Board of Directors and serve on the Executive Committee.
- 2. The Committee Chair will provide leadership for and preside at the meetings of the Investment Committee.
- 3. The Committee Chair will appoint a Vice-Chair who also serves on the Board of Directors to preside over meetings in the Chair's absence.
- 4. The Committee Chair may invite other appropriate Foundation and University financial management staff and other outside advisors to participate in an Investment Committee meeting.

#### **STAFF:**

- 1. Staff support for the Investment Committee shall be provided by or through the Chief Executive Office of the WSU Foundation or their designee.
- 2. Meeting materials may be compiled by staff of the WSU Foundation and delivered in a complete and timely manner to the Committee at the direction of the Committee Chair.

#### **QUORUM/VOTING:**

- 1. The presence of a simple majority of the voting members of the Investment Committee shall constitute a quorum for the purpose of transacting committee business. Any action that may be taken by the Committee at a meeting may be taken without a meeting if all of the voting members consent thereto in writing prior to the action being taken.
- 2. In all voting matters, motions will be passed by a simple majority of the voting members in attendance and constituting a quorum.
- 3. For voting members who cannot attend meetings in person, they may attend by remote communications as long as all voting members participating in the meeting can hear each other at the same time. Participation by such means constitutes presence in person. A member may not vote by proxy.

#### **MEETINGS:**

- 1. The Investment Committee shall meet at least four (4) times a year, once each calendar quarter.
- 2. Other meetings may be called by the Committee Chair, as needed, to fully carry out the purposes of the Investment Committee.
- 3. The minutes of all meetings of the Investment Committee, and all actions taken therein, shall be available for inspection at the registered office of the WSU Foundation for all members of the Board of Directors, following any Investment Committee Meeting and reported to the Board of Directors at its next regularly scheduled meeting.

#### **EXECUTIVE SESSION:**

Executive session dedicated for voting members only will be part of each meeting. The President of WSU, CEO of WSU Foundation, and other staff, consultants or advisors at discretion of Committee Chair, may be invited to participate in the executive session. Otherwise, the executive session will be for voting members only.

#### **CONSULTANTS:**

- 1. The Investment Committee will select qualified external investment managers to manage the Institutional Funds; provided, however, any change in management of planned gift investments shall be in consultation with the CEO of the WSU Foundation and gift planning team representatives.
- 2. The Investment Committee will establish and regularly review manager structure guidelines for the Institutional Funds.
- 3. The Investment Committee will select other service providers it deems appropriate to carry out its function, including, but not limited to, independent investment consultants.
- 4. The Investment Committee may communicate directly with the investment managers and investment consultants, at its discretion.

#### **RESPONSIBILITIES:**

#### Investment Management and Investment Policy Oversight:

- 1. The Investment Committee is delegated authority to act on behalf of the Board of Directors in the investment and management of Institutional Funds on behalf of the WSU Foundation.
- 2. The Investment Committee will develop objectives, policies and guidelines for the investment of Institutional Funds for presentment to the governing boards of the WSU Foundation and University for approval.
- 3. The Investment Committee will develop and maintain an investment policy statement that establishes the role of the Investment Committee, identifies responsibilities, addresses investment objectives, asset allocation, spending policies, rebalancing, cash flow management, manager performance standards, manager evaluation processes, communications and reporting.
- 4. The Investment Committee will evaluate policy compliance, review progress in achieving the goals and assess the effectiveness of the investment program on a quarterly basis. The Investment Committee will periodically review and evaluate ongoing understanding and relevance of investment policies of commingled funds and the components of the Institutional Funds.
- 5. The Investment Committee will take appropriate action if objectives are not being met or if policy and guidelines are not being followed.
- 6. The Investment Committee will establish and periodically review the Institutional Funds asset allocation and, in concert with the Finance Committee, will set the current spending policy for endowment funds.

#### Reporting:

- 1. The Committee Chair will report on Committee activities and actions, to include Institutional Funds' performances, to the Board of Directors at its next regularly scheduled meeting.
- 2. The Committee will forward a report at the end of each quarter to the WSU Board of Regents and the WSU Foundation Board of Directors which will include portfolio activity, value, endowment performance vs. benchmarks, and asset allocation (target and actual).

#### Risk Management:

- 1. The Investment Committee will exercise reasonable care and prudence in complying with applicable state and federal laws, regulations, and rulings that relate to the investment of assets under management of the WSU Foundation, including, but not limited to, the Uniform Prudent Management of Institutional Funds Act Chapter 24.55 RCW).
- 2. The Investment Committee will establish and comply with policies addressing issues that may result in perceived or actual conflicts of interest (including but not limited to relationships with investment managers or other firms involved with the Institutional Funds and receipt by committee members of gifts or entertainment.

3. The Investment Committee will keep the Audit Committee informed of any laws, regulations, rulings or investment decisions that might affect the annual audit of the WSU Foundation, and all matters involving a potential or actual conflict-of-interest.

#### Charter and Policy Review:

- 1. The Investment Committee will review the Investment Committee Charter annually and recommend revisions as necessary.
- 2. The Investment Committee will review the Investment Policy Statement annually and recommend revisions as necessary.

#### **AUTHORITIES & LIMITATIONS:**

10-01-2021:	Resolution 10-21-2021-02 updates the committee charter.
10-01-2020:	Resolution 10-01-20-5 updates the committee charter.
<u>9-26-2013:</u>	Resolution 9-26-13-03 updates the committee charter.
10-20-2011:	Resolution 10-20-11-03 updates the committee charter.
10-8-2004:	Resolution 10-8-04-5 authorizes creation of the Investment Committee.
10-6-2004:	Creation of an Investment Committee is contemplated by the Restated Bylaws of Washington State University Foundation (Bylaws effective 10/6/04).

# ACTION ITEM #1 2023 Board of Regents Meeting Schedule (Kirk Schulz)

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Establishment of the 2023 Board of Regents Meeting Schedule
- SUBMITTED BY: Kirk H. Schulz, President
- PROPOSED: That the Board of Regents approve the schedule for the 2023 Board of Regents Meetings; and delegate 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.

SUPPORTING INFORMATION:

Proposed meeting dates are as follows:

2023

<u>Date</u>	<u>Location</u>
January 26-27, 2023	Electronic
March 9-10, 2023	Tri-Cities
May 4-5, 2023	Spokane
June 8-9, 2023 (Retreat)	TBD
September 14-15, 2023	Pullman
November 16-17, 2023	Vancouver

# **BOARD OF REGENTS**

2023 Board of Regents Meeting Schedule

# **Resolution #211119-647**

BE IT RESOLVED that the Board of Regents of Washington State University hereby adopts the following schedule of meeting dates for 2023:

<u>Date</u>	Location
January 26-27, 2023	Electronic
March 9-10, 2023	Tri-Cities
May 4-5, 2023	Spokane
June 8-9, 2023 (Retreat)	TBD
September 14-15, 2023	Pullman
November 16-17, 2023	Vancouver

BE IT FURTHER RESOLVED that pursuant to RCW 28B.10.528, authority is hereby delegated to the President of the University or his designee to select and designate appropriate meeting 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.

BE IT FURTHER RESOLVED that when a regular meeting is rescheduled, notice thereof will be given in conformance with the notice requirements specified by the Open Public Meetings Act for special meetings, with the understanding that special meetings may be called by the President of the Board or as otherwise provided by law.

BE IT FURTHER RESOLVED that the Board of Regents may convene Executive Sessions whenever it is deemed necessary in the interest of the University for the purpose of discussing matters or items for which Executive Sessions are authorized in RCW 42.30 as it now exists or may be amended hereafter.

DATED this 19th day of November, 2021.

Chair of the Board of Regents

Secretary of the Board of Regents

# BOARD OF REGENTS

WASHINGTON STATE UNIVERSITY

# Agenda Research and Academic Affairs Committee Thursday, November 18, 2021 1:15 p.m. – 2:30 p.m.

Location: WSU Vancouver, Firstenburg Student Commons Room	01-103
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Committee Members: Lura Powell (Chair), Marty Dickinson, Jenette Ramos, and Ron Sims

Information Items		<u>Section</u>	
1.	Items Approved Under Delegated Authority (Hill)	R-1	
	<ul> <li>a. Faculty Manual Revision – Sections II.F.* (Summary Suspension) and III.D.14 (Leave without Pay)</li> <li>b. Rename Bachelor of Arts in Women's Studies Degree to Bachelor of Arts in Women's Gender, and Sexuality Studies</li> </ul>		
2.	Academic Affairs Update <i>(Hill)</i>	R-2	
3.	Office of Research Update (Keane/Kawula)	R-3	

## **INFORMATION ITEM #1**

## Faculty Manual Revisions and Rename of Degree by the President Under Delegated Authority (Elizabeth S. Chilton/Laura G. Hill)

## Faculty Manual Revisions

The Faculty Senate recommended approval for the following Faculty Manual revisions.

- Section II.F.8: Summary Suspension
- Section III.D.14: Leave without Pay

### Rename of Degree

The Faculty Senate recommended approval to rename the following degree.

• Rename the Bachelor of Arts in Women's Studies Degree to Bachelor of Arts in Women's, Gender, and Sexuality Studies

Memorandums denoting the above items as submitted to President Schulz for consideration are attached. Both recommendations were passed by Faculty Senate during the October 7, 2021 and a summer 2021 meeting, respectively.



Office of the Provost and Executive Vice President

#### MEMORANDUM

TO:	Kirk Schulz, President
FROM:	Elizabeth S. Chilton, Provost and Executive Vice President Eschilton
SUBJECT:	Request for Approval – <i>Faculty Manual</i> Revisions to Sections II.F.8 (Summary Suspension) and III.D.14 (Leave without Pay)
DATE:	October 8, 2021

The Faculty Senate recommended approval for the following Faculty Manual revisions.

Faculty Manual Revisions

- Section II.F.8: Summary Suspension
- Section III.D.14: Leave without Pay

The recommendations were passed by the Faculty Senate during the meeting on October 7, 2021. Redline changes for the *Faculty Manual* revisions are appended to this memorandum.

If you require any additional background information or have questions, please do not hesitate to contact me. Thank you in advance for your consideration.

Approved by:

Kirk Schulz, President

Date

Attachments:

Redline revisions to Section II.F.8 Redline revisions to Section III.D.14

Cc:

Christine Hoyt, Chief of Staff Desiree Jacobsen, Executive Assistant to the Board of Regents

> PO Box 641046, Pullman, WA 99164-1046 509-335-5581 | Fax: 509-335-0103 | provost.wsu.edu



Office of Faculty Senate

#### MEMORANDUM

TO: Office of the President

FROM: Matthew Hudelson, Executive Secretary, Faculty Senate

RE: Edits to Sections II.F.8 and III.D.14 in the Faculty Manual

**DATE:** October 8, 2021

During the regular meeting of the WSU Faculty Senate held on October 7, 2021, the attached additions to Sections II.F.8 and III.D.14 of the *Faculty Manual* were approved by a final vote of 54 to approve and 1 to reject.

I request that I be notified promptly once President Schulz approves these amendments. They will be incorporated into the *Faculty Manual* immediately upon such notification.

#### FACULTY SENATE-APPROVED AMENDMENTS TO THE FACULTY MANUAL ADDITIONS TO SECTION II.F.8 AND SECTION III.D.14

Original additions recommended by the Attorney General are in red.

A further addition recommended by Faculty Affairs Committee and reviewed by the Attorney General is in blue.

A final addition, in green, was approved by amendment on the Senate floor that was approved by a vote of 45 to approve and 10 to reject.

#### II.F.8 First Paragraph:

Summary Suspension is the responsibility of the president. Ordinarily, the disciplinary authority of the University will be invoked only after completion of the procedures established for the review of discipline cases and after the individual has utilized any appeal procedures desired as described in the following sections of the disciplinary regulations. A decision by the provost to place an individual faculty member on leave without pay while the faculty disciplinary process is pending is not considered a summary suspension if the individual is legally prohibited from performing their assigned responsibilities, as detailed in Section III.D.14 of the Faculty Manual.

#### III.D.14 Second Paragraph:

If a faculty member chooses to strike against the University or otherwise not perform assigned responsibilities, including the intentional refusal to comply with any statutory, regulatory, or other legal prerequisites to the faculty member's performance of their assigned responsibilities, he or she shall inform the immediate administrative superior of such intention at least twenty-four (24) hours in advance of action. Going on strike and/or otherwise willfully failing to perform regular duties shall be considered an automatic request by a faculty member for leave without pay. Such a request will normally be granted for the period during which the faculty member is not on duty. When the faculty member fails to perform assigned responsibilities, without providing notification of intent to strike, the principal administrative officer, after consultation with the immediate administrative officer, will determine whether that person is on strike or otherwise not performing assigned responsibilities. These provisions shall not prejudice the right of the University to initiate disciplinary action in accordance with the regulations provided. See also BPPM 60.56.



Office of the Provost and Executive Vice President

#### **MEMORANDUM**

TO:	Kirk Schulz, President
FROM:	Elizabeth S. Chilton, Provost and Executive Vice President Collins
SUBJECT:	Request for Approval of Renamed Degree – Bachelor of Arts in Women's, Gender, and Sexuality Studies
DATE:	October 19, 2021

The Faculty Senate recommended approval for the following degree rename.

**Degree Rename** 

• Bachelor of Arts in Women's Studies Degree to Bachelor of Arts in Women's, Gender, and Sexuality Studies

The recommendation was passed by the Faculty Senate's Steering Committee during summer 2021. The full proposal is appended to this memorandum.

If you require any additional background information or have questions, please do not hesitate to contact me. Thank you in advance for your consideration.

Approved by: Ki**rk** Schulz, President Date

Attachments:

Rename proposal - Bachelor of Arts in Women's, Gender, and Sexuality Studies

Cc: Christine Hoyt, Chief of Staff Desiree Jacobsen, Executive Assistant to the Board of Regents



Office of the Provost and Executive Vice President

#### **MEMORANDUM**

TO:	Matt Hudelson, Executive Secretary, Faculty Senate
FROM:	Elizabeth S. Chilton, Provost and Executive Vice Presiden Efficiency
SUBJECT:	Proposal to Rename the Degree and Course Prefix, Women's Studies
DATE:	July 6, 2021

On September 20, 2018, the Faculty Senate approved a proposal to change the name of the Program in Women's Studies. The new unit name, the Program in Women's, Gender, and Sexuality Studies, represented the broader mission of the unit and reflected national trends in the field.

This past spring, leadership in the program and college submitted the attached proposal to rename the degree and the course prefix to align with the name of the unit. The Provost's Office has received positive feedback and recommends that the Faculty Senate consider this for approval to be effective fall 2021.

With support from the Faculty Senate, the fall 2021 graduating class will reflect the new name, the **Bachelor of Arts in Women's, Gender, and Sexuality Studies**. In addition, the course prefix abbreviation will change to **WGSS** (with the formal description being Women's, Gender, and Sexuality Studies).

Thank you in advance for your consideration.



Program in

Women's, Gender, and Sexuality Studies COLLEGE OF ARTS AND SCIENCES

June 7, 2021

Dr. Elizabeth Chilton Provost and Executive Vice President Washington State University Pullman, WA 99164

Dear Provost Chilton,

On behalf of the Affiliate Faculty of the Program in Women's, Gender, and Sexuality Studies, and with the approval of Todd Butler, Dean, College of Arts and Sciences, and the endorsement of Donna Potts, Chair, Department of English, I am writing to formally request Provost approval for a change to the Course Subject (formerly "Course Prefix") for the Program in Women's, Gender, and Sexuality Studies from "WOMEN\_ST" to "WGSS," effective fall 2021.

As you know, Women's Studies reorganized in 2018 and became the Program in Women's, Gender, and Sexuality Studies, administratively relocating to the Department of English while retaining a BA in Women's Studies and minors in both Women's Studies and Queer Studies. Along with creating a formal <u>Affiliate</u> Faculty system from across the WSU system, the Provost and Dean-approved restructuring proposal included updating the name of the unit and the curriculum—the major and two minors. The rationale for these changes included better alignment with recent developments in the field nationally and internationally (to include the study of masculinity and other genders, as well as sexualities outside normative heterosexuality), more accurate representation of the range of courses offered in a robust cross-listed curriculum, and a streamlined program structure. The curriculum revision was completed in 2019-2020 and is in place. In March 2021, materials, including a rename degree form and a formal request, were submitted to rename the BA from Women's Studies to Women's, Gender, and Sexuality Studies, effective fall 2021, which will align it as well with developments in the field and better reflect coursework that students currently take as requirements and electives for degrees in WGSS.

I now write to complete the process of aligning program name, curriculum, degree name, and course prefix so that they all accurately reflect the updated range of courses that are offered through WGSS, including both those parented in WGSS and those that are cross-listed with other units. I understand from the Registrar that the Catalog Subcommittee has approved both the request to rename the BA to Women's, Gender, and Sexuality Studies and the request to change the course subject to WGSS.

Thank you, and if you have any questions or concerns about the course subject change for WGSS, please contact me at <a href="mailto:phoma@wsu.edu">phoma@wsu.edu</a>.

Sincerely,

Pamela Shoma

Pamela Thoma, PhD Associate Professor of English Director, Program in Women's, Gender, and Sexuality Studies

lodd ISu

Todd Butler, Dean College of Arts and Sciences

PO Box 645020, Pullman, WA 99164-5020 509-335-2581 | Fax: 509-335-2582 | wgss@wsu.edu | wgss.wsu.edu



Program in Women's, Gender, and Sexuality Studies COLLEGE OF ARTS AND SCIENCES

21 March 2021

Dear Dean Butler,

On behalf of the Affiliate Faculty of the Program in Women's, Gender, and Sexuality Studies, I am writing to consult about and seek signature support for the proposed name change of our undergraduate degree from "BA in Women's Studies" to "BA in Women's, Gender, and Sexuality Studies."

As you know, Women's Studies reorganized in 2018 and became the Program in Women's, Gender, and Sexuality Studies, administratively relocating to the Department of English while retaining a BA in Women's Studies and minors in both Women's Studies and Queer Studies. Along with creating a formal <u>Affiliate Faculty</u> system from across the WSU system, the Provost and Dean-approved restructuring proposal included updating the name of the unit and the curriculum—the major and two minors. The rationale for these changes included better alignment with recent developments in the field nationally and internationally (to include the study of masculinity and other genders, as well as sexualities outside normative heterosexuality), and to streamline the curriculum for the new structure with a goal of building the major. The curriculum revision was completed in 2019-2020 and is in place. The degree is now ready for its updated name: the BA in Women's, Gender, and Sexuality Studies, which will align it with developments in the field and better reflect coursework that students now take as requirements and electives.

Some additional relevant background: when the BA in Women's Studies was still housed in the Department of Women's Studies in what was then the College of Liberal Arts, and in recognition of changes in the field and newly hired tenure-stream faculty with appropriate expertise, the chair of the unit surveyed students, and then the faculty agreed to change the name of the unit, followed by a change to name of the degree, to Women's, Gender, and Sexuality Studies. However, the creation of the College of Arts and Sciences, a merger into the Department of Critical Culture, Gender, and Race Studies, and revision of curriculum and organization for that new unit intervened. In other words, this change for the BA has been planned for quite some time.

