

May 31, 2019

BOARD OF REGENTS MEETING NOTICE (Revised)
June 6-7, 2019

The Board of Regents of Washington State University will hold a retreat June 6-7, 2019, in Richland, Washington. The retreat will begin with dinner on Thursday, June 6, at 6:00 p.m., in the Estate Room of Tagaris Winery, 844 Tulip Ln, Richland, WA.

On Friday, June 7, the Board is scheduled to meet from 7:30 a.m. until 3:40 p.m., at the WSU Wine Science Center, 359 University Way, Richland, WA. An Executive Session may be held to consider matters as allowed by the Open Public Meetings Act.

NOTE: The Board of Regents are scheduled to act on four agenda items on June 7. Members of the public are invited to dial into this portion of the meeting beginning at 8:00 a.m. using the following number:

+1-509-335-2277 (United States)
Meeting ID: 6497827

Meeting Agenda

- I. Regents Breakfast
- II. Retreat Kickoff
- III. Action Item 1: Academic Year 2019-2020 Tuition Rates
- IV. Action Item 2: Fiscal Year 2020 Athletics Budget
- V. Action Item 3: Othello Purchase of Real Property
- VI. Action Item 4: Honorary Doctoral Degree
- VII. Presentation: WSU Health Sciences Spokane – Research Strategic Planning and Collaboration
- VIII. Presentation: Enhancing the Environment for Scholarly Research – Strategy to Meet the Drive to 25 Research Goals
- IX. Presentation: Graduate Student and Growing Doctorial Programs – Professional Development Initiative
- X. Regents Lunch
- XI. Presentation: Innovation and Entrepreneurship at WSU
- XII. Presentation: Governance, Risk and Compliance – Policy and Structure
- XIII. Presentation: President’s 2019-2020 Goals and Objectives

PULLMAN • SPOKANE • TRI-CITIES • VANCOUVER • GLOBAL CAMPUS • EXTENSION

- XIV. Executive Session – If Needed
- XV. Public Comment
- XVI. Closing

This notice is being sent by the direction of the Chair of the Board of Regents pursuant to the requirements of the Open Meeting Act of 1971 (Chapter 250, Laws of 1971, First Extraordinary Session), as amended.

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

cc: Attorney General's Office
WSU News Service

ACTION ITEM #1
Academic Year 2019-2020 Tuition Rates
(Stacy Pearson)

June 7, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Academic Year 2019-2020 Tuition Rates

PROPOSED: That the Washington State University Board of Regents set tuition for the academic year 2019-2020.

SUBMITTED BY: Stacy Pearson, Vice President, Finance and Administration

SUPPORTING INFORMATION: State law authorizes the governing boards of the four-year higher education institutions to establish tuition fees for all student categories except resident undergraduates.

Current legislation allows resident undergraduate tuition to increase by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years. Based on recently released data resident undergraduate tuition for the 2019-20 academic year may increase by no more than 2.4 percent.

WSU proposes to increase both resident and nonresident tuition by 2.4 percent. On May 14, 2019, these proposals were presented to the WSU Student Government Council to include all campuses and global student leaders (Attachment A). The proposed increases were also publicized via the WSU Insider and released to the media on Friday, May 16, 2019. Students and the public were invited to submit comments and these will be presented to the Regents.

The current full-time annual rates for 2018-2019 are shown below along with the proposed changes for academic year 2019-2020.

Tuition Rates	Current	Proposed	Change	% Change
Undergraduate Resident	\$9,720	\$9,953	\$233	2.4%
Undergraduate Non-Resident	\$23,956	\$24,531	\$575	2.4%
Undergraduate Resident Global Campus	\$9,720	\$9,953	\$233	2.4%
Undergraduate Non-Resident Global Campus	\$10,874	\$11,135	\$261	2.4%
Graduate Resident	\$11,224	\$11,493	\$269	2.4%
Graduate Non-Resident	\$24,656	\$25,248	\$592	2.4%
Graduate – Global Campus	\$11,224	\$11,493	\$269	2.4%
Master of Nursing Resident	\$17,234	\$17,234	\$0	0%
Master of Nursing Non-Resident	\$32,256	\$32,256	\$0	0%
PharmD Resident	\$21,990	\$21,990	\$0	0%
PharmD Non-Resident	\$38,644	\$38,644	\$0	0%
DVM Resident (Attachment A)	\$24,994	\$25,744	\$750	3%
DVM Non-Resident (Attachment A)	\$60,550	\$61,156	\$606	1%
ESF College of Medicine Resident (Attachment B)	\$37,240	\$38,357	\$1,117	3%
Masters in Athletic Training - Resident (Attachment C)	\$11,224	\$13,074	\$1,850	16%
Masters in Athletic Training – Non-Res (Attachment C)	\$24,656	\$26,506	\$1,850	7%

The MBA programs are self-sustaining programs and as such charge a per credit hour tuition rate. The current per credit rates for 2018-2019 are shown below along with the proposed changes for academic year 2019-2020.

Online MBA (per credit) (Attachment D)	\$813	\$834	\$21	2.5%
Online MBA – Military Rate (per credit) (Attachment D)	\$714	\$732	\$18	2.5%
Executive MBA (per credit) (Attachment D)	\$1,233	\$1,264	\$31	2.5%

REQUEST: The College of Veterinary Medicine requests that professional DVM student tuition (operating fee + building fee) be increased in AY 2019-2020 by

- 3% for residents (\$750 per year, from \$24,994 to \$25,744), and
- 1% for non-residents (\$606 per year, from \$60,550 to \$61,156)

according to the following detail:

	Current Rates			Incr %	Proposed Rates			Increase over Current Rate
	Building Fee	Operating Fee	Total Tuition		Building Fee	Operating Fee	Total Tuition	
Resident -DVM	1,164	23,830	24,994	3%	1,199	24,545	25,744	\$ 750
Non-Resident -DVM	1,698	58,852	60,550	1%	1,715	59,441	61,156	\$ 606

Based on the typical mix of student enrollments from WA residents, residents of contract/partner states, and non-residents, these increases would generate ~\$330,000 in additional revenue for FY20 (of this, ~\$142,000 would flow to the “central” budget). This request follows on 7% tuition increases for both resident and non-resident DVM students approved the last two years.

BACKGROUND AND JUSTIFICATION: Like many WSU units recovering from the Great Recession in the face of rising expenses and unanticipated additional budget reductions/reallocations, the College of Veterinary Medicine (CVM) is struggling to keep pace with needed investments in educational and research programs, and hospital and diagnostic lab “business” functions. Rising costs, even for fixed-level operations, have not been offset by increases across revenue sources, especially with respect to tuition because over the 4-year period FY2014-FY2017, DVM student tuition did not increase. The cumulative, compounded loss of revenue caused by this, compared to the previous norm of 7% per year, was nearly \$1.7M annually.

For 8 years, from FY2002 – FY2009, DVM tuition at WSU’s CVM rose 7% each year. When the “Great Recession” occurred and WSU undergraduate tuition rose precipitously, we worked with university leadership to hold DVM tuition growth lower than the undergraduate tuition raises of 14%, 14%, 16%, and 16%, from FY10-FY13, and “only” increased DVM student tuition by 7% in each of those 4 years. DVM tuition was more than double undergraduate tuition, and increases of 14-16% were out of the question.