This year, and working with the WGSS Advisory Committee, I have sought informal input from current students, consulted officially with the WGSS Affiliate Faculty, many of whom teach cross-listed courses for the degree, and gained support of the Chair of English, Donna Potts, for the name change. As noted in the attached rename degree form, WGSS Affiliate Faculty from the WSUV campus, including the Vice Chancellor of WSUV and the CAS Academic Director at WSUV, were consulted as part of this process. In addition, participating Affiliate Faculty from the College of Agriculture, Human, and Natural Resource Sciences were consulted. The response was unanimous support with no negative or ambivalent/unsure input. Indeed, there is overwhelming support from WGSS constituents for what is generally acknowledged to be a positive change. I have also tracked discussion on the National Women's Studies Association's Program Administrators and Directors listery of name change initiatives at other

PO Box 645020, Pullman, WA 99164-5020 509-335-2581 | Fax: 509-335-2582 | wgss@wsu.edu | wgss.wsu.edu institutions since spring 2018, as this leadership discussion evidences continuing revision of the degree and field, with the most recent discussion occurring in early March 2021. Finally, I also sought the input of former leadership, now retired, who led the unit in earlier periods, and they agree that this is an appropriate change. The penultimate step, according to instructions received from the registrar and the Provost's office, is to gain Dean support and an endorsing signature on the rename degree form.

Thank you, and if you have any questions or concerns about this proposed degree name change, please contact me at <u>pthoma@wsu.edu</u>. I am happy to answer any questions.

Sincerely,

Daniela Shoma

Pamela Thoma, PhD Associate Professor, English Director, Program in Women's, Gender, and Sexuality Studies <u>pthoma@wsu.edu</u>

WASHINGTON STATE **S** UNIVERSITY

# Academic Affairs Update

WSU Board of Regents Meeting

November, 2021

# High-impact practices for student success

- Transformational Change Initiative began in 2016, funded by strategic reallocation grants
- Goals: Increase student retention, decrease risk behaviors
- Three components, three different touchpoints
  - Parents: Handbook on parenting young adults
  - Faculty: Evidence-based approaches to increase resilience
  - Students: Road-map to co- and extracurricular activities

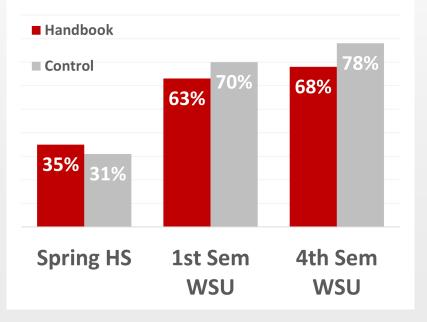
# **Parent Handbook**

- Parents underutilized in supporting students when they go to college
  - Many parents get the explicit message to "back off"
- Three parent roles important during/after transition to college
  - -Coach
  - Safety Monitor
  - Cheerleader
- Handbook has interactive exercises for parents to do with students, or on their own, to explore those roles

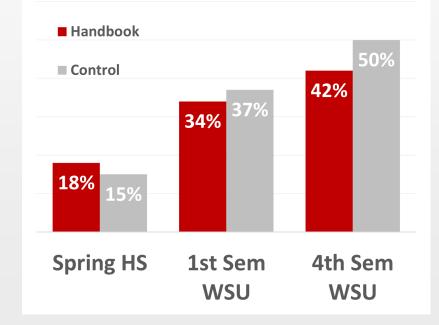
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# Handbook Results: Student Substance Use

## Students' 30-Day Alcohol Use



## Students' 30-Day Cannabis Use



provost.wsu.edu

# LIFT and LAUNCH

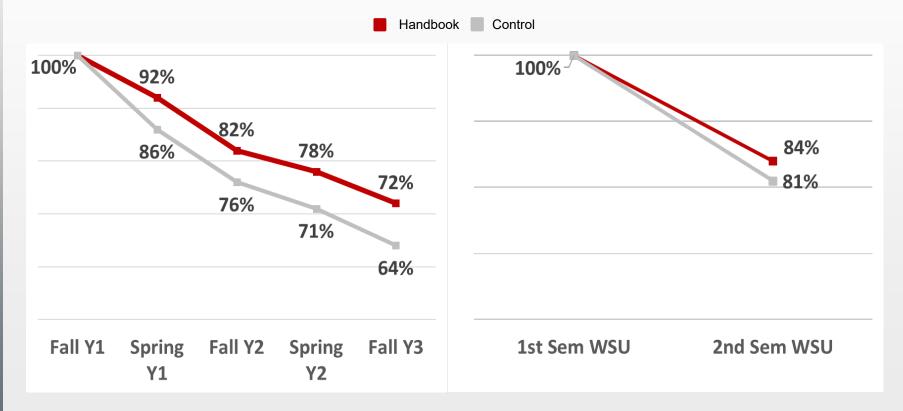
- Learn. Inspire. Foster. Transform. (Faculty Fellowship)
  - Increase student resilience & persistence
    - Growth mindset
    - Sense of belonging
    - Values-based decision making
  - 120 Faculty Fellows, 9819 students across 2 years
    - 55 departments, 9 colleges, 4 campuses
- LAUNCH (Student Involvement in High-Impact Opportunities)
  - Students identify their GPS
    - Goals, Personal Values, Strengths
  - Delivered through large classes, TRIO programs, peer mentors
  - 2202 LAUNCH students across 2 years
    - 40 departments, 9 colleges

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# **Student Retention Across 5 Semesters**

## **LIFT Faculty Development**

## **LAUNCH Student Experience**



provost.wsu.edu

# **Scale-up and Dissemination**

- Handbook: State HCA funding dissemination of handbook to other universities across the state
- LIFT and LAUNCH: Retention data represent estimated savings of \$7.4m with a scale-up to 75% of students
- Scale-up of all 3 components begins in 2022

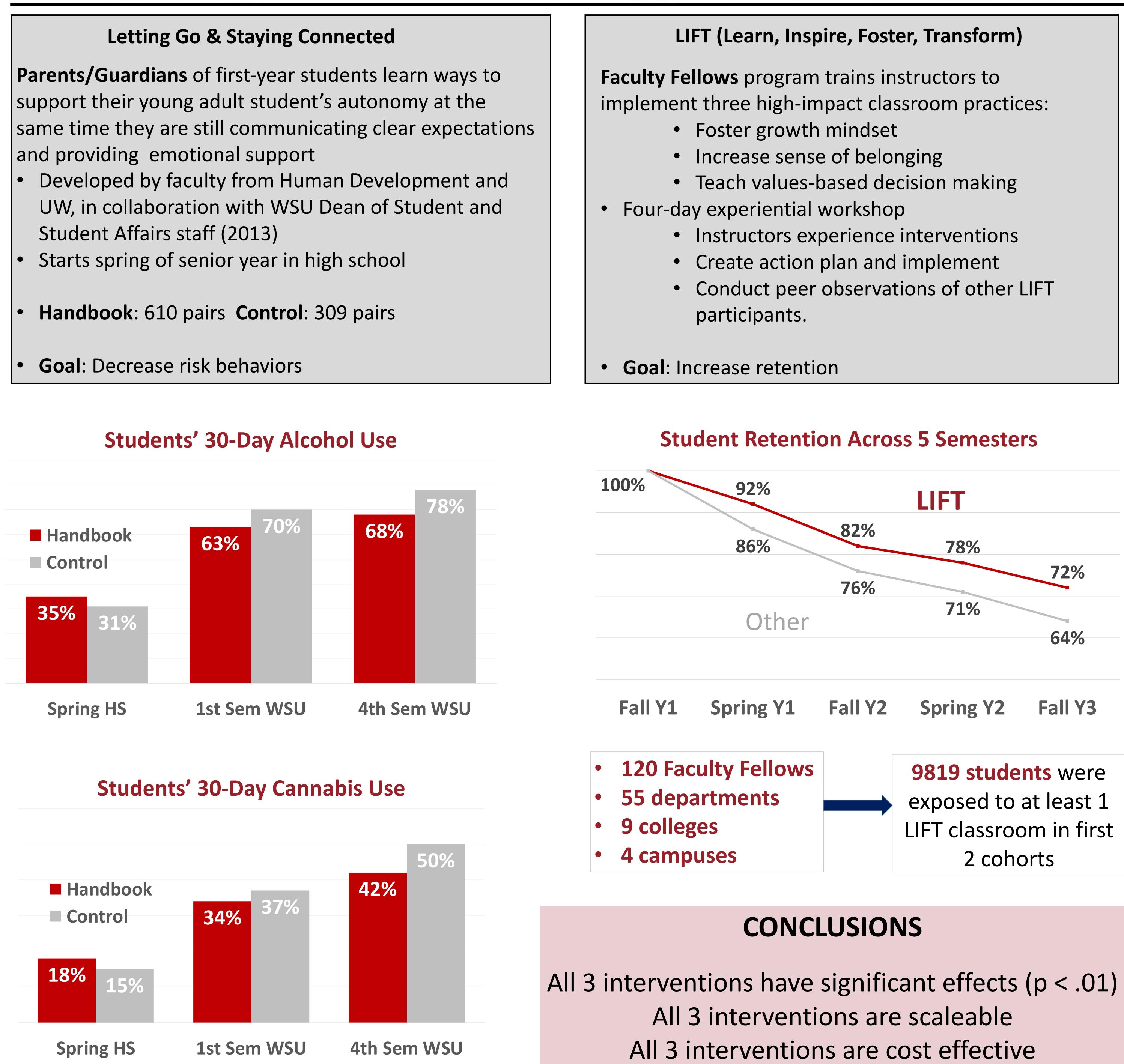


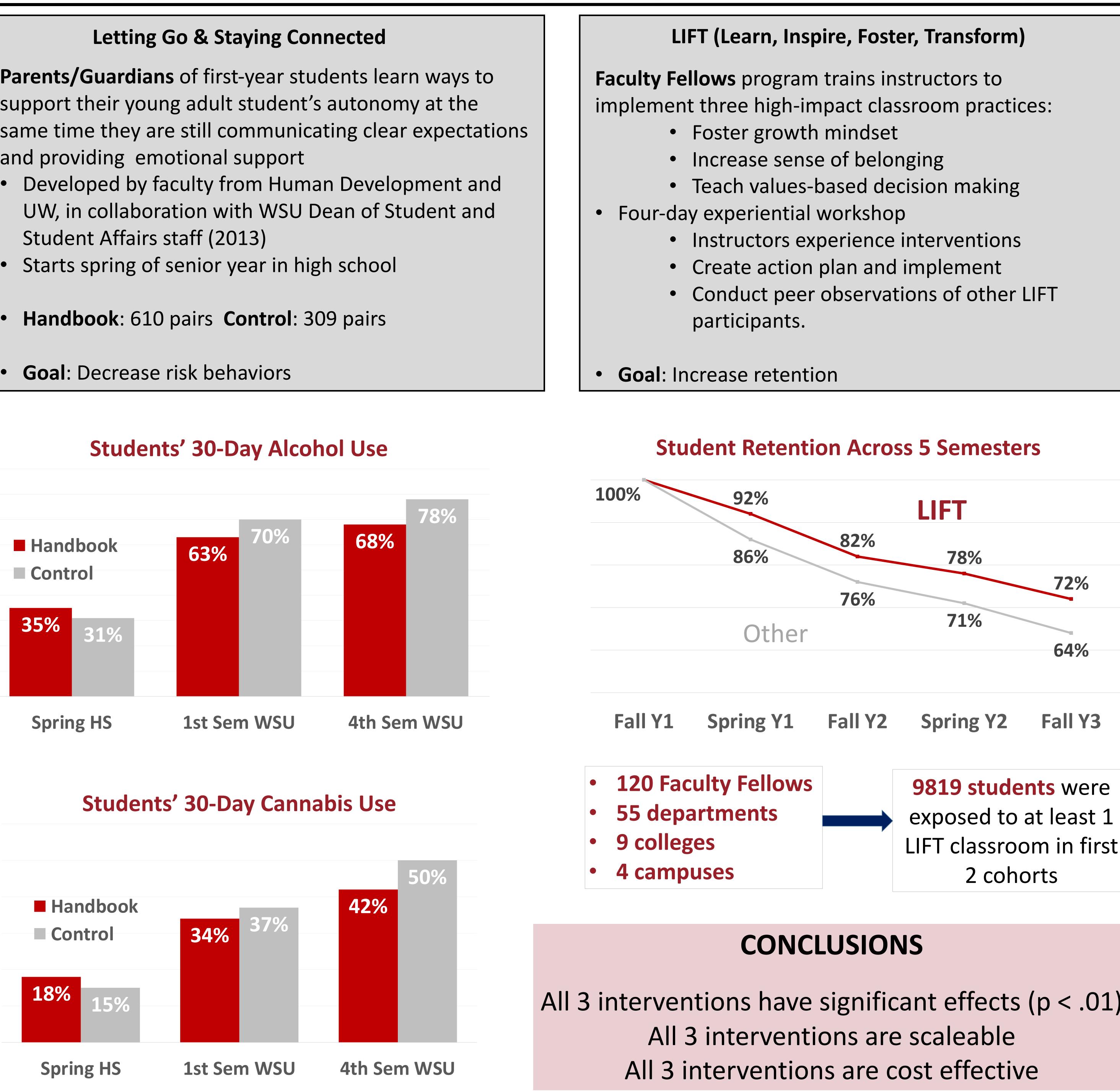




# **PIs**: Laura Hill, Sam Swindell, & Bill Davis

- Student Affairs staff (2013)

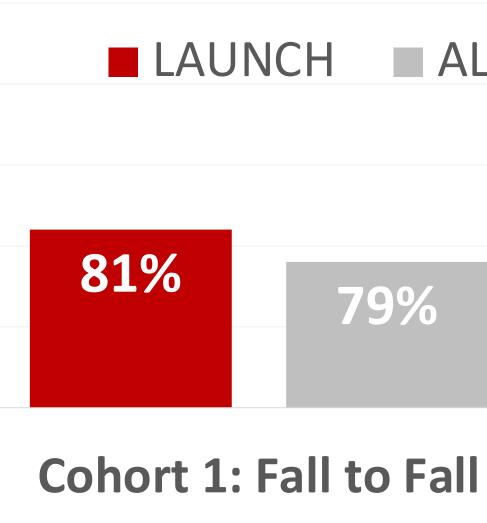




# Letting Go & Staying Connected, LIFT, and LAUNCH

# LIFT classroom in first

# **Student Retention From Fall Y1 to Fall Y2**





Institutionalize Operations Disseminate, Replicate, Publish **NIH-Funded Adaptation of Parent Handbook** 



# Transformational Change Initiative

WASHINGTON STATE UNIVERSITY

# **Director:** Katie Forsythe

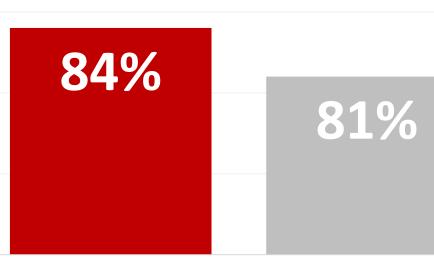
# LAUNCH

**Students** who go through LAUNCH learn to: • identify their **GPS**: **G**oals, **P**ersonal values, and **S**trengths Identify experiential learning opportunities that align with their values, play to their strengths, and move them toward their postgraduation goals. • Plan their academic journey

Delivered through Psych 105 and TRIO programs

**Goals**: Increase retention and job readiness

ALL OTHER



**Cohort 2: Fall to Fall** 

**2202 LAUNCH students** 40 departments **9** colleges

# **NEXT STEPS**



# **WSU Research Awards Update**

November 17, 2021

Presented by: Tom Kawula, Professor and Director of the Paul G. Allen School of Global Health, WSU

Christopher Keane, Vice President for Research, WSU and Vice Chancellor for Research, WSU Pullman

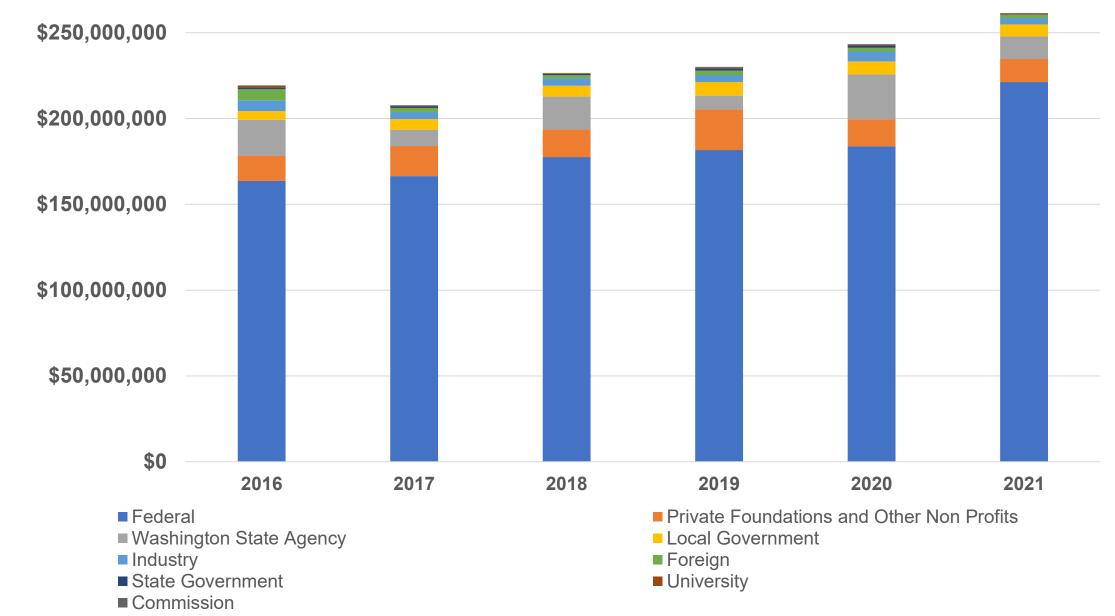
# Agenda

- Overview of recent WSU research awards (C. Keane)
- Discussion: US Agency for International Development award: "Discovery & Exploration of Emerging Pathogens
  - Viral Zoonoses (DEEP VZN)" (T. Kawula)





## WSU Awards by Sponsor Type- FY16-FY21: Our award success is a team effort!



Al Institute: Agricultural Al for Transforming Workforce & Decision Support (AgAID)

PI: Ananth Kalyanaraman (EECS, VCEA)

Agency: NSF AI Institute- funded by US Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA)



## Amount: \$20,000,000

This multi-institution, transdisciplinary National AI Research Institute will develop artificial intelligence (AI) solutions to tackle some of agriculture's biggest challenges related to labor, water, weather, and climate change. The AgAID Institute will take an "adopt-adapt-amplify" approach. This means the Institute will design AI solutions in partnership with the people who use the tools, so they are practical and more likely to be adopted.

## **Partners**:

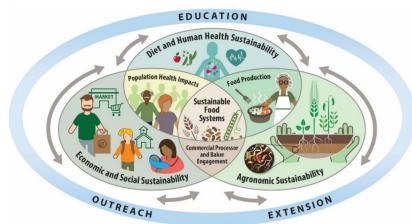


# **Optimizing Human Health & Nutrition: From Soil to Society**

PI: Kevin Murphy (Crop & Soil Sciences, CAHNRS)

Agency: US Department of Agriculture (USDA)

Amount: \$10,000,000



The Soil to Society project seeks to increase nutrition from the ground up, integrating soil quality, plant breeding, food science and health research. The long-term goals of this project are to create more nutritious, affordable, and accessible whole grain-based foods.