Subsequent to that period, over the 4 years from FY14-FY17, DVM student tuition was not increased, for both residents and non-residents. This matched the policy for undergraduate tuition in FY14 and FY15. For FY16 and FY17 we again held DVM tuition flat; for these two years the Washington legislature lowered undergraduate tuition 5% and 10% by appropriating a backfill of the reduced tuition revenue – however, this backfill was not provided for graduate and professional student tuition. Even though our limiting of tuition increases, including flat tuition for two years prior to FY16, were starting to erode revenue in relation to expenses that continued to increase, we felt we could not increase DVM student tuition in a climate where undergraduate tuition was decreasing. Thus, we also kept it flat for those two years. Subsequently, for FY18 and FY19, tuition for both resident and non-resident DVM students returned to the previous norm of 7% increases per year. This 20-year tuition history through FY19 is shown in **Attachment A**, as is a comparable history of median tuition across all US vet colleges.

7% per year is not sustainable given the compounding over many years contributing to growing educational debt, particularly for non-resident tuition. Accordingly, our request this year for a smaller increase of 3% in resident DVM tuition recognizes this and keeps our request more in line with the Higher Education Price Index (HEPI), which was 3.3% for FY17 and 2.8% for FY18 (**Attachment B**). Given that non-resident tuition is ~2.5 fold greater than resident tuition, we seek only a 1% increase, so that the absolute increase is comparable to that of the 3% increase in resident tuition.

Attachment C shows that our current resident DVM tuition is 11th lowest out of our 30 US peers. Our resident tuition has always been in the lower one-half to one-third of peer tuition

comparisons, and has drifted further down in that range because of our flat tuition from FY14-FY17. Comparatively, because Washington allows true (i.e., not supported by their home state) non-resident DVM students to convert to WA residency, our 4-year tuition total for non-resident DVM students is 3rd lowest among the 30 US schools. ([This tool](#) allows the accredited veterinary colleges to be compared and is the source of the data in Attachment C.)

Attachment C also shows the total 4-year cost estimated by the Association of American Veterinary Medical Colleges (AAVMC) for both resident and non-resident students across the 30 US colleges, based on its annual Comparative Data Report across the member colleges. Total cost as defined by the AAVMC is the sum of tuition/fees, estimated cost of living provided for FAFSA purposes, and imputed interest on the average student debt accrued during vet school (student educational debt interest accrues during all 4 years of study toward the DVM). These data show that the WSU CVM's total cost for resident DVM students is 8th lowest among the 30 US colleges and 2nd lowest for non-resident students, in general. The exception to this is the cohort of ~10 non-residents students per class that are admitted to our regional program (WIMU), and who start at Utah State University. Because these students spend time at both USU and WSU, our agreement with USU is that these students do not convert to residency of either state during their 4 years of study. Their tuition is discounted (currently by \$10,600 per year) so as to keep it near the mid-point of the US market for 4-year total non-resident tuition. Their total 4-year cost of education is however ~\$70,000 higher than for other true non-residents in our program, and this approximate cost is shown on the chart in **Attachment C**.

High total educational debt for DVM graduates is a national problem in the veterinary profession because it leads to debt loads that are considered unwise. The average educational debt of DVM graduates nationally is about \$146,000 for those graduating in 2018. At WSU, it was about \$86,000. Our graduates typically have lower debt because our resident tuition is lower than the national average and also because such a high proportion of our students pay resident tuition (i.e., those from our contract states of Idaho, Montana, Utah, and other WICHE states, and because most non-residents can convert to WA residency after their 1st year). In 2018, as a result, WSU DVM graduates had the 2nd lowest educational debt among the 30 US colleges (2 of the schools listed below us in the chart shown in **Attachment C** are foreign schools (University of Prince Edward Island (The Atlantic Veterinary College) and University of Edinburgh).

Although our graduates are thus relatively advantaged compared to most of their peers nationally this is still a large educational debt load, and we have taken pride in trying to keep our tuition down to help address this issue within the profession and for our students.

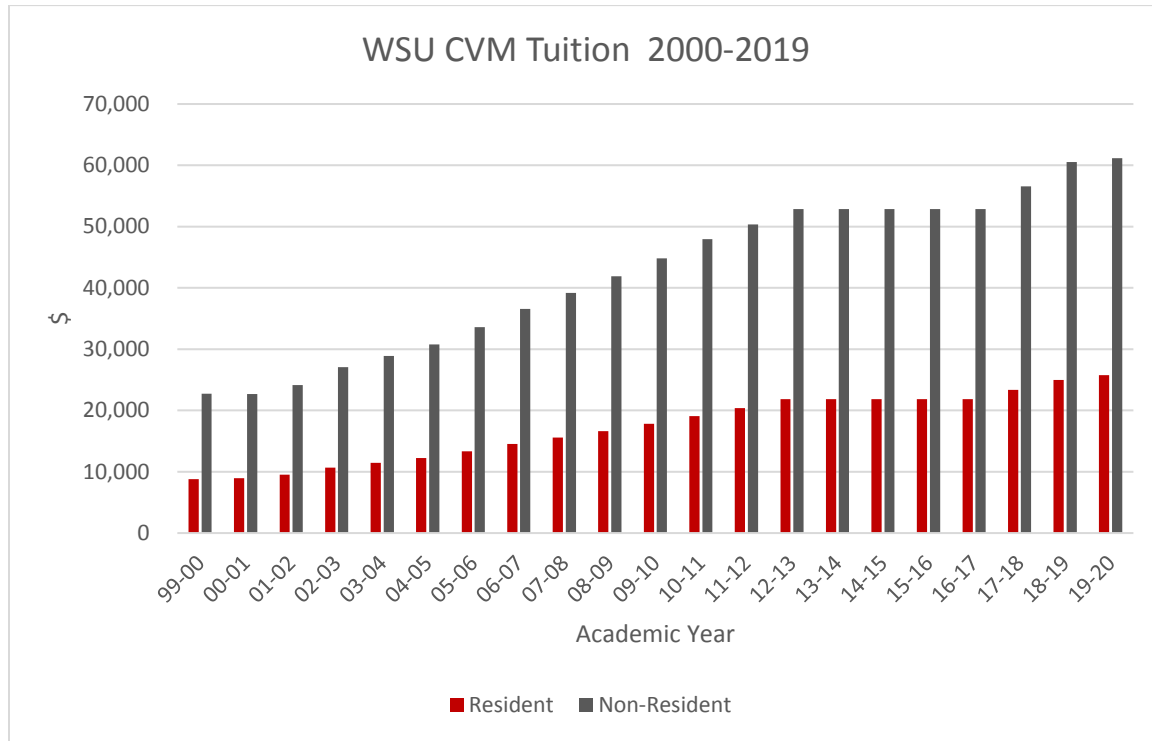
However, as expenses have risen over the past few years, and as state appropriations continue to lag the university's needs coming out of the recession, we must rely increasingly on non-state sources of revenue. We have been regularly increasing fees in our Veterinary Teaching Hospital and the Washington Animal Disease Diagnostic Laboratory (WADDL), and we will continue to do so as our regional markets will allow. However, our opportunity to do so is somewhat limited given our location in Pullman, well away from centers of population, and what the veterinary services market will bear. Given the overall situation, regular tuition increases must now also be a part of our portfolio of revenue increases as we try to keep pace with increasing costs.

However, to balance that need with the realities of the high cost of veterinary medical education, we propose lower increases, more in line with inflation, and not the 7% of the last two years.

In summary, no tuition increase is welcome, but they are needed because of our lagging tuition revenue over the past several years in relation to limits on how much we can grow other revenue (for example, Veterinary Teaching Hospital and Animal Disease Diagnostic Lab fees), and the erosion of state appropriations in relation to ever-growing expenses.