## Partners:





Washington State Department of Agriculture **Regional Markets Program** 









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Rivers, Watersheds, Communities: Training an Innovative, Cross-Sector Workforce for Equitable, Multi-Scale Decision-Making Towards Human & Ecosystem Health

PI: Jan Boll (Civil & Environmental Engineering, VCEA; CEREO)

Agency: National Science Foundation: Research Traineeships program (NRT)

Amount: \$3,000,000

This project will train an innovative STEM workforce with transdisciplinary research skills and core competencies to address challenges in rivers, watersheds, and communities (RWC) as they relate to human and ecosystem health (e.g., water quality, toxins and contaminants, sediments, and nutrients). This NRT program focuses geographically on the Columbia River Basin and aligns strongly with a diverse and far-reaching network of relationships with regional agencies, stakeholders, and tribal nations.

• 1<sup>st</sup> NRT funded at WSU

## **Partners:**



# Transforming Rural-Urban Systems: Trajectories for Sustainability in the Intermountain West

PI: Julie Padowski (CEREO)

Agency: National Science Foundation via University of New Mexico (UNM)

Amount: \$15,000,000 (WSU share: \$1,600,000)

WSU researchers will work on resilience of headwater watershed systems, sustainable food, energy, and water systems, and community engagement and partnerships. WSU scientists will provide support to the education, bootcamp, internship, workshop, and other training activities, including assisting in developing and delivering materials. Experiences from the research network will be incorporated into coursework. They will contribute to dissemination of findings, provide students with training in research, career development and communication skills, and collaborate with UNM and collaborating scientists as well as stakeholder partners to develop a long-term research network.

## **Partners:**













# Discovery & Exploration of Emerging Pathogens – Viral Zoonoses (DEEP VZN)

PI: Felix Lankester (PGASGH, CVM)

Agency: US Agency for International Development (USAID)

Amount: \$125,000,000 over 5 years



Lankester and his team bring their deep expertise in virus detection and characterization to build scientific capacity in partner countries to safely detect and characterize unknown viruses which have the potential to spill over from wildlife and domestic animals to human populations. The project plans to partner with 12 targeted countries in Africa, Asia, and Latin America to carry out large-scale animal surveillance programs.

## Partners:

**W** UNIVERSITY of WASHINGTON



Washington University in St. Louis SCHOOL OF MEDICINE





## Discovery and Exploration of Emerging Pathogens – Viral Zoonoses

Cooperative Agreement with the United States Agency for International Development

Project is to detect and characterize specific virus families found wildlife species with high potential to infect humans; and to improve preparedness to prevent, detect, and respond\_effectively to pandemic threats to human populations in the US and globally

Key Components:

WSU is the lead institution, consortium partners are UW, Washington University – St Louis, PATH, FHI360

Advancing diagnostic capabilities in low resource countries, building physical and technical capacity

Representative countries in Africa, Asia, Latin America

Strict criteria for country selection (commitment to data sharing, partnership, high risk environment)





## BOARD OF REGENTS

WASHINGTON STATE UNIVERSITY

## Agenda Student Affairs and Student Life Committee Thursday, November 18, 2021 1:15 p.m. – 2:30 p.m.

Location: WSU Vancouver, Engineering and Computer Science Building, Room 309

Committee Members: Enrique Cerna (Chair), Brett Blankenship, and Shain Wright

## Information Item

#### <u>Section</u>

1.System-wide Mental Health Support for Students/WashingtonS-1Student Achievement Council Grant (Taylor/Creighton)S-1



# System-wide Support for the Mental Health & Fundamental Needs of Students

DIVISION OF STUDENT AFFAIRS | NOVEMBER 2021

## 2021-2022

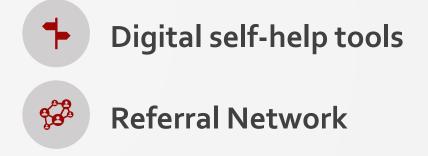
# **Mental Health Support Initiatives**

Upgrading ProtoCall membership and expanding to all campuses. *Target Jan. 2022.* 



After-hours crisis services

Peer support moderated by trained practitioners



Restored budget reductions in Student Affairs; some of these dollars provided equity and retention salary increases for mental health providers as well as disability access advisors. 2SSB 5800 – Legislation from 2019

# Supporting Students Experiencing Homelessness (SSEH) Pilot

Three qualifying categories:

- Currently experiencing homelessness
- Currently experiencing housing insecurity
- College students exiting foster care

Current grant allocates \$93,000 per year to address these needs with special attention to disparities among historically marginalized populations.

# WSU System Supporting Students Experiencing Homelessness (SSEH) Grant Plan Includes

- Funding for portion of professional staff position: Fundamental Needs Manager
- Peer focused support as resource navigators and trainers
- Emergency grant funding for storage, moving, house-lessness support kits, utilities, etc.
- Short term housing resources
- Fundamental needs support: gas/bus cards, laundry, move-in supplies, etc.

Fundamental needs survey adopted state-wide for spring 2022 and beyond for assessment.



# **Questions & Comments**

System-wide Support for the Mental Health & Fundamental Needs of Students DIVISION OF STUDENT AFFAIRS | NOVEMBER 2021

## BOARD OF REGENTS

WASHINGTON STATE UNIVERSITY

## Agenda Institutional Infrastructure Committee Thursday, November 18, 2021 1:15 p.m. – 2:30 p.m.

Location: WSU Vancouver, Engineering and Computer Science Building, Room 201M

Committee Members: Heather Redman (Chair), Lisa Schauer, and John Schoettler

## Information Items

## <u>Section</u>

II-1

- 1. Athletics Capital Projects (Pearson/Chun)
- 2. Focused Discussion Digital Infrastructure (Hoyt/Pillay/Hermanson)

## **INFORMATION ITEM #1**

Athletic Capital Projects (Stacy Pearson/Pat Chun)

### TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Athletics Capital Projects
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO Pat Chun, Director of Athletics

BACKGROUND

INFORMATION: Student-athletes come to Pullman from across the nation and throughout the world to compete at the highest level of Division I athletics and Washington State University. Facility projects are a significant part of building the foundation for Cougar Athletic programs to achieve both academic and athletic excellence. Currently, Athletics is engaged in capital fundraising efforts for two future facility projects. The opportunity to train and develop in the Indoor Practice Facility and Champions Complex will have a lasting impression on Cougar student-athletes for generations to come.

The Indoor Practice Facility will benefit all WSU athletic programs and will assist in recruiting the next exceptional Cougs to Washington State University. This landmark facility will raise the national profile of Washington State Athletics and make a profound impact on all Cougar student-athletes.

The Champions Complex will provide a world-class educational experience and deliver tools to develop the holistic growth of current and future Cougs. Student-athletes face more challenges than ever before. Athletics is dedicated to providing services that meet student-athletes' academic, professional development, and mental health needs to help overcome these ever-evolving challenges.

The Indoor Practice Facility and Champions Complex will continue Washington State Athletics' persistent pursuit of academic and athletic excellence. Athletics will provide updates to the Board of Regents on the progress of each of these facility projects moving forward.

# BOARD OF REGENTS

## Agenda Finance and Compliance Committee Thursday, November 18, 2021 2:45 p.m. – 4:30 p.m.

Location: WSU Vancouver, Firstenburg Student Commons, Rooms 101-103

Committee: Committee of the whole – Lisa Schauer (Chair)

Information Items		<u>Section</u>	
1.	Athletics Budget Update (Pearson/Chun)	F-1	
2.	Chief Compliance and Risk Officer Report (Kammerzell)	F-2	
Future Action Items			
1.	WSU Vancouver, Life Sciences Building – Request for Increase in Project Budget <i>(Pearson/Yang)</i>	F-3	
2.	Proposed Change to Delegation of Authority for Parking Rates and Fines ( <i>Pearson/Gardner</i> )	F-4	
Action Items			
1.	Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct ( <i>Pearson/Gardner</i> )	F-5	
2.	2022 State Supplemental Operating Budget Request (Pearson/Kerr)	F-6	

### **INFORMATION ITEM #1**

Athletics Budget Update (Stacy Pearson/Pat Chun)

#### TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Athletics Fiscal Review
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO Pat Chun, Director of Athletics

BACKGROUND

INFORMATION: Athletics continues to work closely with University Accounting to progress through the year-end close process and the final financial audit for FY2021. Once the audit has been finalized, Athletics will present the Regents with final numbers and analysis on FY2021 results.

Currently, there are no significant changes to report on the FY2022 projections beyond that reported to the Regents in September 2021. However, ticket revenue has improved over the previous forecast of 50% capacity for Gesa Field at Martin Stadium. As noted to the Board of Regents in May, spectator attendance continues to be the largest opportunity for improvement to the FY2022 budget. Athletics remains proactive in forecasting and anticipating potential impacts to current and future year budgets and will update the Regents as new information is available.

ATTACHMENT: FY22 Athletics Budget November 2021

### FY22 Athletics Budget November 2021

Washington State	Universit	ty			
REVENUES:	Projection FY22	FY23	FY24	FY25	FY26
Ticket Sales	3.7	10.3	10.2	10.3	10.3
Contributions/Endowments	9.5	11.2	11.7	11.6	11.4
NCAA/Pac-12	39.3	41.0	42.8	46.5	48.3
Royalties/Advert/Sponsor	4.0	4.1	4.2	4.4	4.5
Waivers/Student Fees	5.0	7.4	7.4	7.3	7.4
Other Revenue	7.2	8.5	8.6	8.6	8.6
Total Revenue	68.7	82.5	84.9	88.6	90.5
EXPENSES:					
Compensation	29.2	29.6	30.0	30.9	32.0
Scholarships	12.4	12.3	12.4	12.7	13.1
Sport Programs	13.9	13.8	13.9	14.2	14.6
Marketing/Fund Raising	2.2	2.1	2.1	2.2	2.3
Debt Payments	10.0	10.0	11.5	11.5	10.8
Direct Admin/Dues	4.0	4.2	4.3	4.5	4.6
Other Expense	11.8	10.5	10.7	11.1	11.0
Total Expenses	83.5	82.5	84.9	87.1	88.4
Net Income from Operations	(14.8)	0.0	0.0	1.5	2.1
Proceeds from Proposed External Financing	11.0	0.0	0.0	0.0	0.0
Net Income After Financing	(3.8)	0.0	0.0	1.5	2.1
Less: Capital Projects	(0.3)	(0.2)	(0.2)	(20.0)	(0.2)
Plus: Contributions in Excess of Cap. Expenses	4.4	2.3	2.2	1.7	1.4
Net Income after Capital Projects	0.3	2.1	2.0	(16.8)	3.4

## **INFORMATION ITEM #2**

### Chief Compliance and Risk Officer Report (Stacy Pearson/Sharyl Kammerzell)

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Chief Compliance and Risk Officer Report
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO

BACKGROUND

INFORMATION: WSU's Chief Compliance and Risk Officer (CCRO) position and function were established in early 2020. In accordance with the Board of Regents Finance and Compliance Committee charter, the CCRO is providing her regular report to the Regents.

#### <u>Overview</u>

Elements of an effective compliance program:

- 1. Implementing Policies, Procedures, and Standards of Conduct.
- 2. Designating a Compliance Officer and Compliance Committee
- 3. Training and Education
- 4. Effective Communication
- 5. Monitoring and Auditing
- 6. Disciplinary Guidelines
- 7. Detecting Offenses and Corrective Action

This report highlights activities under the first three elements:

 Implementation: At the central level, we have had three primary areas of focus. First, we recognized that an effective structure is the foundation of an effective compliance program. Foremost in an effective structure and recognized as best practice is a Compliance and Ethics program. Accordingly, we transitioned proactive ethics advisory duties from Internal Audit to the newly created Ethics Compliance Advisor position. Second, our health sciences compliance team has continued to build out necessary system-wide policies, as well as build a health sciences compliance network. Finally, we are actively working across the system to address Clery Act compliance for all of our locations.

- System-Wide Compliance Committee: In recognition of the role of compliance system-wide, we have established this committee as a presidential committee. A survey of committee members identified training as the highest priority of the compliance program elements needed across the system and the various compliance units represented on the committee.
- Compliance Training and Education: Our initial focus on training allows us to build toward a principled compliance program that compliments the strategic plan. We have addressed training by:
  - implementing annual system-wide training on sexual harassment and discrimination, and introducing a mandatory ethics training;
  - o creating a central compliance website; and
  - building out our knowledge base of training tools.

#### Risk Management:

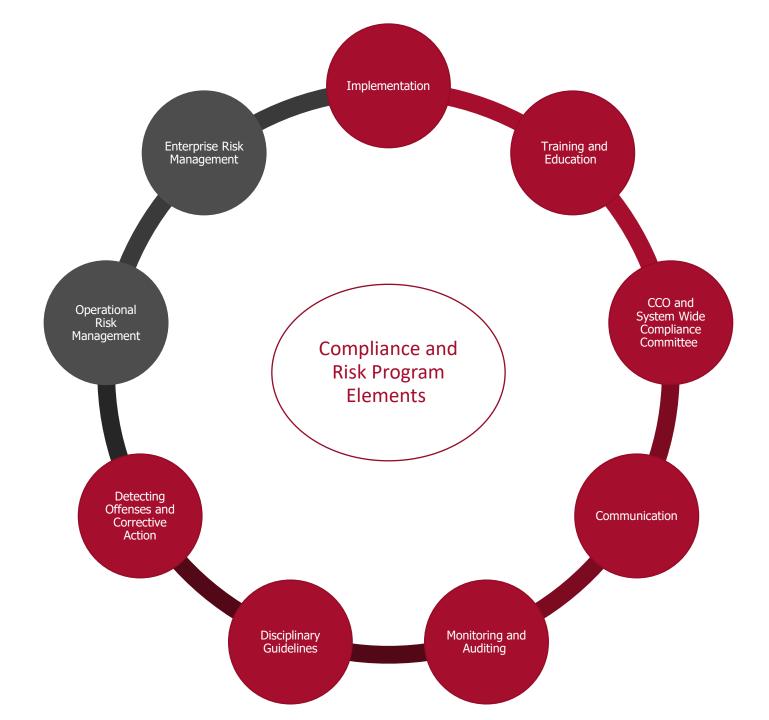
- Operational Risk Management
  - Risk Assessments and Due Diligence: Together with colleagues throughout the WSU system, we are working towards a more structured risk assessment process for projects presenting unique challenges, structures, or higher risk.
  - Risk Mitigation and the Insurance Market: The insurance market is facing significant challenges. Areas of coverage that are contracting and/or seeing significant premium increases include cyber, property, and general and professional liability insurance. We are exploring alternatives, including the creating of a captive insurance program.
- Enterprise Risk Management: We are implementing Origami ERM software. Previously our ERM was based on a periodic survey resulting in a static document. The Origami software allows us to see our risks at a glance, filter our risks across units, overlay our risks on the strategic plan, readily update our risks, and ultimately bring ERM knowledge into real-time decision making. The initial implementation of this project is scheduled for completion by January 2022.



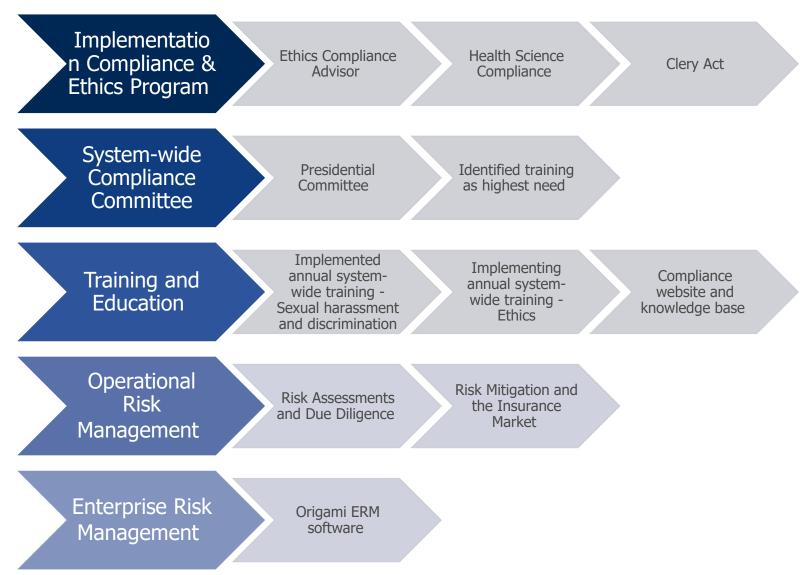
WASHINGTON STATE UNIVERSITY Compliance and Risk Management

Sharyl Kammerzell

Associate Vice President, Chief Compliance and Risk Officer



# **Program Focus Areas**



# Implementation-Ethics Compliance Advisor

- Created position of Ethics Compliance Advisor –duties formerly with Internal Audit
- Transition to required ethics training
- Developed ethics training for online delivery

ETHICS COMPLIANCE AND RISK MANAGEMENT

# Ethics

### **Ethics Compliance Advisor**

All University employees and officers are expected to comply with all laws and University polices concerning ethics. As many provisions of the Ethics Law and University policies include conditional exceptions it is important to thoroughly read the regulations and reach out to the Ethics Compliance Advisor with any questions or concerns.

The Ethics Compliance Advisor works closely with Internal Audit, Compliance and Risk Management, WSU Division of the Attorney General Office, and the Executive Ethics Board.

#### Contact Sherry Gordon, Ethics Compliance Advisor

### **Ethics at WSU**

Responsibility for ethical compliance rests with the individual employee as well as any supervisors who allow employee action or inaction. It is imperative that as a state employee or officer that you are familiar with the principals of Washington state ethics laws.

To protect employees and ensure overall compliance the University promotes ethics training to all employees – Administrative Professionals, Classified Staff, Faculty, and Temporary/Hourly employees. Along with the <u>State Ethics Law training</u> through Human Resource Services the Ethics Compliance Advisor is available to provide guidance on interpretation and ensuring employees act within the constraints of the law in carrying out the duties of their respective positions.

## ethicscompliance.wsu.edu

# **Implementation - Health Sciences Compliance**

WSU Health Care Components completed first Security Risk Assessment – this will be an annual assessment

Early result reviews already highlight benefits, ultimately will be shared with recommendations for improvement across the WSU Health Care Components

Health Science Compliance Committee making tremendous progress on system-wide policies and procedures for WSU Health Care Components

# **Implementation - Clery Act**

Full review and assessment relating to system-wide Clery Act compliance

Development of a Clery Model Project Plan and Annual Security Report template

Formation of a Prevention Subcommittee, under the system Compliance Committee, to review best practices and research for violence, substance abuse, and mental health prevention education

# Compliance Committee

- Established Presidential System Compliance Committee
- Developed committee purpose and system-wide scope
- Identified training as highest immediate need across compliance program elements

### OFFICE OF THE PRESIDENT | PRESIDENTIAL COMMITTEES

# System Compliance Committee

### **Overview**

The WSU System Compliance Committee (SCC) provides leadership and helps ensure accountability for compliance across the WSU system. It is a central resource for information-sharing and awareness-raising. The Committee assists the University in maintaining an effective compliance and ethics program by ensuring compliance activities are reasonably designed, implemented, and generally effective in preventing and detecting risks or compliance violations.

president.wsu.edu/system-compliance-committee

# **Training & Education**

Implementing annual system-wide training on Sexual Harassment and Discrimination

Introducing mandatory Ethics training

Creating a central compliance web site with training resources

Continuing to build out a knowledge base of compliance, resources and training tools

# **Operational Risk Management**

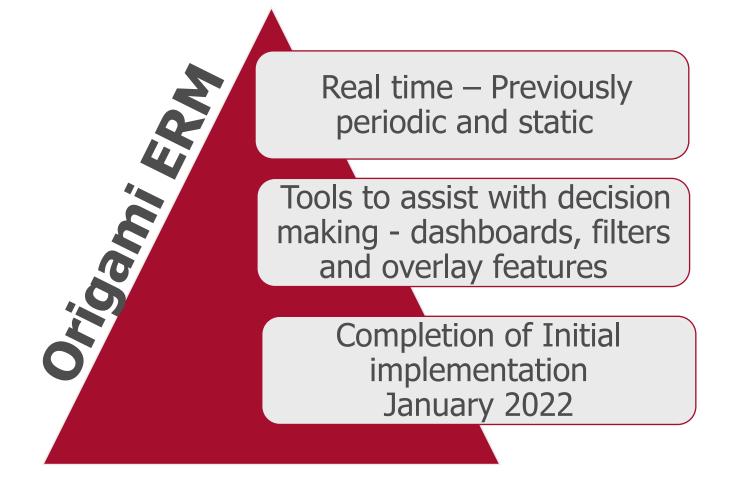
# Risk Assessment & Due Diligence

- Developing a more structured risk assessment process
- Focus on matters presenting unique challenges, structures, and/or higher risk

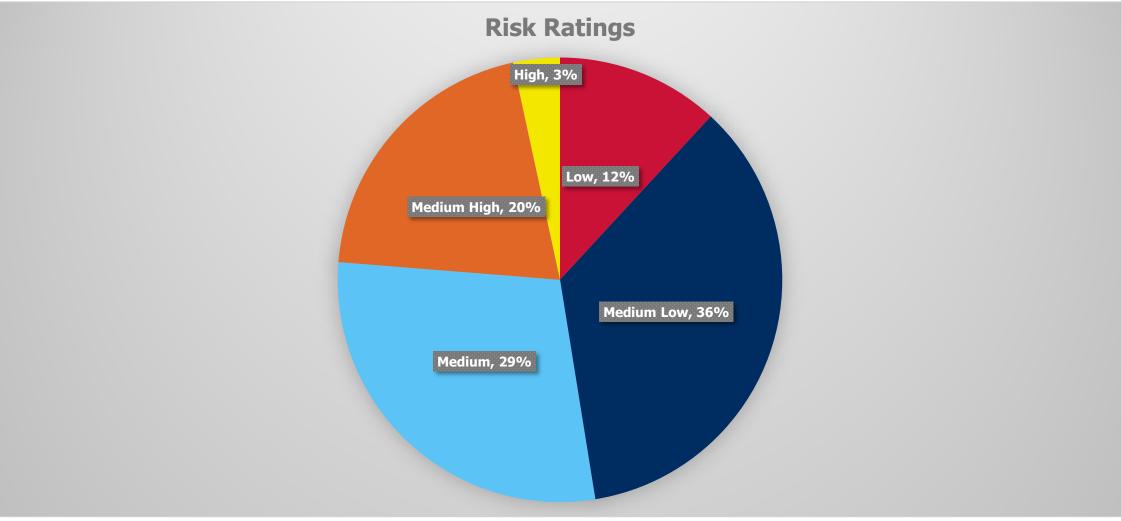
# Risk Mitigation - Insurance Market

- Insurance Market is hardening –creating challenges
- Areas of coverage at risk: cyber, property, general and professional liability
- Exploring alternative options including the possibility of creating a captive insurance program

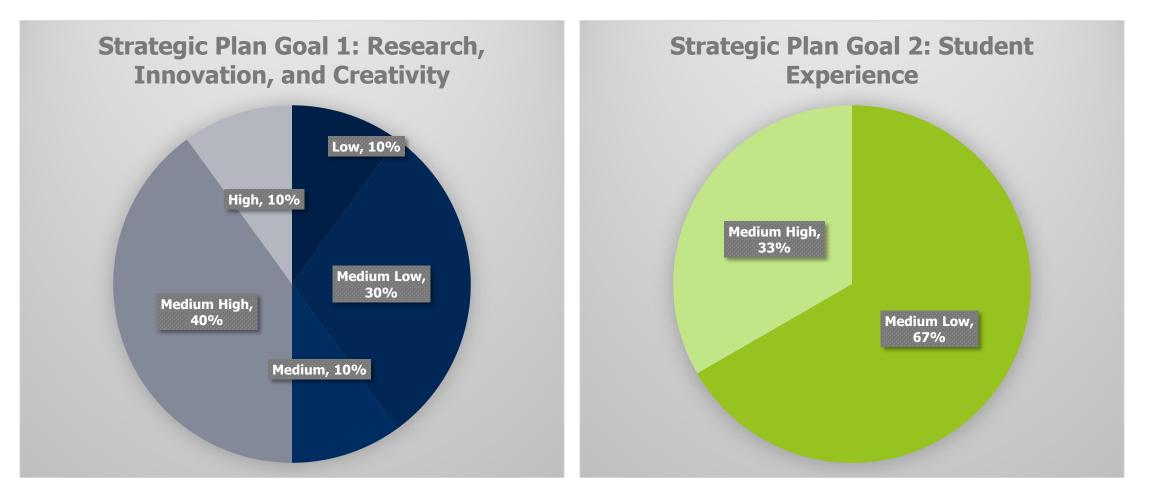
# **Enterprise Risk Management**



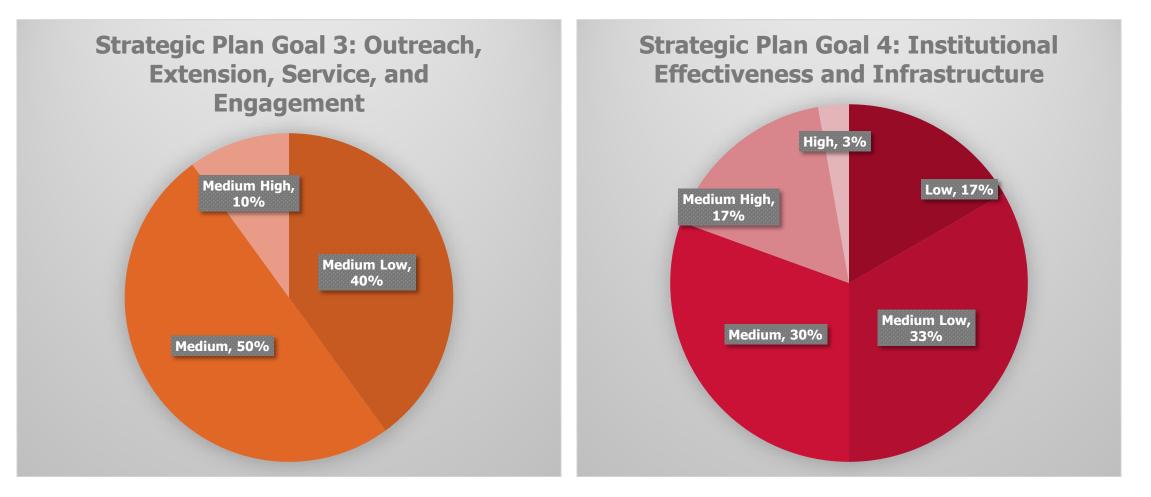
# Finance and Administration Risk Ratings - Totals



# Finance and Administration Risk Ratings by Strategic Plan Goal



# Finance and Administration Risk Ratings by Strategic Plan Goal



"Risk comes with the territory when you are breaking new ground. Learn how to evaluate and mitigate these risks rather than take away people's power and autonomy."

# – Leena Patel

## **FUTURE ACTION ITEM #1**

### WSU Vancouver, Life Sciences Building Request for Increase in Project Budget (Stacy Pearson/Olivia Yang)

#### TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Vancouver, Life Sciences Building, Request for Increase in Project Budget
- PROPOSED: That the WSU Board of Regents approve an increase of \$2.7M in the project budget for the WSU Vancouver, Life Sciences Building and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project within the budgeted amount of \$59.8M.
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO

SUPPORTING

INFORMATION: The new Life Sciences Building will bring components of Vancouver's basic translational, applied, and clinical health programs together in one location on campus, including Biology, Molecular Biology, Environmental Science, Neuroscience, Nursing, and Chemistry. This building will fill the critical need for instructional laboratories for undergraduate and graduate science courses. It will also include purpose built vivarium space that meets regulatory requirements and supports instruction as well as research programs.

The University received \$500,000 for pre-design in the 2017-19 state capital budget, \$4,000,000 for the design in the 2020 supplemental capital budget, and \$52,600,000 construction funding in the 2021-23 state capital budget for a total project budget of \$57.1M.

Additionally, WSU has set a \$10 million fundraising goal as a top priority for the Life Sciences Building to add a greenhouse and to purchase specialized equipment for a vivarium and labs and nursing classroom equipment. The project initially included a greenhouse, however, it had to be removed due to budget considerations. This fundraising effort will be achieved through system-wide partnerships with WSU Vancouver, the WSU Foundation, and the President and Provost offices. The greenhouse portion of the project is estimated to cost \$5.4, with a shared commitment to raise the needed funding for the facility.

The Vancouver campus has allocated \$2.7M of local funds while fundraising efforts continue. These funds would allow the initial design, permitting, site, and building infrastructure connection work to be completed while the overall building project is under construction.

The project is currently scheduled for completion in October 2023.

ATTACHMENT: Attachment A - Aerial Site

### Attachment A



## **FUTURE ACTION ITEM #2**

Proposed Change to Delegation of Authority for Parking Rates and Fines (Stacy Pearson/Bill Gardner)

#### TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Proposed Change to Delegation of Authority for WSU System-wide Parking Rates and Fines
- PROPOSED: That the Board of Regents delegate authority to the President or designee to approve increases in parking rates and fines for all WSU campuses for each of one or more fiscal years up to certain limits defined in the table below.
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO

### SUPPORTING

INFORMATION: Transportation and parking, similar to Housing and Dining and Facilities Services, is a capital and maintenance-intensive activity. Current facilities need to be safe and well-maintained, and funding for new facilities will be required in the future to keep pace with the changing campus and expected growth. The transportation and parking systems on all WSU campuses are self-funded and do not receive funding of any kind directly from the State.

In March 2004, the Board of Regents delegated authority to the President "to approve (a) parking rates and fines that would not exceed the US Department of Labor CPI Index (Western); and (b) annual increases in hourly rates that would not exceed \$.05 per hour per year. Any increases in the defined maximums would require additional Board of Regents approval." This action was taken specifically for the Pullman campus but was later extended by letter to the Chancellors at the other three campuses in Spokane, Vancouver, and Tri-Cities. This action would supersede all previous delegations.

Since the delegation was established in 2004, the annual CPI index has ranged between 1.5% and 3.3%. The increases based on CPI, if applied annually, provide a nominal increase to support the daily operation of the systems but does not adequately address the capital needs for maintaining existing parking facilities, constructing new facilities, and restoring (i.e., post-COVID), and maintaining adequate reserves.

This revised delegation of authority would allow the President or designee the discretion, within the limits outlined below, to consider parking increases based on a reasonable business case, including the need for capital repair and construction funds as recommended by senior campus administrators. All the usual internal processes, including communicating, receiving, and reviewing feedback from advisory groups and the campus community would remain intact. A five-year history of parking rates at the Pullman, Spokane, and Vancouver campuses is attached for informational purposes.

#### Term Permit Rates

Annual, Semester, Quarter: May be increased up to an average of 10% across parking permit types.							
Other Rates							
Daily Permit Rates:	May be increased up to \$2.00.						
Hourly Rates:	May be increased up to \$.50.						
Eve/Weekend Rate:	May be increased up to \$1.00.						
Event Rates:	May be increased up to \$10.00.						
Recreational Vehicle Rate:	May be increased up to \$50.00 per day.						
Parking Fines/Sanctions:	May be increased up to \$50.00 or as defined by law, e.g., RCW						

ATTACHMENT: Five-year parking rate histories for the Pullman, Spokane, and Vancouver campuses.

Annual Parking Permit Rate History					
Permit Type	FY	FY	FY	FY	FY
Permit Type	2018	2019	2020	2021	2022
Orange	\$ 656.07	\$ 656.07	\$ 676.41	\$ 676.41	\$ 776.00
Green	486.62	486.62	501.69	501.69	552.00
Crimson	331.86	331.86	342.15	342.15	382.00
Yellow	298.61	298.61	307.87	307.87	328.00
Red	231.47	231.47	238.66	238.66	254.00
Gray	231.47	231.47	238.66	238.66	259.00
College Hill	331.86	331.86	342.15	342.15	382.00
Blue	125.64	125.64	129.53	129.53	145.00
Commercial	963.00	963.00	992.85	992.85	1,093.00
Motorcycle	76.73	76.73	79.11	79.11	88.00

### WSU Pullman Five Year Parking Rate History

	Daily Parking Permit Rate History								
		FY		FY		FY	FY	FY	
Permit Type		2018		2019	2020		2021	2022	
Orange/Day	\$	10.25	\$	10.25	\$	10.57	\$ 10.57	\$	12.00
Green		6.94		6.94		7.16	7.16		8.00
Crimson		6.94		6.94		7.16	7.16		8.00
Yellow		3.63		3.63		3.74	3.74		5.00
Red		1.98		1.98		2.05	2.05		3.00
Gray		5.61		5.61		5.78	5.78		6.00
Blue		1.31		1.31		1.35	1.35		2.00
Commercial		13.89		13.89		14.31	14.31		20.00
Motorcycle		0.98		0.98		1.00	1.00		2.00

Hourly Parking Rate History										
Location	FY 2018			FY		FY		FY	FY	
			2019		2020		2021		2022	
Library Garage	\$	2.00	\$	2.00	\$	2.00	\$	2.00	\$	2.50
Smith Center Garage		2.00		2.00		2.00		2.00		2.50
Meters		1.75		1.75		1.75		1.75		2.25

Annual/Semester/Quarter Parking Permit Rate History					
Dormit Typo	FY	FY	FY	FY	FY
Permit Type	2018	2019	2020	2021	2022
Orange Annual	\$ 471.00	\$ 471.00	\$ 542.00	\$ 613.00	\$ 684.00
Orange Semester	218.00	218.00	251.00	284.00	317.00
Orange Quarter	152.00	152.00	175.00	198.00	221.00
Green Annual	343.00	343.00	395.00	447.00	499.00
Green Semester	158.00	158.00	182.00	206.00	230.00
Green Quarter	111.00	111.00	128.00	145.00	162.00
STHC Annual	343.00	343.00	395.00	447.00	499.00
Ignite Annual	343.00	343.00	395.00	447.00	499.00

### WSU Spokane Five Year Parking Rate History

Daily Parking Permit Rate History										
Permit Type		FYFY20182019		FY	FY			FY		FY
Реппістуре				2020		2021		2022		
Orange/Day	\$	6.00	\$	6.00	\$	7.00	\$	7.00	\$	7.00
Green		4.00		4.00		5.00		5.00		5.00
Pink/Visitor		6.00		6.00		7.00		7.00		7.00
Pink/Department		4.00		4.00		5.00		5.00		5.00
Pink/Code		4.00		4.00		5.00		5.00		5.00

Hourly Parking Rate History										
Location	FYFY20182019		FY		FY		FY		FY	
Location				2020 2021		2022				
Orange	\$ 2	1.00	\$	1.00	\$	2.00	\$	2.00	\$	2.00
Green	-	1.00		1.00		2.00		2.00		2.00
Pink/Visitor		1.00		1.00		2.00		2.00		2.00
Pink/Department		1.00		1.00		2.00		2.00		2.00

Annual Parking Permit Rate History						
Dormit Typoc	FY	FY	FY	FY	FY	
Permit Types	2018	2019	2020	2021	2022	
Orange	\$ 285.00	\$ 293.75	\$ 293.75	\$ 293.00	\$ 301.00	
Green	243.00	250.50	250.50	250.00	258.00	
Red	203.00	209.00	209.00	209.00	215.25	
Gray	161.00	166.00	166.00	166.00	171.00	
Motorcycle	\$5.00 add-on					

### WSU Vancouver Five Year Parking Rate History

Daily Parking Permit Rate History										
Permit Types	FY 2018 2		FY 2019	FY 2020		FY 2021		FY 2022		
Scratch	\$	4.00	\$	5.00	\$	5.00	\$	5.00	\$	5.00
Good Host		4.00		4.00		4.00		4.00		4.00
Blue		4.00		4.00		4.00		4.00		4.00

Hourly Parking Rate History						
Location	FY	FY	FY	FY	FY	
LOCATION	2018	2019	2020	2021	2022	
Meters	1.50	1.50	1.50	1.50	1.50	

### ACTION ITEM #1 Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct (Stacy Pearson/Bill Gardner)

November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Pullman, Revision to WAC Chapter 504-31-020: WSU Conduct on Campus Code – Prohibited Conduct
- PROPOSED: That the Board of Regents adopt proposed amendments to WAC Chapter 504-31-020 Conduct on Campus Code Prohibited Conduct and add a prohibition to the possession and use of fireworks without the express permission from the university administration.
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO

SUPPORTING

INFORMATION: The Board of Regents has authority pursuant to Chapter 28B.30 RCW and Chapter 34.05 RCW to adopt, amend, and repeal rules published in the Washington Administrative Code. WAC Chapter 504-31-020 concerns rules related to possession of dangerous items on campus. This revision adds a prohibition to the possession and use of fireworks without express permission from the university administration.

> This change is necessary to ensure that WSU maintains a safe environment for the university community, free from accidental fires and injuries related to the improper or dangerous use of incendiary devices such as fireworks. This change also brings this section of the WAC into conformance with WAC 504-26-213 – Standards of Conduct for Students, Firearms and Dangerous Weapons, which also prohibits the possession and use of fireworks on university premises.

ATTACHMENT: Attachment A - WAC Chapter 504-31-020

WAC 504-31-020 Prohibited conduct. In order to assure the above rights to all members of the university community and to maintain a peaceful atmosphere in which the university may continue to make its unique contribution to society, the following types of conduct are hereby prohibited on or in property either owned, controlled, or operated by the university which is used or set aside for university purposes, hereinafter referred to as the university campus:

(1) Conduct that intentionally and substantially obstructs or disrupts teaching or freedom of movement or other lawful activities on the university campus;

(2) Physical abuse of any person or conduct that unlawfully threatens imminent bodily harm or endangers the health or safety of any person on the university campus;

(3) Malicious damage to or malicious misuse of university property, or the property of any person where such property is located on the university campus;

(4) Refusal to comply with any lawful order to leave the university campus or any portion thereof;

(5) Possession or use of firearms, explosives (including fireworks), dangerous chemicals or other dangerous weapons or instrumentalities on the university campus. This prohibition does not apply to possession of such items for authorized university purposes; possession of such items by authorized law enforcement officers; individuals who have obtained prior written approval from the university chief of police, president, or designee; or lawful possession of firearms by persons other than students in privately owned vehicles while on any university campus.