Although perhaps cold comfort, the reality is that even with the proposed increase WSU's College of Veterinary Medicine will remain among the U.S. schools with the lowest costs, and thus will remain near the bottom in educational debt given our overall set of circumstances.

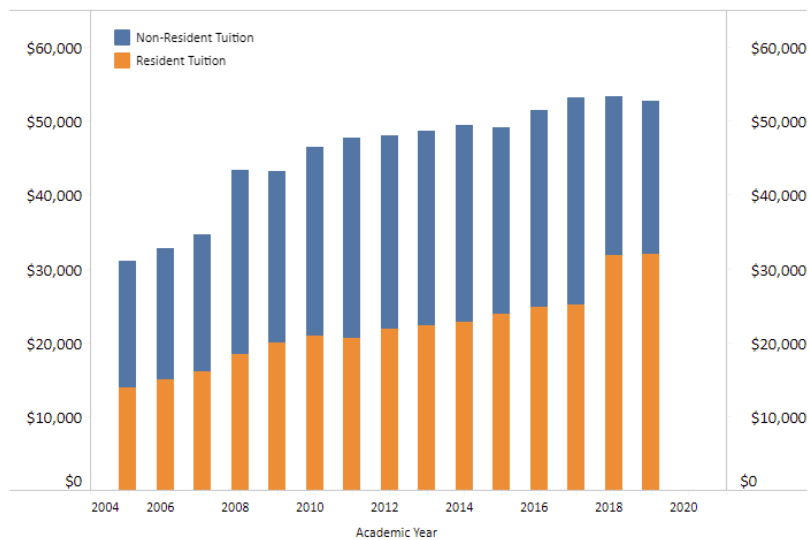
Attachment A



Values for 19-20 are those proposed



**Median Tuition & Fees
at U.S. Colleges of Veterinary Medicine
Internal AAVMC Data Reports
2019**



Historical data has been adjusted for inflation.

Attachment B - Higher Education Price Index (HEPI)
(the full text can be accessed here)

Contact:

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Prosek Partners
646-818-9127
ksylvester@prosek.com

Inflation for U.S. higher education institutions
rises 2.8% in fiscal 2018

WILTON, CT, December 10, 2018 – Data from the annual Commonfund Higher Education Price Index (HEPI) show that inflation for U.S. colleges and universities rose 2.8 percent in fiscal year 2018, a decline from last fiscal year's 3.3¹ percent rate but higher than the average of 2.4 percent for the preceding five fiscal years. Of the past 10 years, FY2018 HEPI was the third highest rate of inflation, trailing only FY2017 and FY2014. (Fiscal year 2018 covers the period from July 1, 2017, to June 30, 2018, and coincides with the budget year of most institutions of higher education.)

FY2018 costs rose in all eight components tracked by HEPI compared with last year when costs rose in seven of the eight. Differentiating this year from last, in FY2018 no single cost rose as much as 2017's 14.5 percent increase in utility costs and 4.1 percent in fringe benefits; instead, cost increases this year were in a tighter range of 1.7 percent (for utilities) to 3.4 percent (for service employee costs).

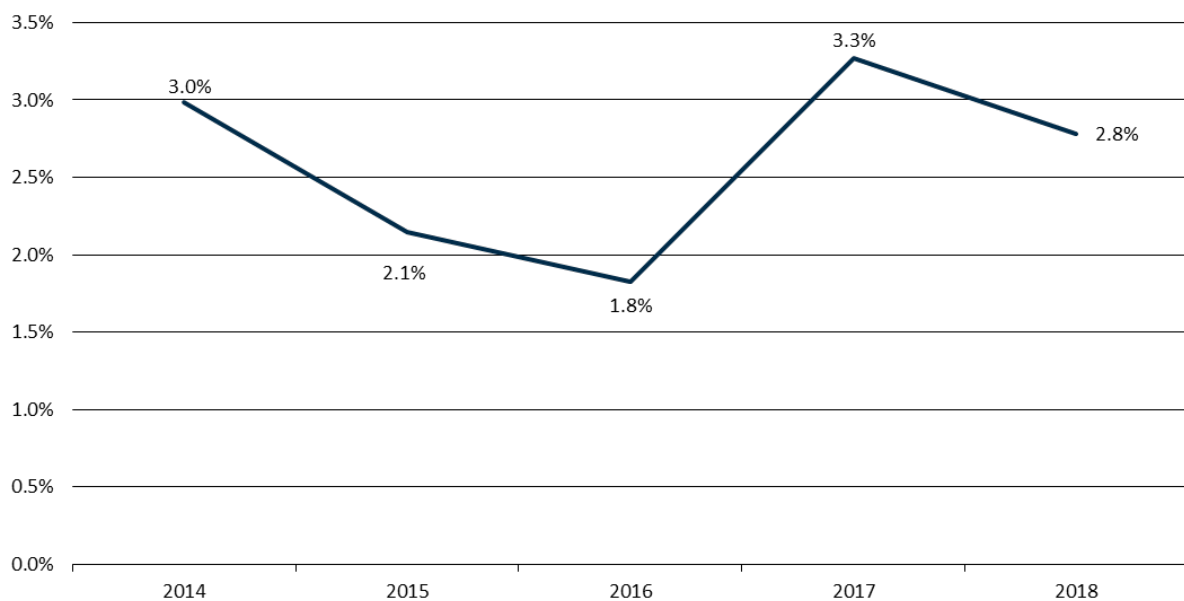
Faculty salaries—the most heavily-weighted HEPI component at 35 percent of the index—increased by 3.2 percent in FY2018. The second-largest component—clerical costs, at 18 percent of the index—rose 2.9 percent. Fringe benefits, accounting for 13 percent of the index, rose 2.3 percent, while administrative salaries, representing 11 percent of the index increased 2.2 percent. Service employee costs, at 8 percent of the index, increased 3.4 percent, as noted. The other three

¹ In 2015, the American Association of University Professors (AAUP) began using a new methodology that was not directly comparable with the past; therefore, data on faculty salaries and fringe benefits, as well as information by region and type of institution, was excluded from the 2016 and 2017 HEPI reports. The conversion has been completed and the 2018 report once again includes these data points. We have used what we believe are reasonable estimates for changes in these two components. Additionally, due to the modification mentioned above, last year's FY2017 HEPI number has been restated to 3.3 percent.

components of the index are: supplies & materials, 2.8 percent; miscellaneous services, 2.4 percent; and utilities, 1.7 percent.²

FY2017's 3.3 percent was the highest rate of inflation in recent years and the highest since 5.0 percent in FY2008. FY2018's 2.8 percent was, nevertheless, considerably higher than the 1.8 percent reported for FY2016 and FY2015's 2.1 percent. Looking at specific components of the index, utility costs have been highly volatile in recent years, as they declined 20.2 percent in FY2016 and 13.1 percent in FY2015 before rising 14.5 percent in FY2017. Service employee costs, the largest increase this year, was the third highest rate of increase last year. The increase in costs for supplies and materials was only the second time in the past six years that this component has risen. Figure 1 tracks annual changes in HEPI over the last five fiscal years.

FIGURE 1: THE HIGHER EDUCATION PRICE INDEX, FISCAL YEARS 2014 – 2018

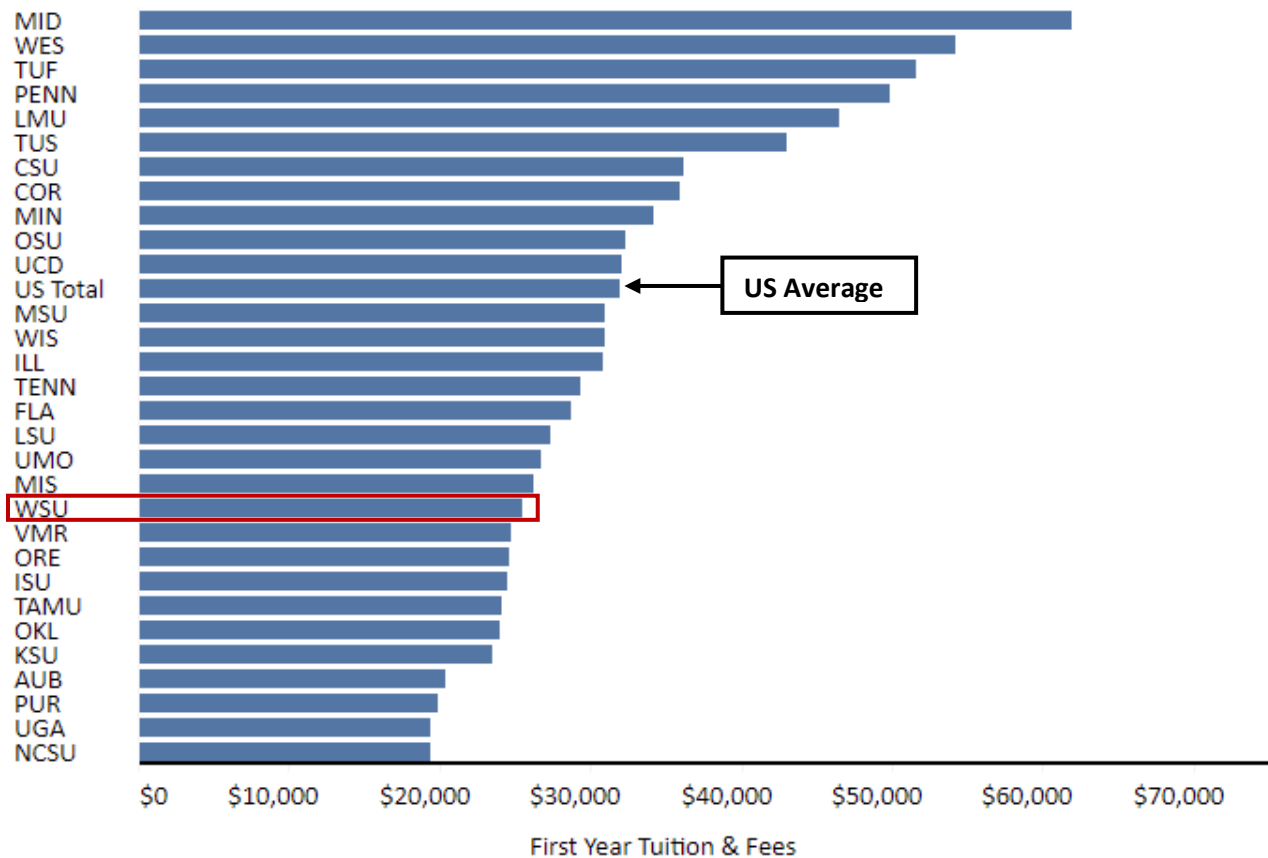


² In 2015, the American Association of University Professors (AAUP) began using a new methodology that was not directly comparable with the past; therefore, data on faculty salaries and fringe benefits, as well as information by region and type of institution, was excluded from the 2016 and 2017 HEPI reports. The conversion has been completed and the 2018 report once again includes these data points. We have used what we believe are reasonable estimates for changes in these two components. Additionally, due to the modification mentioned above, last year's FY2017 HEPI number has been restated to 3.3 percent.

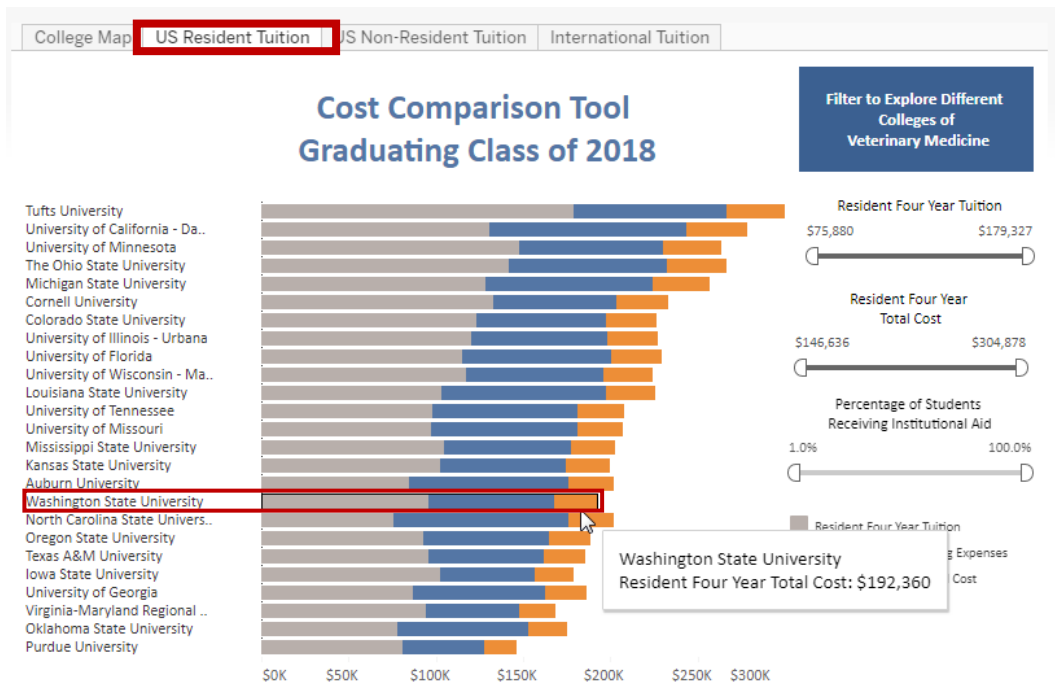
Attachment C



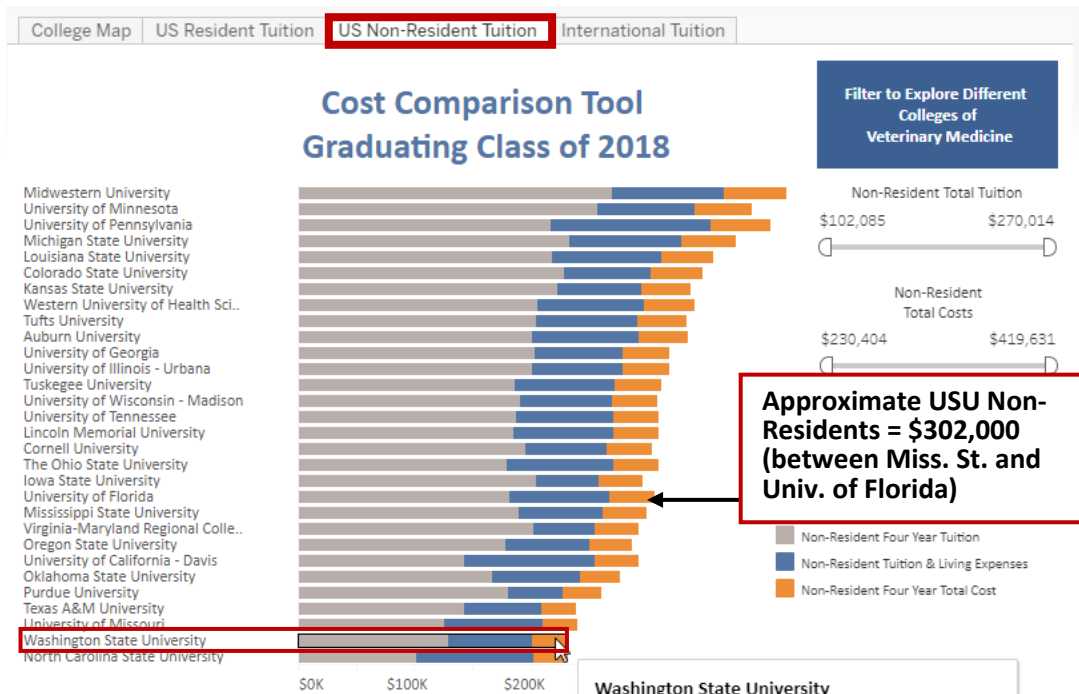
First Year Resident Tuition & Fees at U.S. Colleges of Veterinary Medicine Internal AAVMC Data Reports 2019