(6) Unlawful possession, use, distribution, or manufacture of alcohol or controlled substances on the university campus or during university-sponsored activities;

(7) Intentionally inciting others to engage immediately in any of the conduct prohibited herein, which incitement leads directly to such conduct. (Inciting is advocacy that prepares the group addressed for imminent action and steels it to the conduct prohibited herein.)

[Statutory Authority: RCW 28B.30.150. WSR 13-08-033, § 504-31-020, filed 3/27/13, effective 4/27/13.]

### ACTION ITEM #2 2022 State Supplemental Operating Budget Request (Stacy Pearson/Colleen Kerr)

November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: 2022 State Supplemental Operating Budget Request

PROPOSED: That the Washington State University Board of Regents approve the 2022 State Supplemental Operating Budget Request and delegate authority to the President or designee to approve any final adjustments needed related to the request.

SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO Colleen Kerr, Vice President External Affairs & Government Relations

SUPPORTING

INFORMATION: During the summer of 2021, a WSU task force spearheaded by the Office of State Relations and the Budget Office was formed to review and identify system priorities that WSU would advance to the state legislative process for funding in the 2022 legislative session.

President Schulz approved the task force recommendations for inclusion in WSU's 2022 supplemental operating budget request. This request, detailed below, totals \$14,583,000 in permanent funds and \$922,000 in one-time funding:

1. Compensation

This request for new state appropriation will ease chronic recruitment and retention challenges among the university's faculty and staff. Funding this priority will enable WSU to be more competitive in attracting and retaining faculty, staff, and graduate students based on cost of living, merit and/or equity. Request amount: \$9,365,000 - FY23.

2. Cybersecurity Program

This request, initiated at the suggestion of the governor's office, will establish two new academic programs that will produce

graduates to bolster the state's cybersecurity workforce, meeting a burgeoning and critical need for both public and private employers. The proposal would 1) establish a Bachelor of Science in Cybersecurity Operations delivered by the Voiland College of Engineering and Architecture and 2) add a new major in Information Assurance to the existing Bachelor of Arts in Business Administration delivered by the Carson College of Business. This proposal, if fully funded, would establish these two new programs at WSU campuses in Pullman, the Tri-Cities and Everett. Request amount: \$4,448,000 – FY23

3. Pharmacy Residency Program

This request, submitted in tandem with the University of Washington, will develop a one-year psychiatric pharmacy residency program to provide additional training to help graduates devise pharmaceutical strategies for addressing challenging and unique behavioral and mental health cases. The request would allow WSU to fund two pharmacy residents annually that will be placed in Eastern Washington. Trainees and their faculty supervisor from this program would serve as primary care providers throughout rural Washington, enhancing access to critical mental health care. The University of Washington is pursuing a parallel request that would place its two residents in its new mental health teaching hospital now under construction in Seattle.

Request amount: \$341,000 - FY23

4. Collective Bargaining Agreements

WSU entered into MOUs with the WSU Police Guild and the Washington Federation of State Employees related to 2021-23 collective bargaining agreements. If funded, this request will cover the cost of compensation adjustments per those MOU's. Request amount: \$235,000 – FY23

As fiscal agent for the Everett University Center, WSU is also advancing a maintenance level request on behalf of Western Washington University (WWU) to address a compensation issue for WWU faculty at the Everett University Center. The request is for onetime funding of \$908,000 and \$208,000 of permanent funding.

Due to an oversight and timing, a 2022 Supplemental Operating Budget Request was submitted to the state Office of Financial Management in Spetember; however, Regents' approval of the request is required. The request can be amended if there are changes or corrections recommended by the Regents.

### **BOARD OF REGENTS**

2022 Supplemental Operating Budget Request

### Resolution #211119-648

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Washington State University Board of Regents approve the 2022 State Supplemental Operating Budget Request and delegate authority to the President or designee to approve any final adjustments needed related to the request.

DATED this 19th day of November, 2021.

Chair, Board of Regents

Secretary, Board of Regents

### BOARD OF REGENTS WASHINGTON STATE UNIVERSITY

### AGENDA

BOARD OF REGENTS MEETING Washington State University Firstenburg Student Commons, Rooms 101-103 Vancouver, Washington Friday, November 19, 2021 – 8:00 am

I. OPENING

**Section** 

- A. Report from the Chair of the Board of Regents
- B. Report from the President
- C. Report from the Chancellor, WSU Vancouver
- II. CONSENT AGENDA
  - A. Approval of Minutes September 17, 2021 Board of Regents Meeting
  - B. Revision to WAC 504-31-020 Conduct on Campus Code Prohibited Conduct

III.	REPORTS FROM SHARED GOVERNANCE GROUPS	Reports
		Reports

- IV. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT
  - A. Action Item:
    - 1. 2023 Board of Regents Meeting Schedule SO-2
- V. STUDENT AFFAIRS AND STUDENT LIFE COMMITTEE REPORT
- VI. RESEARCH AND ACADEMIC AFFAIRS COMMITTEE REPORT
- VII. INSTITUTIONAL INFRASTRUCTURE COMMITTEE REPORT
- VIII. FINANCE AND COMPLIANCE COMMITTEE REPORT
  - A. Action Item:
    - 1. 2022 State Supplemental Operating Budget Request F-6
- IX. OTHER BUSINESS
- X. PUBLIC COMMENT PERIOD
- XI. ADJOURN

#### MINUTES Board of Regents September 17, 2021

The Board of Regents of Washington State University (WSU or University) met pursuant to call in Open Meeting at 9:00 a.m. on Friday, September 17, 2021, at WSU Pullman, in Pullman, Washington.

Present: Marty Dickinson, Chair; Regents Brett Blankenship, Enrique Cerna, Lura Powell, Jenette Ramos, Lisa Schauer, and Shain Wight; Faculty Representative Dave Turnbull and President Kirk H. Schulz. Participating electronically: Regents Heather Redman, John Schoettler, and Ron Sims.

#### I. OPENING

A. Report from the Chair of the Board of Regents. Chair Dickinson called the meeting to order. She commented that this was the first meeting of the academic year, and the Regents were excited to be on campus and meeting in person. Chair Dickinson gave a special welcome to the Board's newest member Student Regent Shain Wright. Governor Jay Inslee appointed Regent Wright to serve a term of July 1, 2021 – June 30, 2022. Regent Wright is a WSU Vancouver graduate who has returned to pursue a Ph.D. and is a second-year student in the Cultural Studies and Social Thought in Education doctoral program. Chair Dickinson further welcomed the New Faculty Representative to the Board, Dave Turnbull.

Chair Dickinson reminded audience members that the public is invited to view the meeting via YouTube live stream and that a link to the live stream is available on the Board of Regents website. She further reminded the audience that there would be a public comment period during the meeting. She said the public comment period would be after the regular agenda items and for up to ten minutes.

**B. Report from the President of the University**. President Schulz welcomed the audience and the Regents to Pullman. He said it is great to see our students walking through the buildings and around campus and to see people everywhere. President Schulz further provided the following updates:

Inaugural Pullman Chancellor – On Thursday, July 29, WSU announced Provost Elizabeth Chilton as the inaugural WSU Pullman Chancellor.

President Schulz provided an update on the Modernization Initiative and Workday implementation. He reminded the Regents that Workday replaced WSU's legacy financial system built in the 1970s. President Schulz commended staff for pivoting quickly as issues arise and said the roll-out is moving forward.

President Schulz reported Regents would be learning more about the OneWSU Initiative for Data-Informed Decision Making over the coming months. He said using data is key to making informed decisions. President Schulz reported several current President's Office staff members would be separating and forming a new unit and that more information on the new unit would be forthcoming. President Schulz reported on the Executive Budget Council and the work being done by Vice President for Finance and Administration Stacy Pearson and Provost Elizabeth Chilton. He said the process will not be refined overnight but will evolve over time. Formalizing WSU's budget process is essential to fundamental operations for its future.

COVID-19 Research – President Schulz commented that Washington State University has some outstanding faculty with expertise in dealing with infectious diseases and worldclass researchers who help shape WSU's communications and response to the pandemic. He said he was deeply appreciative of faculty across different academic disciplines that have weighed in and helped WSU shape policies and practices. President Schulz said that students, faculty, and staff have taken this seriously and maintained a positive attitude, which has made a positive impact at WSU.

President Schulz further reported many WSU faculty stepped into conducting high-level research in the COVID-19 space, including studying Coronaviruses to predict or prevent the next pandemic, detecting coronavirus misinformation, pandemic preparedness, and social and societal impacts of the pandemic.

#### II. CONSENT AGENDA.

Chair Dickinson reported there were two items on the Consent Agenda.

- A) Approval of Minutes May 7, 2021 Board of Regents Meeting
- B) Approval of Minutes June 4, 2021 Board of Regents Meeting

Chair Dickinson asked if any Regent wished to remove an item on the Consent Agenda to be considered separately. Hearing no requests, it was moved and seconded that the Consent Agenda be approved. Carried.

**III. REPORTS FROM SHARED GOVERNANCE GROUPS**. Representatives from each of the University Shared Governance groups—Foundation Board of Directors, Faculty Senate, Associated Students of Washington State University, Administrative and Professional Advisory Council, and the Alumni Association—reviewed their reports as submitted. (*Exhibit A*)

**IV. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT**. Regent Dickinson filling in as chair of the Strategic and Operational Excellence Committee for Regent Schoettler, reported Provost and Executive Vice President Elizabeth Chilton and Vice Provost for Enrollment Management Saichi Oba lead a focused discussion on Systemwide Enrollment Management in OneWSU. She further reported the Committee reviewed a presentation on COVID Mitigation presented by Deputy Chief of Staff and Director of Strategic Initiatives and Communications Hailey Rupp and Executive Director for Cougar Health Joel Schwartzkopf. Regent Dickinson said the Committee reviewed one Information Item: Office of the Provost - Reflection and Horizon presented by Provost and Executive Vice President Elizabeth Chilton, and one Future Action Item: 2023 Board of Regents Meeting Schedule presented by President Schulz. Regent Dickinson reported the Committee reviewed one Action Item and submitted the following for the Board's consideration:

### President's 2021-2022 Goals and Objectives

It was moved and seconded that the Board of Regents approve the President's 2021-2022 Goals and Objectives as proposed. Carried. *(Exhibit B)* 

V. **RESEARCH AND ACADEMIC AFFAIRS COMMITTEE REPORT.** Regent Powell reported the Committee reviewed and discussed presentations on translating research and innovation to the marketplace presented by Vice President for Research Chris Keane, Assistant Vice President for Research Brian Kraft, Executive Director Corporate Engagement Alex Pietsch, WSU's First Lady and the Edmund O. Schweitzer III Chair in Power Apparatus and Systems Dr. Noel Schulz, and Regents Professor in Biological Systems Engineering Juming Tang.

VI. STUDENT AFFAIRS AND STUDENT LIFE COMMITTEE REPORT. Regent Cerna reported the Committee heard an update on the Emergency Financial Assistance for Students fund presented by Student Affairs Director Kim Holapa and a WSU Athletics presentation on Name-Image-Likeness (NIL) presented by Deputy Director of Athletics Brian Blair, Assistant Athletic Director Shelby McKay, Associate Director of Athletics, NCAA Compliance Bradley Corbin, and Director of the Center for Entrepreneurship Marie Mayes.

VII. INSTITUTIONAL INFRASTRUCTURE COMMITTEE REPORT. Regent Redman reported the Committee reviewed and discussed a Facilities Report presented by Associate Vice President for Facilities Olivia Yang and a presentation on Strategic Use of University Debt Capacity presented by Associate Vice President for Finance Matt Skinner.

VIII. FINANCE AND COMPLIANCE COMMITTEE REPORT. Regent Schauer reported that the Committee heard and discussed three Information Items: Internal Audit Update presented by Chief Audit Executive Heather Lopez; FY2022 Integrated Financial Forecast presented by Associate Vice President for Finance Matt Skinner and Executive Director for Finance and Administration Kelley Westhoff; and an Athletic Budget Update presented by Athletic Director Pat Chun. Regent Schauer further reported the Committee heard a presentation on one Future Action Item: Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct presented by Associate Vice President Bill Gardner. Regent Schauer reported the Committee heard presentations on four Action Items and submitted the following for the Board's consideration:

#### WSU Spokane, Phase One Building Renovation - Construction

It was moved and seconded that the Board of Regents adopt Resolution #210917-642 and approve the WSU Campus Spokane, Phase One Building Renovation with a total budget not to exceed \$15,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount as proposed. Carried. *(Exhibit C)* 

#### WSU Pullman, Johnson Hall Demolition - Construction

It was moved and seconded that the Board of Regents adopt Resolution #210917-643 and approve the WSU Pullman, Johnson Hall Demolition project with a total budget not

to exceed \$8,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount as proposed. Carried. *(Exhibit D)* 

### WSU Pullman, Clark Hall Research Lab Renovation - Construction

It was moved and seconded that the Board of Regents adopt Resolution #210917-644 and approve the WSU Pullman, Clark Hall Research Lab Renovation project with a total budget not to exceed \$4,900,00, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount as proposed. Carried. *(Exhibit E)* 

### WSU Pullman, New Campus Fire Protection and Domestic Water Reservoir Construction

It was moved and seconded that the Board of Regents adopt Resolution #210917-645 and approve the WSU Pullman, New Campus Fire Protection and Domestic Water Reservoir project with a total budget not to exceed \$8,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount as proposed. Carried. *(Exhibit F)* 

**X. OTHER BUSINESS.** Chair Dickinson reported the Regents met in Executive Session on September 16 with legal counsel to discuss pending or potential litigation involving the University. Related to that discussion, Chair Dickinson submitted the following for the Board's consideration:

#### <u>Request for Defense</u>

It was moved and seconded that the Board of Regents adopt resolution #210917-646, approving the request for defense of a University employee. Carried. *(Exhibit G)* 

**XI. PUBLIC COMMENT PERIOD.** William Engels, a WSU staff member, and Simon Smith, a member of Citizens' Climate Lobby of the Palouse, addressed the Board regarding fossil fuel divestment. Joshua Hiler, WSU Student, addressed the Board regarding keeping the campus open and maintaining in-person instruction and University infrastructure.

**XII. ADJOURNMENT**. The meeting adjourned at 11:01 a.m.

Approved by the Board of Regents at its meeting held November 19, 2021, in Vancouver, Washington.

Chair, Board of Regents

Secretary, Board of Regents

#### EXHIBIT A Board of Regents September 17, 2021

# WASHINGTON STATE UNIVERSITY 🔊 FOUNDATION

September 17, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Foundation Regents Report

SUBMITTED BY:Mike Connell, Acting Vice President of Advancement &<br/>CEO, Washington State University Foundation

The Washington State University Foundation is pleased to report the following:

- The WSU Foundation received \$120,878,812 in total philanthropic commitments during Fiscal Year 2021 (July 1, 2020—June 30, 2021) for the benefit of WSU. The exceptional philanthropic engagement experienced throughout the last year owes everything to the generosity and loyalty of the extended Cougar family of alumni and friends, who continue to invest in WSU's students, faculty, research, and outreach. In all, 35,184 donors directed 104,170 gifts, grants, and pledges in support of a range of academic, research, and outreach priorities during FY2021.
- The WSU Foundation's endowment value also rose more than 30% during FY2021 to a high-water mark of \$650 million as of June 30, 2021. More than \$21.2 million was distributed from the endowment during the fiscal year to support student scholarships, faculty positions, research, and outreach programs University-wide.
- Cougar Athletics broke fundraising records for the second straight year, with nearly \$30.2 million in total philanthropic activity during FY2021. The year was highlighted by the \$6 million challenge initiated by Scott and Lisa Taylor and Ken and Sue Christianson, which helped provide a major boost to the fundraising efforts for the Indoor Practice Facility (IPF) and Champions Complex projects.
- As of September 7, 2021, the WSU Foundation has received \$14,609,893 in total philanthropic activity for Fiscal Year 2022 (July 1, 2021 June 30, 2022) for the benefit of WSU campuses, colleges, and programs.
- Three senior leaders joined the WSU Advancement Leadership Team recently: Dawn Barnard joined the team as Associate Vice President of Advancement Financial Services on July 12; Julie Benson joined the team as Associate Vice President of Central Development Units on August 2; and Brent Waugh began his role as Assistant Vice President, Philanthropic Engagement and Campaign Communications on September 13.
- The WSU Foundation looks forward to hosting its first in-person events in 19 months when we host the Foundation's Board of Directors, Advocates, and Advocates Emeriti during the Annual Fall Meeting, October 20-22, 2021. The Foundation's Board of Directors will meet on Thursday, October 21.



Office of Faculty Senate

Date 17 September 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Faculty Senate Report

# SUBMITTED BY: Douglas Call, Chair A Cll

We are pleased to announce that as of August 16<sup>th</sup>, Faculty Senate leadership has been changed with Douglas Call moving from Chair Elect to Chair, David Turnbull moving from Chair to Past Chair, and Christine Horne beginning as Chair Elect. Matt Hudelson is beginning his second year as the Executive Secretary and Anna Schilter is serving as our Faculty Senate Principal Assistant. Gregory Crouch has completed his three-years of service and we are incredibly grateful for all of his contributions. David Turnbull will serve as the faculty representative for Board of Regents' meetings for this academic year.

The next Faculty Senate meeting will be on September 23<sup>rd</sup> and both President Shultz and Provost Chilton have kindly agreed to address the senate.

We continue to meet monthly with Provost Chilton and bi-monthly with Provost Chilton and President Shultz to discuss multiple matters including instructional updates with COVID-19 constraints, budget issues that impact the academic mission, the state supplemental budget request, and efforts to further One WSU initiatives.

We continue to work with the Vice Provost for Academic Affairs (Prof. Laura Hill) on updates and other activities related to Activity Insight, the COACH survey of faculty climate, and a best practices statement for use of Academic Analytics software should WSU elect to purchase a license.

September 17th, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: ASWSU Report

SUBMITTED BY: Brian Patrick, ASWSU President

Good morning! It is an honor and a privilege to share the ASWSU Fall report to you all. The Associated Students of Washington State University has hit the ground running as we get back to in person classes. The new executive board and organization had little to no guidance on how to come back strong following a pandemic. Despite these challenges of the unknown, our organization understands that they can set the standard of what student leadership looks like in Pullman. Some specifics things that we will be working on this semester include, but limited to are:

RECONNECTING ASWSU: After talking with advisors and past student leaders, it seems there has been problems within our committees and other student communities that have not had the full respect and attention from the ASWSU President and Vice President. This year we are addressing the Issue. We will be attending as many committee and auxiliary meetings as possible to stay up to date with their events and problems when they arise. This is vital for ASWSU because, together, ASWSU is a large governing body that represents all students, but when the different bodies don't work together, some projects and issues are not addressed as they should be. We have created a Microsoft Teams page with the director of every ASWSU organization. We want this relationship to create continuity and last for years to come.

SVC: It has come to our attention that the Student Veteran Center has been severely understaffed. The current student to councilor ratio is 1,082:1. Due to this dramatic ratio, WSU has been out of compliance for the past two years and is due to be uncompliant for a third year straight and could very well lose their VA sponsorship and funding. We want to start conversations and attempt to fix the problem; we will be having these crucial conversations with Provost Chilton about adding more councilors to the center for our student veterans. The other issue is they have an office in the back corner of the library. This space they were put in is extremely small and unable to assist with the needs of students. Students are unable to have private conversation with the student councilor because there is no privacy.

ACCESSIBILITY: As we started this school year, we are hearing a lot of the same student concerns and questions. These include problems with transportation, parking and understanding where the tuition increases costs go to. We understand that college is expensive, but the tuition increase included some of the funds would go to mental health resources. We would like to know where these funds are actually going.

We have started the school year of strong and we want to ensure that we continue working on our three focus projects this year. We appreciate the support the National Board of Regents and we hope that you will be able to assist us with a few of these issues throughout the school year. Thank you. Go Cougs!

#### September 17, 2021

#### TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: GPSA Report

SUBMITTED BY: Marco Cerqueira, President of GPSA

I am excited to provide a report about the work GPSA is focusing on this academic year. In our administration between this Fall and the Spring of 2022 we are carrying on the excellent job of the previous executive board. We are focusing on student advocacy by trying to guarantee 12 months' support for all graduate and professional students and increase the current stipends. We are advocating better housing on campus, and health insurance with a lower maximum out-of- pocket. We have reached out to the administration to give us the resources to address those issues, and we will be working on them in the Fall and Spring. We reopened the Study Center on the ground floor of Holland & Terrell Library after more than one year closed because of the pandemic that is still among us. We finally can offer again to our community the investment in the renovation of the Study Center. Graduate and Professional students have subsidized copying and printing, computers with double monitors with software (Microsoft Office, Adobe, and SPSS for statistics).

In our Professional Development (PDI) division we promote skills that students do not get in the classroom or lab. This Fall PDI is promoting 17 events to develop skills in leadership, personal well-being, academic development, and professional development, but also addressing ways to engage with Diversity, Equity, and Inclusion. Some of the highlights are three Alumni Panel Discussions focusing on career paths, and the "Implicit Bias Awareness Training" with Dr. Jamie Nolan, supporting WSU's commitment to hiring and cultivating a diverse and inclusive workforce. On that note, PDI is also promoting the event "Women Don't Ask: Negotiation and the Gender Divide," based on the homonymous book by Linda Babcock and Sara Laschever about salary and opportunities discrepancies between genders in the work force.

GPSA also offers Financial Support through Travel and Registration Grants with a generous budget for the academic year, including Fall, Spring and Summer Travel. We are offering funds for the academic year in Financial Support to Registered Student Organizations (RSOs). We also give Dissertation Grants annually for graduate and professional student's research for their dissertations covering the expenses generated from purchasing or renting equipment, books related to the research (not books for classes), data analysis software licenses, and collecting data, interviews, focus groups, or other experiments. We also give Financial Support for Evening Childcare, which is unfortunately suspended this Fall due to issues related to COVID-19. We also have a budget to promote events in the Fall and Spring. Our first event of the year was the Welcome Back Ice Cream Social at Ferdinand's. Much more will come after we find out more about regulations on in person and online events.

I would like to thank the Board of Regents for your continued support of WSU graduate and professional students.



Administrative Professional Advisory Council

September 17, 2021

TO:	All members of the Board of Regents
SUBJECT:	Administrative Professional Advisory Council Report
SUBMITTED BY:	Anna McLeod, APAC Chair
PRESENTED BY:	Anna McLeod, APAC Chair

The Administrative Professional Advisory Council is pleased to report the following:

- 1. Newly Elected Executive Members
  - a. Anna McLeod (Everett), Chair
  - b. Heather Cova (Tri Cities), Vice Chair
  - c. Kasi Balmforth, (Pullman, Treasurer
- 2. APAC will have a 3-year strategic plan in place by January 2022
  - a. Purpose:
    - i. Improve APAC's **system** to increase AP participation and capacity
    - ii. Increase APAC's **impact**, **support** and **value** with AP constituents and throughout the whole WSU System
    - iii. Embrace a commitment to diversity, equity and inclusion
    - iv. Improve **communication** between APAC and AP constituents and the whole WSU system
    - v. Explore ways to increase APAC's influence outside the WSU system
- 3. Professional Development-October 2021
  - a. Crucial Conversations
- 4. Initiatives
  - a. AP Survey
  - b. Increased Communication and Visibility
  - c. Diversity, Equity, and Inclusion
  - d. Employee Scholarship/Access to Global Campus

### September 17, 2021

TO:	ALL MEMBERS OF THE BOARD OF REGENTS
SUBJECT:	WSU Alumni Association Progress Report
SUBMITTED BY:	Shelly Spangler, WSUAA President 2021-2022 Tim Pavish, WSUAA Executive Director

### Cougar VIII

The WSU Alumni Association is pleased to announce that Cougar-owned Goose Ridge Estate Vineyard & Winery created the next edition of the WSUAA's Cougar Collectors' Series, Cougar VIII. The Cougar Collectors' Series celebrates Cougar wineries and showcases the incredible impact WSU alumni have as leaders in the wine industry. Each bottle of Cougar VIII sold supports scholarship endowments established by the WSUAA in Viticulture & Enology and Wine Business Management program and other important WSUAA initiatives. Cougar VIII release parties took place on August 21 at Goose Ridge's four Washington tasting rooms, attracting over 450 Cougs. Goose Ridge will also be featured at a WSUAA *Feast* dinner – which is sold out – this fall.

### **Best of In-Person and Virtual Engagement**

Creating and maintaining connections with Cougs is what the WSU Alumni Association is all about. The WSUAA has some amazing in-person events for alumni and friends to attend this fall. First, we welcome back our wildly popular *Feast* dinners. This year, we will showcase the incredible wines of Frichette Winery, Hard Row to Hoe Vineyards, Ste. Michelle Wine Estates, and Goose Ridge Estate Vineyard and Winery. We are also introducing the brand-new *Back Home Homecoming Celebration* on October 8, open to all Cougs. It will feature an assortment of foods and beverages for purchase, Butch, music, and carnival-like activities for kids. Although in-person events are making a welcome comeback, we still plan to offer the popular and innovative virtual programming we debuted during the pandemic. The WSUAA is offering a free, self-paced, virtual movie club called *Reel Conversations with Cougs*. Focused on socially relevant films, this movie club is open to all WSU alumni, students, and friends. For those looking for something career-oriented, we've partnered with the career-design experts at Mission Collaborative to bring Cougs a 30-day online program that will help them create a fulfilling career. Our virtual book club, *Feast@Home* virtual dinners, and virtual career-networking events will also be offered. Our digital library of past online webinars and programs is available 24/7!

### Virtual Platinum Life Member Wall

We have a surprise for our Platinum Life Members that they can open from almost anywhere. The WSUAA is excited to unveil our Virtual Platinum Life Wall of Honor. Now our Platinum Life Wall of Honor is accessible any time and from anywhere. This new feature includes a digital rendering of members' names, a video of each PLM panel at the Lewis Alumni Centre, and the panel number to make it easy to find while on the Pullman campus. | alumni.wsu.edu/VirtualPLWall |

#### EXHIBIT B Board of Regents September 17, 2021

# ACTION ITEM #1 President's 2021-2022 Goals and Objectives (Kirk Schulz)

September 17, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed 2021-2022 Goals and Objectives

PROPOSED: That the Board of Regents accept the President's 2021-2022 Goals and Objectives

SUBMITTED BY: Kirk H. Schulz, President

SUPPORTING

INFORMATION: Pursuant to the Board of Regents Policy on Presidential Performance Evaluation, attached please find my "2021-2022 Annual Goals and Objectives". The goals outlined and objectives in this document reflect issues of strategic importance for the WSU Pullman campus and the WSU System, including those related to the System Strategic Plan goals and related initiatives.

These goals were presented at the June 3-4, 2021, Board of Regents retreat where the Regents had the opportunity to provide feedback and make suggestions for the upcoming year.

ATTACHMENT: 2021-2022 Annual Goals and Objectives document

# Washington State University 2021–2022 Presidential Goals

#### Kirk H. Schulz, President

I developed my 2021-2022 goals in alignment with WSU's mission as a public land-grant research university committed to providing practical education for all, engaging in scholarly inquiry that benefits society, and sharing expertise to positively impact our state and communities. They support my long-term Drive to 25 vision and build upon momentum from past goals. They are outlined in the context of WSU's four strategic goals as set forth in the system strategic plan and included below for reference.

Strategic Plan Goal 1—Research, Innovation, and Creativity: Washington State University will be recognized for embracing risk and bold thinking to serve the needs of its communities through innovative research, scholarship, and creative activities.

- Develop and execute a plan to add increased opportunities for Graduate Medical Education (GME) positions throughout the state of Washington focused on Family Medicine, Pediatrics, Internal Medicine, and Psychiatry.
- Advance WSU's international agenda and expand the scope of WSU's internationalization efforts.
  - Hold two university planning meetings that focus on strengthening our international agenda, including the development and expansion of international partnerships to benefit faculty, staff, and students.

Strategic Plan Goal 2—Student Experience: Washington State University students will engage in scholarship, research, and experiential learning activities to prepare future leaders, scholars, and global citizens.

• Continue the development and implementation of a system-wide enrollment management plan.

Strategic Plan Goal 3—Outreach, Extension, Service, and Engagement: Washington State University will be a national leader in advancing quality of life, economic development, sustainability, and equity through meaningful engagement in discovery, education, and service with partners throughout the state, nation, and world.

- Increase WSU's visibility and presence as a key higher education partner in Seattle and King County.
- Enhance WSU's marketing and advertising efforts to more fully promote the relevance and impact of WSU's scholarship, research, and creative activities to audiences across the state and around the world.

Strategic Plan Goal 4—Institutional Effectiveness and Infrastructure: WSU will advance a culture of engagement and collaboration across its multi-campus system that values and invests in resources—physical, financial, human, and intellectual—leveraging these to become the social and economic drivers for the community, the state, and the world.

- Continue to develop and execute plans for ongoing evolution of the WSU System in collaboration with university governance groups and system leaders, including:
  - Establish a framework that will guide the WSU community to a more effective system-wide organizational structure.
  - Appoint an inaugural Chancellor for WSU Pullman.
- Continue the work associated with data-informed decision-making, including:
  - Create and implement a data management plan to support and advance a data-informed culture throughout the WSU System.
  - Continue to identify and develop tools to assist university leaders in identifying and using data for strategic planning and decision-making.
- Introduce a new budget process and model for the WSU system that is integrated with WSU system planning and resource allocation through the continued work of the Executive Budget Council.
- Continue system-wide equity, diversity, and inclusion (EDI) efforts, including:
  - Build a university structure that best supports EDI work system-wide.
  - Appoint a new Presidential Commission for Equity, Diversity, and Inclusion charged with leading a system-wide EDI strategic planning effort.
  - Advance inclusive excellence by hiring a second cohort of scholars with a focus on health inequalities.
- Accelerate progress on Campaign #3 in collaboration with the WSU Foundation, university leadership, and faculty, staff, and students.
  - Develop ideas and focus areas suitable for philanthropic support for Campaign #3.
  - Raise a total of \$135 million in philanthropic support for WSU for 2021–2022.
  - Raise \$10 million in support of the WSU Vancouver Life Sciences building.
- Initiate a work group to assess challenges and opportunities presented to WSU during the COVID-19 pandemic, including ways to:
  - Address the need for expanded mental health support for faculty, staff, and students.
  - Implement a more flexible work environment across the WSU system.
  - Identify operational and instructional experiences initiated during COVID-19 that should become part of the permanent WSU experience.

#### EXHIBIT C Board of Regents September 17, 2021

# **ACTION ITEM #1** WSU Spokane, Phase One Building Renovation - Construction

## (Olivia Yang)

September 17, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Spokane, Phase One Building Renovation, Construction
- PROPOSED: That the Board of Regents approve the WSU Campus Spokane, Phase One Building Renovation with a total budget not to exceed \$15,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.
- SUBMITTED BY: Stacy Pearson, CFO and Vice President for Finance & Administration

SUPPORTING

INFORMATION: Funds will be utilized to renovate and update the WSU Phase One Building that was recently vacated when Eastern Washington University ended a lease agreement. The renovation of the space will relieve building pressure amassing on campus as academic programs and research activity swells and will support additional academic programming in the health sciences.

> The goals of the project are to: Provide a home for the Elson S. Floyd College of Medicine (ESFCOM) by co-locating offices, student spaces and classrooms; Provide appropriate classroom space; testing, active learning and breakout rooms to support the ESFCOM teaching pedagogy and meet accreditation requirements; Provide sufficient office space to allow for the full co-location of the ESFCOM faculty, staff, and administration, or to the greatest extent feasible given existing conditions; Expand general classroom space for WSU campus use and modernize existing classroom spaces; Improve the entrance into the Phase One building to create a focal point; Improve lighting at the two entrances and throughout the structure; Provide a new home for WSU campus security.

This project was included in the capital budget request for the FY21-23 biennium as approved by the Regents in May 2020 and was approved for funding. We are now ready to proceed with construction approval.

#### **Project Schedule:**

Regents Approval of Schematic Design	NA
Start Construction	September 2021
Finish Construction	May 2023
Occupancy	June 2023

### **Project Budget:**

Construction (including contingency & sales tax)	\$11,530,000
Professional Services	\$239,000
Project Management	\$630,000
Moveable Equipment/Furnishings	\$2,380,000
Other	\$221,000
Total Project Budget	\$15,000,000

#### Source of Funds:

2021-2023 State Funds	\$15,000,000
Total Source of Funds	\$15,000,000

#### ATTACHMENT: Attachment A: Aerial site map

# Attachment A: Aerial Site Map



# **Board of Regents** WSU Spokane, Phase One Building Renovation - Construction

Resolution # 210917-642

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the WSU Campus Spokane, Phase One Building Renovation with a total budget not to exceed \$15,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.

Dated this 17th day of September, 2021.

Chair, Board of Regents

Secretary, Board of Regents

# ACTION ITEM #2 WSU Pullman, Johnson Hall Demolition - Construction (Olivia Yang)

September 17, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Pullman, Johnson Hall Demolition, Construction
- PROPOSED: That the Board of Regents approve the Pullman, Johnson Hall Demolition project with a total budget not to exceed \$8,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.
- SUBMITTED BY: Stacy Pearson, CFO and Vice President for Finance & Administration

SUPPORTING

INFORMATION: WSU ranks among the top research institutions in the world in the area of plant sciences through a collaboration of USDA ARS and WSU faculty. Much of this research occurs in Johnson Hall. However, scientists housed in Johnson Hall are making use of facilities that are grossly inadequate for conducting cutting-edge plant science research. The maintenance and operation of this facility, constructed in 1961, has become increasingly expensive and the building structure and mechanical layout make it a poor candidate for renovation. This lack of functionality and general poor condition jeopardizes the model for funding research. Federal funding has been designated to build a new USDA ARS Plant Biosciences Building, which is planned to occupy the current location of Johnson Hall where it will integrate with the recently construction Plant Sciences Building and Vogel Hall.

This project was included in the capital budget request for the FY21-23 biennium as approved by the Regents in May 2020 and was approved for funding. We are now ready to proceed with construction approval.

### **Project Schedule:**

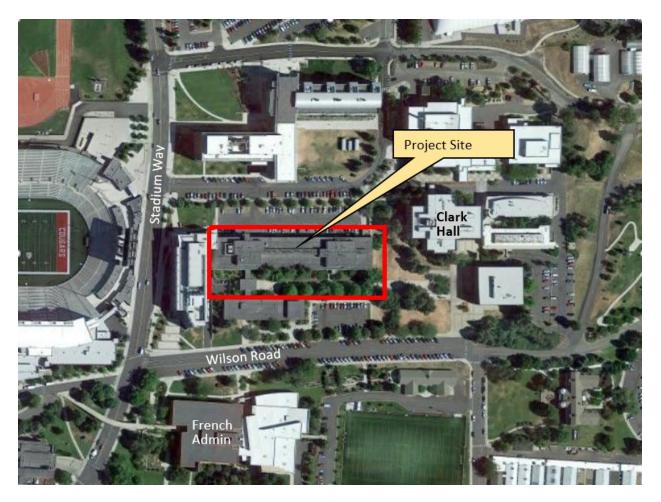
Regents Approval of Schematic Design	N/A
Start Construction	May 2022
Finish Construction	December 2022
Occupancy	N/A

# **Project Budget:**

Construction (incl. contingency & sales tax) Professional Services Project Management Moveable Equipment/Furnishings Other	\$7,547,200 \$62,500 \$341,200 \$0 <u>\$49,100</u>
Total Project Budget	<u>\$8,000,000</u>
<b>Source of Funds:</b> FY2021-2023 State Funds	<u>\$8,000,000</u>
Total Source of Funds	<u>\$8,000,000</u>

### ATTACHMENT: Attachment A: Aerial site map

# Attachment A: Aerial site map



# **Board of Regents** WSU Pullman, Johnson Hall Demolition - Construction Resolution # 210917-643

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the Pullman, Johnson Hall Demolition project with a total budget not to exceed \$8,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.

Dated this 17<sup>th</sup> day of September, 2021.

Chair, Board of Regents

Secretary, Board of Regents

# ACTION ITEM #3

### WSU Pullman, Clark Hall Research Lab Renovation - Construction (Olivia Yang)

September 17, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Pullman, Clark Hall Research Lab Renovation, Construction
- PROPOSED: That the Board of Regents approve the Pullman, Clark Hall Research Lab Renovation project with a total budget not to exceed \$4,900,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.
- SUBMITTED BY: Stacy Pearson, CFO and Vice President for Finance & Administration

## SUPPORTING

INFORMATION: Originally constructed in 1971, Clark Hall contains laboratories designed to support undergraduate instruction, research in agricultural chemicals, and research in food and animal sciences. However, it no longer supports modern research. Minor capital renovation and facilities upgrades have been employed to maintain functionality, but those strategies have been exhausted. With the recent completion of the Plant Science Building and programs moving out of Clark Hall, the opportunity to update research space is considered a high priority for the University. Once renovated, researchers can be relocated from facilities such as Johnson Hall, which is scheduled for demolition.

This project was included in the capital budget request for the FY21-23 biennium as approved by the Regents in May 2020 and was approved for funding. We are now ready to proceed with construction approval.