Data below do not reflect any scholarship offsets.

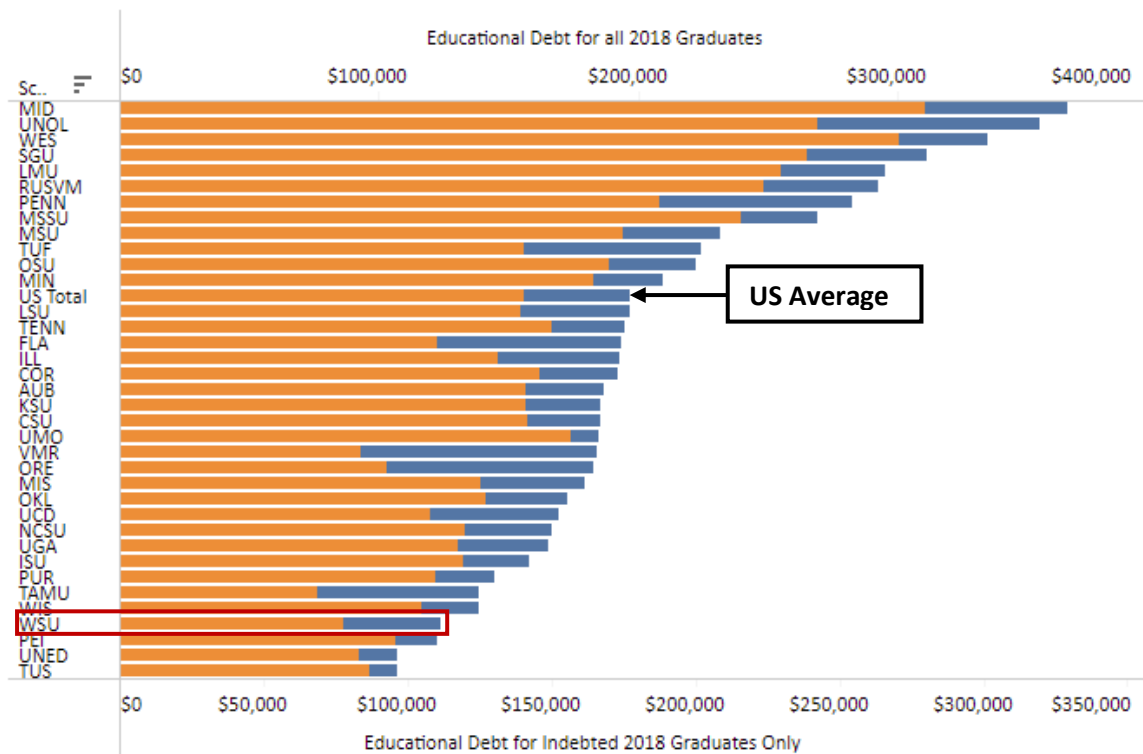


Figures for tuition, fees and cost of attendance/living are derived and calculated from AAVMC internal data reports with data collected in the fall of 2017. Users should anticipate continued escalations in the overall cost of education. Non-resident tuition figures include adjustments based on eligibility to establish residency during the first year of the program at certain publicly supported institutions. Estimated loan interest assumes the use of Federal Stafford loans to fully finance the cost of the DVM education at a rate of 6%. This cost is included in the Total Cost of Attendance. Data on the amount of average institutional scholarship aid awarded to students is derived from an AAVMC survey of its member institution on net tuition, conducted in 2017. Institutional aid is understood to be college-funded scholarship, fellowship, or grant aid awarded to students.



Figures for tuition, fees and cost of attendance/living are derived and calculated from AAVMC internal data reports with data collected in the fall of 2017. Users should anticipate continued escalations in the overall cost of education. Non-resident tuition figures include adjustments based on eligibility to establish residency during the first year of the program at certain publicly supported institutions. Estimated loan interest assumes the use of Federal Stafford loans to fully finance the cost of the DVM education at a rate of 6%. This cost is included in the Total Cost of Attendance. Data on the amount of average institutional scholarship aid awarded to students is derived from an AAVMC survey of its member institution on net tuition, conducted in 2017. Institutional aid is understood to be college-funded scholarship, fellowship, or grant aid awarded to students.

Median Institutional Indebtedness for 2018 Graduates at AAVMC Member Institutions Internal AAVMC Data Reports 2019



AAVMC International Members indebtedness data represents 2018 U.S. graduates only.

Educational Debt for all 2018 Graduates
 Educational Debt of Indebted 2018 Graduates Only


Note the above includes data from US citizens attending foreign vet schools (two of those below WSU are foreign (PEI (Prince Edward Island – the Atlantic Veterinary College in Canada) and UNED (Univ. of Edinburgh in Scotland))).



Elson S. Floyd College of Medicine

MEMORANDUM

TO: Stacy Pearson, Vice President Finance and Administration and CFO

FROM: John Tomkowiak, Founding Dean 

DATE: April 8, 2019

RE: Tuition Increase for Resident Students Attending the WSU Elson S. Floyd College of Medicine for AY-19,20

The WSU Elson S. Floyd College of Medicine requests a tuition increase of 3.0% for resident students for AY 2019-2020. All College of Medicine students are resident students. This is an increase of \$1,117 per year and is in keeping with the original proforma financial plan of the College. Annual increases in future years are projected to be 3% per year.

Washington State University ESF College of Medicine

	Building	Operating	Tuition
Current Resident rate	\$1,107	\$36,133	\$37,240
New Resident rate	\$1,140	\$37,217	\$38,357
Increase			\$1,117

According to the Association of American Medical Colleges' 2018-19 Tuition and Fees Survey, the median resident first-year tuition of the 150 medical schools in the U.S. is \$39,291.

Case Western Reserve School of Medicine in Cleveland, OH has the highest first-year tuition at \$63,262, while UC Riverside School of Medicine has the lowest at \$11,442. The ESF College of Medicine's first-year tuition ranks 81st highest of the 150 medical schools.

It is important to note that many medical schools charge tuition rates for third- and fourth-year students (typical clinical years) that are much **higher** than the school's rate for first- and second-year students. The ESF College of Medicine does not.

On a first-year total cost of attendance basis, the WSU Elson S. Floyd College of Medicine for AY-18,2019 is \$58,983 compared to the Public Schools Average of \$61,412.