### **Project Schedule:**

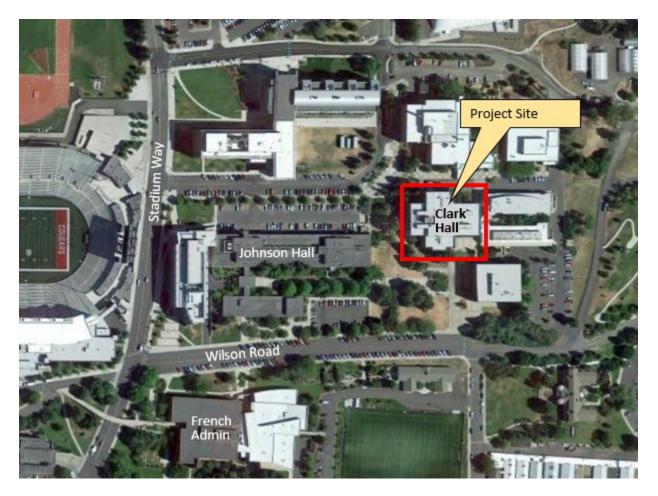
Regents Approval of Schematic Design	N/A
Start Construction	January 2022
Finish Construction	April 2022
Occupancy	May 2022

# **Project Budget:**

Construction (incl. contingency & sales tax) Professional Services Project Management Moveable Equipment/Furnishings Other	\$ 3,984,100 \$ 72,500 \$ 257,200 \$ 244,500 \$ 341,700
Total Project Budget	<u>\$ 4,900,000</u>
<b>Source of Funds:</b> FY2021-2023 State Funds	<u>\$ 4,900,000</u>
Total Source of Funds	<u>\$ 4,900,000</u>

# ATTACHMENT: Attachment A: Aerial site map

# Attachment A: Aerial Site Map



# **Board of Regents**

WSU Pullman, Clark Hall Research Lab Renovation - Construction

# Resolution # 210917-644

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the Pullman, Clark Hall Research Lab Renovation project with a total budget not to exceed \$4,900,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.

Dated 17th day of September, 2021.

Chair, Board of Regents

Secretary, Board of Regents

#### EXHIBIT F Board of Regents September 17, 2021

# **ACTION ITEM #4**

# WSU Pullman, New Campus Fire Protection and Domestic Water Reservoir Construction (Olivia Yang)

September 17, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Pullman, New Campus Fire Protection and Domestic Water Reservoir, Construction
- PROPOSED: That the Board of Regents approve the Pullman, New Campus Fire Protection and Domestic Water Reservoir project with a total budget not to exceed \$8,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.
- SUBMITTED BY: Stacy Pearson, CFO and Vice President for Finance & Administration Olivia Yang, Associate Vice President for Facilities Services

SUPPORTING

**INFORMATION:** WSU has four reservoirs dating from 1948 to 1973. In 2018 the oldest reservoir was decommissioned, as the necessary repairs were a greater cost than a wholesale replacement. Although WSU's water system is compliant with Department of Health regulations for storage capacity, the system currently operates without redundancy. Ongoing maintenance must be performed to the remaining reservoirs to assure the system provides water reliability, but all three must remain in operation to meet fire flow and reserve capacity requirements, despite their advanced age and a long list of deferred maintenance needs. Lacking the redundancy to allow a reservoir to be taken out of service, necessary work cannot occur and the likelihood of significant outages affecting campus personnel and functions increase greatly. A new reservoir is an essential priority for the University. This project will construct a new two-million-gallon reservoir, provide the corresponding site improvements and access road, and would install new required piping to link the new reservoir to the existing distribution network.

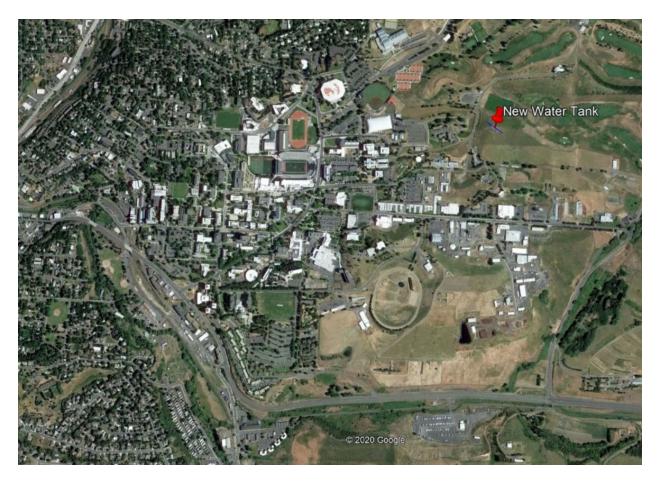
This project was included in the capital budget request for the FY21-23 biennium as approved by the Regents in May 2020 and was approved for funding. We are now ready to proceed with construction approval.

#### **Project Schedule:**

roject schedule.	
Regents Approval of Schematic Design	NA
Start Construction	March 2022
Finish Construction	September 2022
Project Budget:	
Construction (incl. contingency & sales ta	x) \$ 6,859,334
Professional Services	\$ 478,527
Project Management	\$ 544,291
Artwork	\$ 39,797
Other	<u>\$ 78,051</u>
Total Project Budget	<u>\$ 8,000,000</u>
Source of Funds:	
FY2021-2023 State Funds	\$ <u>8,000,000</u>
Total Source of Funds	<u>\$ 8,000,000</u>

ATTACHMENT: Attachment A: Aerial site map

# Attachment A: Aerial site map



# **Board of Regents** WSU Pullman, New Campus Fire Protection and Domestic Water Reservoir Construction

# Resolution # 210917-645

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the Pullman, New Campus Fire Protection and Domestic Water Reservoir project with a total budget not to exceed \$8,000,000, authorize the project to proceed to construction, using the Design-Build (DB) process pursuant to RCW 39.10, and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project, within the budgeted amount.

Dated this 17th day of September, 2021.

Chair, Board of Regents

Secretary, Board of Regents

#### EXHIBIT G Board of Regents September 17, 2021

# Request for State Attorney General's Office To Provide Defense for University Employees (Danielle Hess)

### TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Request for State Attorney General's Office to Provide Defense for Washington State University (WSU) Employees
- PROPOSED: That the Board of Regents approve the request for defense by Nicholas Rolovich
- SUBMITTED BY: Danielle Hess, Senior Assistant Attorney General

### SUPPORTING

INFORMATION: The complaint in the case of *Kassidy Woods v. Nicholas Rolovich and Washington State University*, U.S. District Court, Northern District of Texas, Dallas Division, Cause No. 3:21-cv-01958-M, names Nicholas Rolovich as a defendant, thus exposing him to a risk of personal liability.

A statutory procedure exists authorizing WSU employees to request that the Attorney General's Office represent them in such cases and that any judgment obtained be paid from state funds. This procedure requires that the Board of Regents take action by resolution finding that the University employee involved was acting within the scope of his duties and in good faith. The Board's determination must be made upon the facts available to it at the time of request for defense and indemnification.

I have reviewed the claim and conducted a preliminary investigation of the facts of this case. Based on my review and my discussions with Athletic Director Pat Chun, it is my opinion that Mr. Rolovich was acting within the scope of his duties and in good faith when taking the actions from which this lawsuit arose. I therefore recommend defense by the Attorney General's Office and indemnification by the state.

A proposed Board Resolution is attached.

#### **BOARD OF REGENTS**

Washington State University

#### **Resolution #210917-646**

WHEREAS, a legal action has been commenced in the U.S. District Court, Northern District of Texas, Dallas Division, by Kassidy Woods against Nicholas Rolovich; and

WHEREAS, Senior Assistant Attorney General Danielle Hess, serving as legal counsel to the University, has reviewed the claim, conducted a preliminary investigation of the facts of the case, and, based upon existing information and belief, has advised the Board of Regents that this claim arose out of activities performed in good faith and within the scope of employment; and

WHEREAS, RCW 28B.10.842 authorizes the Board of Regents to request the Attorney General to defend legal actions against employees, officials, and agents of Washington State University, and to authorize payment of any obligation arising from such actions from the state tort liability account pursuant to the provisions of RCW 4.92.130 through RCW 4.92.160;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents hereby finds that Head Football Coach Nicholas Rolovich, who is named individually as a defendant in the legal action brought by Kassidy Woods in the U.S. District Court, Northern District of Texas, Dallas Division, Cause No. 3:21-cv-01958-M, acted within the scope of his duties and in good faith with regard to conduct alleged by the plaintiff. Further, the Board of Regents hereby specifically requests, pursuant to RCW 28B.10.842, that the Attorney General's Office defend the above-named WSU employee against the claim brought by the plaintiff in the above-referenced legal action, or any other claim or legal action commenced by the plaintiff in any state or federal court of proceeding arising out of the facts alleged in this lawsuit, and that any obligation for payment arising from the abovereferenced actions, or any other claim or legal action by the plaintiff, be paid from the state tort liability account pursuant to the provisions of RCW 4.92.130 through RCW 4.92.160.

DATED this \_\_\_\_\_ day of September, 2021.

Chair, Board of Regents

Secretary, Board of Regents

# ACTION ITEM #1 Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct (Stacy Pearson/Bill Gardner)

November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: WSU Pullman, Revision to WAC Chapter 504-31-020: WSU Conduct on Campus Code – Prohibited Conduct
- PROPOSED: That the Board of Regents adopt proposed amendments to WAC Chapter 504-31-020 Conduct on Campus Code Prohibited Conduct and add a prohibition to the possession and use of fireworks without the express permission from the university administration.
- SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO

SUPPORTING

INFORMATION: The Board of Regents has authority pursuant to Chapter 28B.30 RCW and Chapter 34.05 RCW to adopt, amend, and repeal rules published in the Washington Administrative Code. WAC Chapter 504-31-020 concerns rules related to possession of dangerous items on campus. This revision adds a prohibition to the possession and use of fireworks without express permission from the university administration.

> This change is necessary to ensure that WSU maintains a safe environment for the university community, free from accidental fires and injuries related to the improper or dangerous use of incendiary devices such as fireworks. This change also brings this section of the WAC into conformance with WAC 504-26-213 – Standards of Conduct for Students, Firearms and Dangerous Weapons, which also prohibits the possession and use of fireworks on university premises.

ATTACHMENT: Attachment A - WAC Chapter 504-31-020

WAC 504-31-020 Prohibited conduct. In order to assure the above rights to all members of the university community and to maintain a peaceful atmosphere in which the university may continue to make its unique contribution to society, the following types of conduct are hereby prohibited on or in property either owned, controlled, or operated by the university which is used or set aside for university purposes, hereinafter referred to as the university campus:

(1) Conduct that intentionally and substantially obstructs or disrupts teaching or freedom of movement or other lawful activities on the university campus;

(2) Physical abuse of any person or conduct that unlawfully threatens imminent bodily harm or endangers the health or safety of any person on the university campus;

(3) Malicious damage to or malicious misuse of university property, or the property of any person where such property is located on the university campus;

(4) Refusal to comply with any lawful order to leave the university campus or any portion thereof;

(5) Possession or use of firearms, explosives (including fireworks), dangerous chemicals or other dangerous weapons or instrumentalities on the university campus. This prohibition does not apply to possession of such items for authorized university purposes; possession of such items by authorized law enforcement officers; individuals who have obtained prior written approval from the university chief of police, president, or designee; or lawful possession of firearms by persons other than students in privately owned vehicles while on any university campus.

(6) Unlawful possession, use, distribution, or manufacture of alcohol or controlled substances on the university campus or during university-sponsored activities;

(7) Intentionally inciting others to engage immediately in any of the conduct prohibited herein, which incitement leads directly to such conduct. (Inciting is advocacy that prepares the group addressed for imminent action and steels it to the conduct prohibited herein.)

[Statutory Authority: RCW 28B.30.150. WSR 13-08-033, § 504-31-020, filed 3/27/13, effective 4/27/13.]



November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Foundation Regents Report

SUBMITTED BY:Mike Connell, Acting Vice President of Advancement &<br/>CEO, Washington State University Foundation

The Washington State University Foundation is pleased to report the following:

- As of November 5, 2021, generous alumni, friends, and corporate partners have made \$44,300,909 in total philanthropic commitments to the WSU Foundation during Fiscal Year 2022 (July 1, 2021—June 30, 2022) for the benefit of WSU campuses, colleges and programs. This represents a 6.62 percent increase over the same period one year ago.
- WSU recently received several transformational gifts, including a commitment in October from WSU alumnus Darren Alger and his wife, Jamie, that completes the fundraising for the Indoor Practice Facility in Cougar Athletics; as well as an anonymous \$3.5M gift to establish the WSU Carson College Endowed Program for Student Success in Accounting.
- University-wide, outright gifts and new pledges for FY2022-to-date total \$25,082,674—up 49.13 percent over the same period one year ago.
- The WSU Foundation's endowment value continued to grow through the first two months of FY2022 to a high-water mark of \$673 million as of August 31, 2021, representing a 12-month return of 26.9 percent.
- The WSU Foundation hosted its first in-person events in 19 months by welcoming the Foundation's Board of Directors, Advocates, and Advocates Emeriti to Pullman for the Annual Fall Meeting, October 20-22, 2021. As part of a productive Board of Directors meeting, Sheryl Ossello, Liz Pritchard, and Mike Worthy were each appointed to the Board and John Mingé was appointed Vice President of the WSU Foundation and Vice Chair of the Board of Directors. Rebecca Zanatta also joined the Board in an ex officio capacity as Chair of the Foundation's Advocates and Advocates Emeriti.
- The WSU Foundation honored ten individuals for their exceptional volunteer service advancing philanthropy at WSU during the Foundation's Volunteer Awards Celebration on October 21. Outstanding Service Award recipients were Joan Berry, Laurie Johnson and Dawn Smith, Rich McKinney, Bryan Slinker, and John Tomkowiak. The William F. Brotherton Cougar Spirit Award honorees were Clive and Shari Freidenrich, and recipients of the 2021 Weldon B. Gibson Distinguished Service Award were Duane and Terri Brelsford.



DATE: November 19, 2021

TO: All Members of the Board of Regents

SUBJECT: Faculty Senate Report

SUBMITTED BY: Douglas Call, Chair 🏻 🖉 Cll

The Office of the Provost and the AG contacted the Faculty Affairs Committee (FAC) from the Faculty Senate during the week of September 28th to discuss the possibility of adding some clarifying language to the *WSU Faculty Manual* regarding procedures for investigating faculty who refuse to comply with lawful requirements for employment. The proposed changes clarify that faculty in this position can be moved to a status of leave-without-pay until a formal investigation is complete.

The language was reviewed by the Faculty Senate Steering Committee on September 20th, 2021. During the Faculty Senate meeting of October 7th, 2021 the final recommended changes from the FAC were moved from a discussion item to an action item (after motion and vote) and after discussion and amendment (for further clarification), the Faculty Senate voted to recommend that the amended language for the *Faculty Manual* be adopted by President Schulz. President Schulz approved the recommended changes on October 8th, 2021 and the changes were implemented immediately.

The Faculty Executive Committee met with President Schulz and Provost Chilton on October 25th, 2021 to discuss several topics ranging from next steps for the OneWSU initiative to efforts to secure staff and faculty salary increases through the upcoming supplemental budget process.

Since the last Board of Regents meeting, the Faculty Senate Executive Committee and the Faculty Senate have each met four times as part of our normal academic governance activities. When available, guest speakers from the WSU administration have addressed the senate.



DATE: November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS SUBJECT: ASWSUV Report SUBMITTED BY: Armando Antonino, President

In this report, we illustrate how ASWSUV has worked to deliver the promise embedded in its strategic plan and the collective efforts put into resuming our traditional in-person campus environment both academically and non-academically.

#### **Strategic Plan**

Last year, I had the honor of presenting the ASWSUV Strategic Plan and I am proud to report our efforts towards the plan this year. As a reiteration, our plan has maintained its five pillars: food security, mental and physical health, cultivating community, student engagement, and social justice/equity.

This year we have used our strategic plan to guide the work ASWSUV is doing. We have shown flexibility to meet the needs of this year's community. A few additional efforts made this year include:

#### **Civic Engagement**

ASWSUV recognizes the importance of Civic Engagement, and our goal is to coordinate opportunities for student engagement. ASWSUV has hosted a number of events for our students to learn about our community and democratic values. We registered students to vote on National Voter Registration Day. Through our annual Floats 4 Votes event, we invited local candidates, community leaders and organizations to our campus to converse with students on issues that matter to our community. We organized biweekly Coug Convo a space for students to have discussions on topics such as foreign policy and the pandemic. We also hosted a Voter Engagement Hub to ensure students and community members have access to vote during the election.

#### Changing Community's around Washington State

The leaders withing ASWSUV are truly unstoppable going great lengths to change communities around Washington State. Through the Student Government Council, our Internal Director of Legislative Affairs chairs the Legislative committee which supports the Legislative works of WSU students. The ASWSUV president also chairs the Student Government Council. In addition, our Vice President leads the Washington Student Associate which advocates for the legislative needs of all students in Washington State.

#### **Keeping Cougs Safe**

Cougs help Cougs and ASWSUV has focused on supporting the health of our communities amid returning to campus. Our student leadership shared the concerns and needs of our students to campus administrators around health operations through memorandums detailing policy recommendations. ASWSUV supported the communication processes of timely information around COVID-19 and campus protocols such as vaccine mandates and exemption procedures to our students.

ASWSUV has one goal: to better the lives of our students through advocacy, and as such, our student leadership will stop at nothing to accomplish this goal.



# WSU Student Government Council Executive Summary

The Student Government Council (SGC) vision and mission statement demonstrates we – as a student representative organization – value transparency, the enhancement of a well-rounded higher education experience, and serve as a resource for all student governments within the Washington State University (WSU) system.

For the first time since the pandemic, SGC met in person during our July 2021 meetings. We discussed impacts of COVID-19, lack of training/transition from previous leaders to new leaders. Additionally, much of our time was focused on connecting and learning about each other within SGC.

SGC created additional leadership roles to assist in the success of the organization and to support more voices within the SGC leadership team. Positions created included Executive Secretary, Student Relations, and Parliamentarian.

For the first time ever, SGC created designated social media channels to advocate and spread information to students across the system. We now have a digital presence on Facebook, Instagram and our website. SGC is creating a system for students to highlight information about their campus. SGC created a personalized email – <u>sgc.contact@wsu.edu</u> – with the goal to have a single center of communication for students. This email is for students to send their questions, thoughts, and comments regarding SGC.

Additionally, SGC met in the Tri-cities for our October 2021 general assembly. Themes of this meeting included a significant focus on budgets and the S&A process. SGC also met with WSU leaders to learn more on systems and resources in place for students.

Furthermore, SGC created an additional committee titled the *Relations and Accountability* committee. This committee strives to coordinate channels of communication, improve awareness of impactful matters, and advocacy for the students at WSU. Some goals include communicating priorities, visions, and concerns. This committee ensures we keep ourselves and WSU accountable.

Lastly, the Student Government Council voted on our 2021-2022 legislative agenda. SGC has created a state and federal agenda which is a first – in recent years.



# WSU Student Government Council 2021-2022 State Legislative Priorities

#### **Rural Broadband**

The "digital divide" is a term that has been used to characterize a gap between those Americans who have access to telecommunications and information technologies and those who do not. One important subset of the digital divide debate concerns access to high-speed internet, also known as broadband.

Broadband is provided by a series of technologies (e.g., cable, telephone wire, fiber, satellite, and mobile and fixed wireless) that give users the ability to send and receive data at volumes and speeds that support a number of applications including voice communications, entertainment, telemedicine, distance education, telework, ecommerce, civic engagement, public safety, and energy conservation (Congressional Research Service, 2019).

Around 800,000 Washington State residents lack a connection to high-speed fiber internet. With the money Washington State Legislature provided during the last legislative session, the state can connect approximately 30,000 residents. There is a clear and direct need for the expansion of rural broadband programs and funding.