ATTACHMENT C

PROPOSAL FOR A DIFFERENTIAL TUITION RATE FOR THE ATHLETIC TRAINING HEALTH CARE PROFESSIONAL PROGRAM

In June of 2017, the WSU Board of Regents approved the Master's in Athletic Training program. This master's degree allows students to sit for the national Board of Certification exam to become a certified athletic trainer. Passing this national exam allows them to gain licensure as a health care provider in the state they reside.

Request:

The College of Education Athletic Training program requests a differential graduate tuition rate of \$13,074 annually for resident students and \$26,506 annually for non-residents. These rates are \$1,850 per year higher than WSU's standard graduate rates. When at full capacity this rate will be charged to approximately 20 students with a declared Master's in Athletic Training degree and will generate an additional \$37,000 in annual tuition.

Justification:

The differential tuition is necessary to cover the cost of the professional requirements and accreditation standards associated with the program. The fee will cover professional development and inter-professional education experiences for the students, plus certifications in therapy techniques including myokinesthetics, positional release therapy, Mulligan techniques, kinesio taping, and tecnica gabilan, evaluation fees, and uniforms.

As required by accreditation standards the students are made aware of the differential tuition. This information is posted on the Athletic Training web site, included in the student policies and procedures handbook, and articulated during recruitment and the interview for acceptance process. The students are aware of the benefits they will receive by paying the differential rate.

The requested tuition is consistent with differentials associated with other regional health care programs with Montana State charging \$925 per semester and the University of Montana charging \$1,020.

Proposed Fee:	Current	Proposed	Change
Semester Amounts			
Resident Athletic Training	\$ 5,612	\$ 6,537	\$ 925
Non-Resident Athletic Training	\$12,328	\$13,253	\$ 925
Annual Amounts			
Resident Athletic Training	\$11,224	\$13,074	\$1,850
Non-Resident Athletic Training	\$24,656	\$26,506	\$1,850

**CARSON COLLEGE OF BUSINESS
MBA TUITION PROPOSAL FOR FY 2020**

REQUEST:

The Carson College of Business requests tuition increases of 2.50% for the Online Masters of Business Administration (OMBA) and Online Executive Masters of Business Administration (OEMBA) for AY 2019-2020. Based on anticipated enrollments this would increase overall gross revenue by approximately \$242,000 for FY20. This change will continue our progress towards an eventual sustainable price commensurate with our brand and costs.

These self-sustaining programs are delivered entirely online, and there is no differentiation between resident and non-resident tuition for these programs. This request follows the 5% increase implemented in the current year. As we study the impact of these incremental increases, we will consider further tuition adjustments to accompany a major program redesign targeted to launch in Fall 2020 (FY21).

EXECUTIVE SUMMARY:

- The FY20 increase would be the 3rd tuition increase since the program's inception in 2008.
- The Carson College proposes to implement a modest 2.5% increase for the 2019-2020 AY for all our students and to continue to study this increase, the competitive landscape, and our own brand reputation and capabilities in preparation for future adjustments.
- Costs to provide instruction and other program costs have risen significantly over the last decade. The proposed 2.5% increase is a step toward covering those increases. There continues to be a need for providing investment in the program given the competitive landscape. This increase will be a move in the right direction but will not be sufficient for long term investment.
- Analysis of the competitive landscape indicates that the tuition is at present 25% less than competitors with similar product offerings and reputation.
- The Carson College OMBA and OEMBA remain "value-priced," delivering high quality with relatively low tuition rates relative to competitive programs.

Background: the MBA market

The overall demand among prospective students for face-to-face, full-time MBA education is not as strong as it was a decade ago. Decline in interest is particularly acute among prospective domestic students with significant work experience and strong educational backgrounds. Early in the face of this decline, and in the context of the challenges posed by attracting significant numbers of tuition-paying students to the Pullman MBA, the Carson College began in 2008 to offer MBA degrees online.

The Carson College decision to launch the online MBA was prescient; leading MBA programs, especially at state universities, continue to struggle with the economics of the MBA market. The most visible ranking schemes for programs (e.g. *Business Week*, *US News*) highlight face-to-face programs at flagship campuses, these rankings depend substantially on the qualifications of incoming students, and student recruitment in turn depends on rankings. The result has been intense competition for strong students (through financial aid), such that many face-to-face programs operate at small scale and at significant

financial loss. The trend reached an extreme point in 2015, when Arizona State University announced that its entire MBA entering class of 2016 – up to 120 students – would receive full-tuition scholarships. The University of Iowa has chosen a different approach, eliminating its face to face MBA program entirely. The Carson College had until recently offered opportunities to earn face-to-face degrees at Pullman, Vancouver, and Tri-Cities campuses. All of these campuses have now stopped enrolling new MBA students; each is redirecting efforts toward undergraduate and online programs and considering new graduate programs that are more in step with the current market.

The Carson College Online MBA

While fewer students are seeking fulltime, face-to-face MBA programs, the demand for part-time programs that require no career interruption of work to enter or to complete remains strong. Face-to-face part-time MBA programs, online MBA programs, and hybrid programs combining live and online instruction have proliferated. The Carson College opened an Executive MBA Program in Spokane in 2007; this program struggled to attract students and the college migrated the EMBA to its current OEMBA version in 2010. The College established its OMBA in 2008.

The online MBA and Executive MBA programs have built solid, stable enrollment profiles, based on delivering high quality instruction at an attractive price point. Enrollment grew very quickly in the OMBA subsequent to the program's No. 1 ranking among online MBA programs by *U.S. News and World Report* in 2013. The 2019 ranking by *U.S. News* places WSU at No. 13 overall out of a field of 285 online MBA programs nationwide and recognizes the Carson College as among the best online graduate business programs for veterans.

Many more universities have begun to offer these programs recently including the University of Washington with a 90% online MBA. The Carson College OMBA continues to be ranked in the top tier of programs. While there was a small decline in students as the initial effect of the 2013 #1 ranking eroded, and more options emerged, enrollments have returned to nearly peak levels and signs are positive with respect to sustainability. The Carson College remains one of a relatively small number of AACSB-accredited schools of business offering fully online degrees, and leading research universities have been relatively reluctant to enter this market. Those in more urban locations are more likely to offer hybrid degrees, for example. The fully online niche therefore remains an attractive one for the College. Further, the WSU and College reputations are especially strong in the Pacific Northwest, and a majority of the students have some combination of residential, career, and family ties to the region.

Relatively low tuition rates have been part of the student value proposition for each of the two online MBA programs. Per-credit online tuition rates have only increased 8.3% since the programs' inception. The OMBA program can be completed in as few as 36 credits by students who have prior business education and are able to waive foundation courses and as many as 52 for students with little or no business education. The duration of the OMBA program is 22-29 months. The EMBA program is 44 credits over 18 months.

Tuition increases

Over the past decade, the underlying costs to provide the online MBA program did not increase concurrently with the cost of living or other cost increases in higher-education. As the program grew rapidly, costs per student decreased: online programs can be delivered efficiently at large scale. Instructional costs do not necessarily rise proportionally to the number of students and extra students do not require additional physical facilities. Well-designed course delivery models such as those used by the Carson College combine the leadership of a "master teacher" (typically, a member of the research faculty) with small-section facilitators who are the first point of student contact. Additional students

require additional facilitators but master teachers can typically teach sections of up to 100 students while maintaining program quality.

However, the Carson College, though achieving efficient and sustainable scale in its online programs, is experiencing cost pressures. In order to maintain the quality of the program, the Carson College strives to ensure that a majority of the courses are led by participating members of the college faculty (this is also strongly preferred by the accrediting body). Over the decade since the program was introduced, salaries required to attract research faculty across the main disciplines of business education have increased by about 30%, for example. Further, continued growth of the program will require continued investment in marketing and communication, program innovation, faculty training, and student services.

As the market of solely online MBA program becomes more saturated, we need to ensure we continue investing resources into our programs. As expected, the tuition increases in the last two AY did not fully capture increased costs. Our initial 3.3% increase in AY 2017-2018 was a first step in a strategic consideration of the level of tuition that will cover costs and provide funds for continued investment, signal our quality and reputation, and be perceived and experienced as an affordable, accessible degree program. As we intended, we studied the responses of current and prospective students' responses to higher tuition. Our 5% increase to new students in the current year, was an effort to be able to invest in staffing and services to support students in the program.

We have not experienced any observable decline in enrollment with the new tuition level this year; our enrollments continue to grow steadily. We expect this tuition adjustment will have similar results; increasing our revenues while helping us to cover increased programs costs. Mechanisms are in place to charge and waive off portions of tuition for retention and corporate relation strategies and we will employ those mechanisms. As we consider further adjustments, we will also study the effects of these waivers and our success in student retention moving forward.

The Carson College of Business, consistent with our mission and in support of members of our armed services, has maintained an Online MBA military tuition rate of \$714 per credit for service members and veterans of the United States Armed Forces. Fully online MBA programs are especially attractive to active members who may be redeployed while they are students; we see this as a market advantage relative to hybrid programs. We also seek to increase this rate by 2.5% to \$732 per credit.

Carson College MBAs continue to occupy a "sweet spot" in the market for the combination of price and quality in online degrees. While a number of programs claim to be "online" many continue to require campus residencies from 1-3 days per year, and in some cases per term. However, the space continues to be highly competitive. For example, the University of Illinois Urbana-Champaign recently introduced an entirely online MBA program (in partnership with Coursera) for just under \$22,000.

Next steps

We expect to propose a similar tuition increase for new students for FY21, subject to modification based on what we learn from our three consecutive years of tuition adjustments. We have recently, undertaken significant redesign of each of our two online MBA programs, with the intention of implementing the redesigned programs in full by Fall 2020. Simultaneous with the redesign we will be undertaking a deeper study of our brand reputation (for example, our low cost may be signaling to students lower quality than we actually provide relative to competitors). We aim to introduce the redesign and propose a comprehensive tuition/pricing strategy for Fall 2020.

Table 1

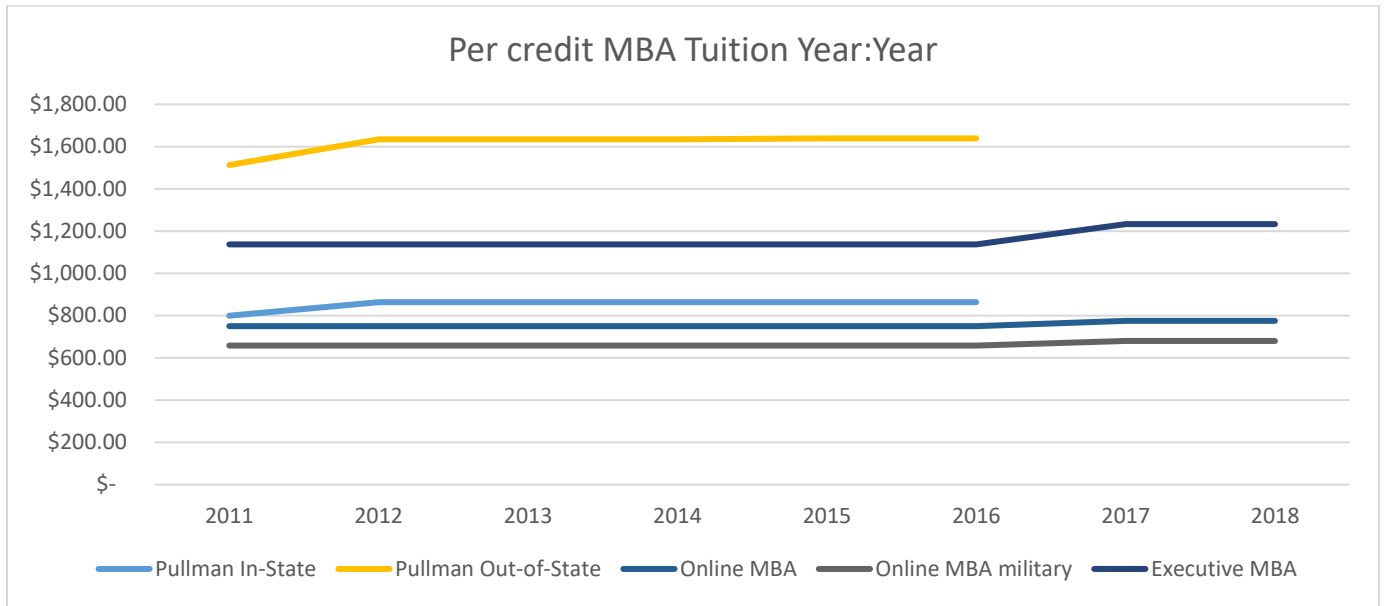
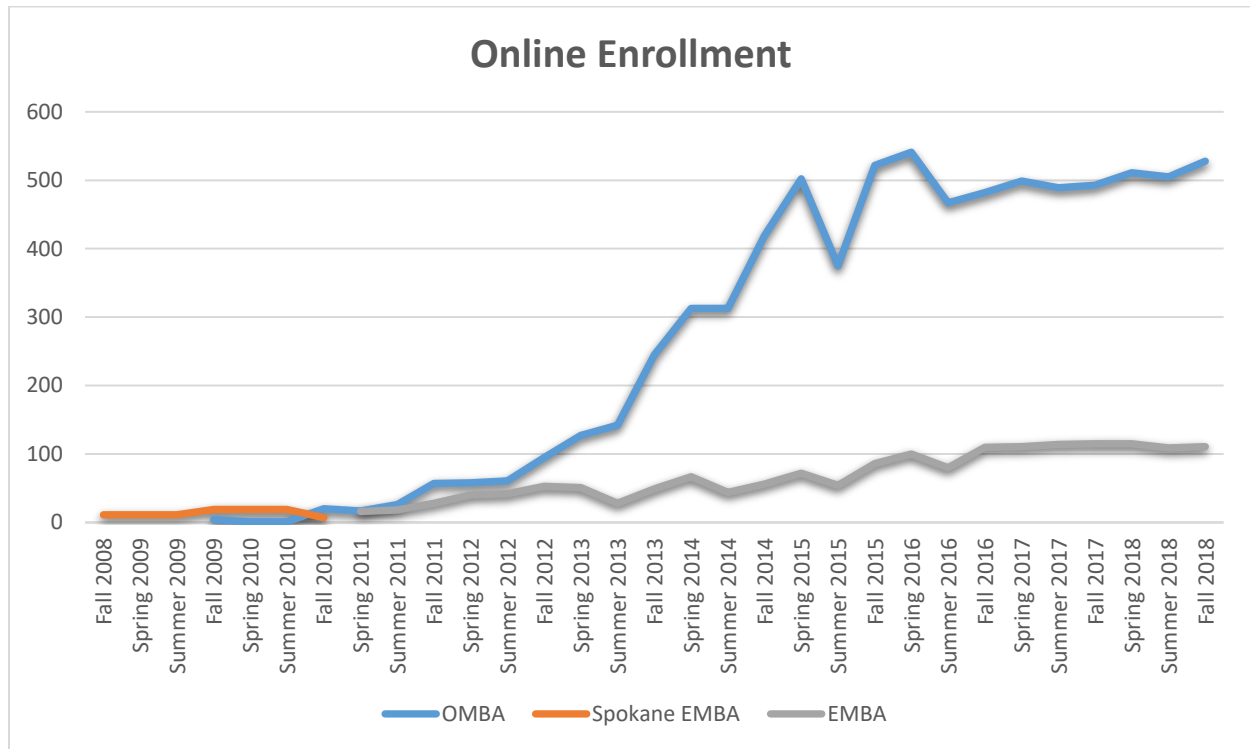