#### Anti-Hazing Bill on Legislative Agenda

Representative Mari Leavitt of Washington's 28th Legislative District visited the Pullman campus to speak with students. Rep Leavitt is the vice chair on the House College and Workforce Development Committee and has successfully passed bills such as HB 1166 which expands programs to assist college students experiencing homelessnes and those who were previously in foster care.

Rep Leavitt wants to continue helping students with a bill that she plans to pre-file for this upcoming session regarding Anti-Hazing. In speaking with Rep Leavitt on this bill, she explained that the bill will not only pertain to the greek community, but to athletics and other student organizations who could be participating in hazing activities.

We believe this bill deserves a spot on the SGC legislative agenda because if passed, it would increase student safety across the state of Washington. It is important that as a university student leadership body we take a strong stance against hazing and we can do that by supporting and advocating for an anti-hazing bill. At this point in time, the bill is still currently being drafted and has not yet been pre-filed, so details about the policy are still unknown. But as details are becoming known, the legislative committee can give appropriate updates about this bill as it develops.

#### Mental Health Resources on Legislative Agenda

At this time there is currently no specific bill that is on our radar with regard to mental health resources. However, the Legislative Committee believes that given the circumstances of this

year as well as the previous year, it is important that we have a spot for mental health resource advocacy on our legislative agenda. At our university and probably many others around the state, tuition has increased with the promise of putting those funds into mental health resources for students. Due to the decrease in enrollment, the funds that were said to be put toward mental health resources were actually reallocated in order to cover the decrease in enrollment.

Because of this it is extremely vital that we advocate for student mental health resources at the state level. Currently, at Cougar Health Services, many of the counselors that serve students are also students. Students helping students. But these student counselors have no resources for themselves in what can be an extremely difficult job. Once the student counselors finish their degree, they often leave Cougar Health Services to pursue other opportunities, so some students using these resources might have to see a different counselor halfway through the year and start the process all over again. One idea that we want to stress to legislators is the possibility of requiring university health organizations, such as Cougar Health Services, to employ more professional therapists in order to increase stability among students who are utilizing these resources.

### **Expanding the Washington College Grant**

Currently, students from families that make 55% of the state median income are eligible for full benefits under the Washington College Grant and students from families who make 56%-100% of the state median income qualify for tapering partial benefits. HB 1517 (no current senate bill) is a bill which would seek to expand full WCG benefits to students who come from families which make less than 70% of the state median income and would expand tapering partial benefits for families who make between 70 to 90 percent of the state median income. The full WCG benefits cover the full cost of tuition fees for 15 credits at public universities. Currently the bill is in the appropriations committee, the committee deals with expenditures.

### **Undocumented Student Worker Compensation**

With the way the law is currently written, undocumented students cannot receive access to work study jobs as well as not receive pay for participating in student government. While there are no current bills in the Washington State Legislature that aim to solve this problem, there are programs sponsored by other states that aim to make this gap more equitable for our undocumented student population. An example of such a program is the California Dream Act. Under the rules of the California Dream Act, students can receive in-state financial aid that includes work study funding. Undocumented students at UC of Berkeley, as an example, can apply for the non-federal Director's Work Study if they have work authorization (i.e., DACA, TPS, etc.) and be receiving CA Dream Act aid. Undocumented students in Washington cannot receive work study through the WAFSA, because work study requires US status.

We believe adding this item to the SGC Legislative Agenda, because there is an equity gap on our campuses without these doors being open to our undocumented students. If an undocumented student wants to participate in student government, they cannot be

compensated in any way for positions that are traditionally paid. If undocumented students can receive some form of compensation for work on campus, this can lower the potential amount of loans they need to take out. The amount of Undocumented Student participation in student government will increase, because they will have the same access and benefits as those who are employed in student government.



# WSU Student Government Council 2021-2022 Federal Legislative Priorities

## **Rural Broadband**

The "digital divide" is a term that has been used to characterize a gap between those Americans who have access to telecommunications and information technologies and those who do not. One important subset of the digital divide debate concerns access to high-speed internet, also known as broadband.

Broadband is provided by a series of technologies (e.g., cable, telephone wire, fiber, satellite, and mobile and fixed wireless) that give users the ability to send and receive data at volumes and speeds that support a number of applications including voice communications, entertainment, telemedicine, distance education, telework, ecommerce, civic engagement, public safety, and energy conservation (Congressional Research Service, 2019).

Around 800,000 Washington State residents lack a connection to high-speed fiber internet. With the money Washington State Legislature provided during the last legislative session, the state can connect approximately 30,000 residents. There is a clear and direct need for the expansion of rural broadband programs and funding.

## **Pell Grant Expansion**

The Pell Grant was created by the Higher Education Act of 1965. It is for students with financial needs and who are working towards their first bachelor's degree. Restoring the purchasing power of the Pell Grant will help students who struggle financially earn bachelor's degrees, lower student debt, and much more. The Pell Grant Preservation and Expansion Act of 2021 would double the maximum Pell Grant, include DREAMers in aid, extend Pell Grant access to part-time students and much more.

For the 2021-2022 academic year, there are an estimated 31,159 Washington State University (WSU) students across the network. Of those students, approximately 75% of all

WSU students receive some form of financial aid. Currently, 9,370 students utilize Pell Grant dollars for tuition aid.

### **SNAP Expansion**

The U.S. Department of Agriculture (USDA) operates the Supplemental Nutrition Assistance Program (SNAP) – formerly the Food Stamp Program – in partnership with States and local areas. In Washington State, this is called the Basic Food Program.

SNAP is the largest of USDA's food and nutrition assistance programs, accounting for 65 percent of Federal food and nutrition assistance spending in FY 2020. Unlike other food and nutrition assistance programs that target specific groups, SNAP is available to all households that meet the program's income and asset criteria, subject to certain work and immigration status requirements. Participating households receive monthly benefits that can be used to purchase food items at authorized retailers via an electronic system known as electronic benefit transfer (EBT). Benefits increase with household size and decrease with household income and can be redeemed for most types of foods. Benefits cannot be spent on tobacco, alcohol, or nonfood items. Benefits also cannot be spent on hot or prepared foods, except in some areas under certain conditions.

For much of the program's history, SNAP administration was largely uniform across States. With the passage of welfare reform legislation in 1996, along with subsequent legislative and regulatory changes, States now have considerable discretion in how to administer the program. Although the maximum benefit levels and the benefit calculation formula are set at the Federal level, States have the option to adopt policies that may affect eligibility for benefits, the transaction costs associated with enrolling and maintaining benefits, the stigma attached to participation, and outreach to raise awareness of the program among eligible nonparticipants.

### American Dream and Promise Act + Student Compensation

The American Dream and Promise Act of 2021, federal legislation proposed by Rep. Lucille Roybal-Allard, seeks to provide certain non-US citizens with a path to receive permanent resident status and contains other immigration-related provisions. The Department of Homeland Security (DHS) or the Department of Justice (DOJ) shall provide conditional permanent resident status for 10 years to a qualifying non-US citizen who entered the United States as a minor and (1) is deportable or inadmissible, (2) has deferred enforced departure (DED) status or temporary protected status (TPS), or (3) is the child of certain classes of nonimmigrants. While ADPA has passed the House of Representatives, the Senate Judiciary Committee held a hearing on the bill on 6/15/2021 but no action has happened since then.

We believe this bill should have a spot on the SGC legislative agenda, because our undocumented students on all WSU campuses across the system deserve to have leadership advocating for their permanent residency status. While undocumented students can apply for WAFSA and are able to receive financial aid through the Washington College Grant, they are unable to apply for the Pell grant, be eligible for Federal Work Study, or receive Federal Direct Student Loans. In general, DACA students are also unable to receive Federal Student Aid at all. If students are able to claim permanent resident status, this would open the door for these students to be able to receive federal student aid and support their college experience. By advocating for our undocumented students, we take an equitable approach to serving our student body in an authentic and appropriate manner DATE: November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Graduate Student Association at Vancouver Report

SUBMITTED BY: Samantha Bussan, President

## History

The Graduate Student Association at Vancouver was founded by graduate students dedicated to providing Vancouver-specific events and representation for graduate student issues. We formed the organization in Sept. 2019 as an official registered student organization at WSUV.

## Structure

We have five officers that run the majority of GSAV operations, elected annually in December. The positions are President, Vice President, Secretary, Treasurer, and Programming Coordinator. GSAV holds biweekly officer meetings, open to all, to organize events and discuss student issues. Specific topics are addressed in working groups that are modified with member interest.

## Accomplishments

- 1. We regularly attend faculty meetings and meet with Chancellor Netzhammer and Vice Chancellor Portfors to advocate for graduate student issues, including increasing stipends to living wages, improving healthcare access, and increasing inclusion and equity on the Vancouver campus.
- 2. We hosted a writing lock in open to graduate and undergraduate students which served as a dedicated space for writing with few distractions. We provided coffee and food.
- 3. We hosted a zoom symposium for educating undergraduates about graduate school (why to go; how to apply; what experiences to gain as undergraduates, etc).
- 4. We have hosted lunch for two PDI events for graduate students.
- 5. We hosted social events including a virtual "cook-along" and ongoing in-person graduate student "tea time."

## Goals and objectives

- 1. Represent Vancouver graduate students with faculty and staff. Advocate for graduate students; our current focuses include healthcare coverage, financial stability, and diversity and equity.
- 2. Provide professional events and services for graduate students including career training, graduate exam information sessions, and workshops for student research.
- 3. Connect graduate students across the Vancouver campus. Recruit more graduate students to GSAV. Host graduate student interactive events, such as retreats, game nights, and writing lock-ins.
- 4. We are working to expand outreach to grad students in more departments and across the WSU system. We are working with GPSA to support graduate students.
- 5. Create separate S and A fees for graduate students. Currently our fees go into one account which include undergraduates. We would like to have university allocated funds to support graduate students.

Administrative Professional Advisory Council



November 19<sup>,</sup> 2021

# To:All members of the Board of RegentsSubject:Administrative Professional Advisory Council ReportSubmitted by:Anna McLeod, APAC ChairPresented by:Anna McLeod, APAC Chair

The Administrative Professional Advisory Council is pleased to report the following:

- 1. APAC Survey released for distribution on September 30th, 2021
  - a. As of November 1<sup>st,</sup> 380 Administrative Professionals have responded to this survey.
  - b. A goal of 500 AP responses has been set for the survey deadline on November 15<sup>th</sup>, 2021.
    - i. Reach:
  - c. Response data and consistent themes:
    - i. Concerns on equity, work outside of job descriptions and compensation. Accessibility to flexible work schedules / remote work and access to global campus classes with tuition waivers, staffing level concerns, etc.
- 2. APAC presentation of 2021 -2022 goals to President Schulz
  - a. Focus on awareness and system-wide communications
  - b. Collaborations
    - i. President's Commissions
    - ii. Provost office & DEI
  - c. Council member support
  - d. Expanded staff appreciation and AP Contribution award events
  - e. Professional Development

TO:	ALL MEMBERS OF THE BOARD OF REGENTS
SUBJECT:	WSU Alumni Association Progress Report
SUBMITTED BY:	Shelly Spangler, WSUAA President 2021-2022 Tim Pavish, WSUAA Executive Director

## The Best of the Best Recognized Through WSUAA Awards Program

Washington State University is a truly remarkable institution. Across the WSU System and throughout the Cougar Family, extraordinary people abound. Those who rise to the top are the recipients of one or more of the WSUAA's prestigious array of awards. Established to honor Cougs and friends of WSU who go above and beyond, the awards recognize those who made exceptional achievements and contributions to society and/or WSU.

## **Top Ten Seniors Awards**

Each year ten seniors from across the WSU system are honored for their achievements in academics, athletics, campus involvement, community service, and visual and performing arts with the Top Ten Seniors Awards. Recipients reflect the very best that WSU has to offer, extraordinary students from every campus who excel in their given area of expertise. Four of the recent recipients include: An Electrical Engineering major from the Everett campus who worked as the WSUE Student Civic Leader Fellow through the Washington Campus Compact; a Civil Engineering major from the Pullman campus who is a four-year member of Engineers Without Borders; a Digital Technology and Culture major from the Tri-Cities campus who earned the ASWSUTC's Perseverance Award for Excellent Work; and a Business student from the Vancouver campus who established the Volunteer Income Tax Club which assists low-income individuals and the elderly with their taxes.

## Honorary Alumnus/a Award

In September, the Tri-Cities campus dedicated the new General James N. Mattis Leadership Library. James Mattis, retired four-star General and former U.S. Secretary of Defense, was awarded the WSUAA Honorary Alumnus Award as part of the dedication. The award is the highest honor the WSUAA bestows on individuals who did not attend WSU. General Mattis has been a long-time contributor to WSU, and more specifically, to WSU Tri-Cities. He frequently offers his time and support to WSU student and staff veterans, both in the community and on campus.

## **Cougar Pride Award**

Over Homecoming weekend, the WSUAA presented the Cougar Pride Award to Ande Edlund ('94). The Cougar Pride Award recognizes alumni, students, faculty/staff, and friends of WSU who have consistently demonstrated extraordinary spirit in support of the University, the Alumni Association, and related organizations. Ande is best known as the owner of popular social media figure Dash Dog, a 10-year-old Golden Retriever. Ande frequently utilizes Dash's 40k Instagram followers to benefit WSU, the WSUAA, and the Leukemia and Lymphoma Society.

## Alumni Achievement Award

The Alumni Achievement Award is the WSU Alumni Association's highest alumni honor recognizing outstanding service and contributions to WSU, their profession, the community, and beyond. Dr. Craig Nishimoto ('84) was presented with the award over Homecoming weekend in recognition of 37 years of distinguished service as a veterinarian and volunteer in human and animal health in Hawaii and beyond.

The Association's awards program is one of the tools the WSUAA uses to engage alumni and friends with the University. Heightened engagement leads to heightened support of and exposure for WSU.

WSUAA -- Honoring Cougs Who Make a Difference

## ACTION ITEM #1 2023 Board of Regents Meeting Schedule (Kirk Schulz)

TO ALL MEMBERS OF THE BOARD OF REGENTS

- SUBJECT: Establishment of the 2023 Board of Regents Meeting Schedule
- SUBMITTED BY: Kirk H. Schulz, President
- PROPOSED: That the Board of Regents approve the schedule for the 2023 Board of Regents Meetings; and delegate 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.

SUPPORTING INFORMATION:

Proposed meeting dates are as follows:

2023

<u>Date</u>	<u>Location</u>
January 26-27, 2023	Electronic
March 9-10, 2023	Tri-Cities
May 4-5, 2023	Spokane
June 8-9, 2023 (Retreat)	TBD
September 14-15, 2023	Pullman
November 16-17, 2023	Vancouver

# **BOARD OF REGENTS**

2023 Board of Regents Meeting Schedule

## **Resolution #211119-647**

BE IT RESOLVED that the Board of Regents of Washington State University hereby adopts the following schedule of meeting dates for 2023:

<u>Date</u>	Location
January 26-27, 2023	Electronic
March 9-10, 2023	Tri-Cities
May 4-5, 2023	Spokane
June 8-9, 2023 (Retreat)	TBD
September 14-15, 2023	Pullman
November 16-17, 2023	Vancouver

BE IT FURTHER RESOLVED that pursuant to RCW 28B.10.528, authority is hereby delegated to the President of the University or his designee to select and designate appropriate meeting 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.

BE IT FURTHER RESOLVED that when a regular meeting is rescheduled, notice thereof will be given in conformance with the notice requirements specified by the Open Public Meetings Act for special meetings, with the understanding that special meetings may be called by the President of the Board or as otherwise provided by law.

BE IT FURTHER RESOLVED that the Board of Regents may convene Executive Sessions whenever it is deemed necessary in the interest of the University for the purpose of discussing matters or items for which Executive Sessions are authorized in RCW 42.30 as it now exists or may be amended hereafter.

DATED this 19th day of November, 2021.

Chair of the Board of Regents

Secretary of the Board of Regents

## ACTION ITEM #2 2022 State Supplemental Operating Budget Request (Stacy Pearson/Colleen Kerr)

November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: 2022 State Supplemental Operating Budget Request

PROPOSED: That the Washington State University Board of Regents approve the 2022 State Supplemental Operating Budget Request and delegate authority to the President or designee to approve any final adjustments needed related to the request.

SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration/CFO Colleen Kerr, Vice President External Affairs & Government Relations

SUPPORTING

INFORMATION: During the summer of 2021, a WSU task force spearheaded by the Office of State Relations and the Budget Office was formed to review and identify system priorities that WSU would advance to the state legislative process for funding in the 2022 legislative session.

President Schulz approved the task force recommendations for inclusion in WSU's 2022 supplemental operating budget request. This request, detailed below, totals \$14,583,000 in permanent funds and \$922,000 in one-time funding:

1. Compensation

This request for new state appropriation will ease chronic recruitment and retention challenges among the university's faculty and staff. Funding this priority will enable WSU to be more competitive in attracting and retaining faculty, staff, and graduate students based on cost of living, merit and/or equity. Request amount: \$9,365,000 - FY23.

2. Cybersecurity Program

This request, initiated at the suggestion of the governor's office, will establish two new academic programs that will produce

graduates to bolster the state's cybersecurity workforce, meeting a burgeoning and critical need for both public and private employers. The proposal would 1) establish a Bachelor of Science in Cybersecurity Operations delivered by the Voiland College of Engineering and Architecture and 2) add a new major in Information Assurance to the existing Bachelor of Arts in Business Administration delivered by the Carson College of Business. This proposal, if fully funded, would establish these two new programs at WSU campuses in Pullman, the Tri-Cities and Everett. Request amount: \$4,448,000 – FY23

3. Pharmacy Residency Program

This request, submitted in tandem with the University of Washington, will develop a one-year psychiatric pharmacy residency program to provide additional training to help graduates devise pharmaceutical strategies for addressing challenging and unique behavioral and mental health cases. The request would allow WSU to fund two pharmacy residents annually that will be placed in Eastern Washington. Trainees and their faculty supervisor from this program would serve as primary care providers throughout rural Washington, enhancing access to critical mental health care. The University of Washington is pursuing a parallel request that would place its two residents in its new mental health teaching hospital now under construction in Seattle.

Request amount: \$341,000 - FY23

4. Collective Bargaining Agreements

WSU entered into MOUs with the WSU Police Guild and the Washington Federation of State Employees related to 2021-23 collective bargaining agreements. If funded, this request will cover the cost of compensation adjustments per those MOU's. Request amount: \$235,000 – FY23

As fiscal agent for the Everett University Center, WSU is also advancing a maintenance level request on behalf of Western Washington University (WWU) to address a compensation issue for WWU faculty at the Everett University Center. The request is for onetime funding of \$908,000 and \$208,000 of permanent funding.

Due to an oversight and timing, a 2022 Supplemental Operating Budget Request was submitted to the state Office of Financial Management in Spetember; however, Regents' approval of the request is required. The request can be amended if there are changes or corrections recommended by the Regents.

# **BOARD OF REGENTS**

2022 Supplemental Operating Budget Request

# Resolution #211119-648

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Washington State University Board of Regents approve the 2022 State Supplemental Operating Budget Request and delegate authority to the President or designee to approve any final adjustments needed related to the request.

DATED this 19th day of November, 2021.

Chair, Board of Regents

Secretary, Board of Regents