Table 2

Program	Current Tuition per credit	Total Cost of completion (without “Foundation” courses)	Total Cost of completion with Foundation courses
OMBA current	\$813	\$29,268	\$42,276
OMBA proposed	\$834	\$29,988	\$43,368
OMBA current (military rate)	\$714	\$25,704	\$37,128
OMBA proposed (military rate)	\$732	\$26,352	\$38,064
EMBA current	\$1,233	NA	\$54,262
EMBA proposed	\$1,264	NA	\$55,616

Table 3



ACTION ITEM #2 (Revised 6/5/19)
Fiscal Year 2020 Athletics Budget Approval (Stacy
Pearson/Pat Chun)

June 7, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Fiscal Year (FY) 2020 Athletic Budget Approval

PROPOSED: That the Washington State University Board of Regents:
(1) Approve the FY2020 WSU Athletics budget; (2) Approve the plan for reducing the Athletics operating deficit in future fiscal years; and (3) Approve transfers necessary at FY2019 year-end to cover the deficit balance.

SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration

SUPPORTING INFORMATION: Washington State University has implemented a 3-year fiscal health restoration plan and has nearly completed the second year of the plan, ahead of target. As a part of the University's plan, WSU Athletics has developed a targeted plan to ensure that it will return to an operating breakeven position by FY2023. The Athletics plan also ensures that WSU is fully compliant with [RCW 28B.15.120](#) (Board of trustees or regents—annual budget requirements), which requires certain actions of state college and university boards related to the budgets of intercollegiate athletics programs.

The statute requires that the WSU Board of Regents specifically approve, in an open public meeting, (1) the annual budget for the Athletics program; (2) the plan for reducing the Athletics operating deficit in future fiscal years, and (3) any transfers necessary at FY19 year-end to cover the deficit balance. In addition, the statute requires the Board to conspicuously post to the University's website the financial statements of the Athletic program for the three prior fiscal years, as well as the plan for reducing the Athletics operating deficit in future fiscal years.

ATTACHMENTS: Attachment A: Athletics Operating Results FY2016-2018
Attachment B: Current FY2019 Projected Results
Future Budget Projections FY2019 - FY2024
Attachment C: FY2018 Estimated Fiscal Year End Transfers to Cover the Athletics Accumulated Deficit

Attachment A Washington State University Athletics Actual FY2016 through FY2018			
	FY2016	Actual FY2017	FY2018
REVENUES:			
01 - Ticket Sales	5.5	7.7	8.4
02 - Direct State/Gov Support	-	-	-
03 - Student Fees	0.8	1.6	1.6
04 - Direct Inst. Support	3.7	3.3	3.5
05 - Less Xfer to Inst.	-	-	-
06 - Indirect Inst. Support	0.4	0.4	0.3
06A - Debt Service, Lease, Rentals	-	-	-
07 - Guarantee Revenue	0.3	0.3	-
08 - Contributions	7.6	8.1	9.1
09 - In-Kind	0.1	0.1	0.2
10 - 3rd Party Compensation	-	-	-
11 - Media Rights	17.9	18.8	19.8
12 - NCAA Distribution	1.3	3.2	1.4
13 - Conference Distribution	9.4	10.7	10.7
14 - Program/Concessions etc.	0.2	0.9	1.0
15 - Royalties/Advert. etc.	6.3	4.4	4.4
16 - Sport Camp Revenue	0.4	0.4	0.3
17 - Endowments	0.6	0.6	0.7
18 - Other Revenue	2.1	1.4	1.2
19 - Bowl Revenue	1.9	2.4	2.4
Total Revenue	58.8	64.3	65.1
EXPENSES:			
20 - Athletic Aid	11.0	10.7	10.8
21 - Guarantee Expense	1.7	1.6	1.7
22 - Coaches Comp: WSU	11.7	11.8	12.8
23 - Coaches Comp: 3rd Party	-	-	-
24 - Admin Comp: WSU	12.8	13.4	13.3
25 - Admin Comp: 3rd Party	-	-	-
26 - Severance	0.0	0.1	1.1
27 - Recruiting	1.1	1.2	1.3
28 - Team Travel	4.0	4.1	4.1
29 - Equipment	3.0	2.0	2.2
30 - Game Expenses	1.6	1.8	2.0
31 - Fund Raising/Marketing	2.4	2.2	2.0
32 - Sport Camp Expense	0.3	0.3	0.3
33 - Spirit Groups	0.2	0.2	0.2
34 - Facilities: Debt/Lease/Rental	9.7	9.3	9.2
35 - Direct Admin Expense	2.3	2.4	2.0
36 - Indirect Inst. Support	0.4	0.4	0.3
37 - Medical/Insurance	1.0	0.8	0.8
38 - Dues & Memberships	1.8	1.7	2.1
39 - Student-Athlete meals	0.8	1.0	1.1
40 - Other Expense	4.1	4.9	4.6
41 - Bowl Expenses	1.7	1.9	1.5
41A - Coaches Bowl Bonuses	-	-	0.4
Total Expenses	71.7	71.8	73.8
Net Income from Operations	(12.9)	(7.5)	(8.7)
56-Capitalized Expenses		1.0	2.7
Net Income after Capitalized Expenses		(8.5)	(11.4)
Accumulated Deficit	(49.4)	(57.9)	(69.3)

Attachment B Washington State University Athletics Budget FY2019 through FY2024						
	Estimated FY2019	FY2020	FY2021	Projected FY2022	FY2023	FY2024
REVENUES:						
01 - Ticket Sales	9.4	8.6	10.7	11.0	12.0	11.1
02 - Direct State/Gov Support	-	-	-	-	-	-
03 - Student Fees	1.5	1.5	1.4	1.4	1.4	1.3
04 - Direct Inst. Support	3.7	3.7	3.8	3.9	4.0	4.1
05 - Less Xfer to Inst.	-	-	-	-	-	-
06 - Indirect Inst. Support	0.4	0.4	0.4	0.4	0.4	0.5
06A - Debt Service, Lease, Rentals	-	-	-	-	-	-
07 - Guarantee Revenue	0.3	0.1	0.2	-	0.3	0.3
08 - Contributions	8.7	10.7	11.3	11.1	11.6	11.2
09 - In-Kind	1.6	1.6	1.6	1.6	1.6	1.6
10 - 3rd Party Compensation	-	-	-	-	-	-
11 - Media Rights	20.8	21.9	23.0	24.2	25.5	26.7
12 - NCAA Distribution	1.4	1.5	1.6	1.6	1.7	1.7
13 - Conference Distribution	12.0	12.1	12.1	12.8	13.0	13.3
14 - Program/Concessions etc.	1.1	1.1	1.5	1.6	1.7	1.8
15 - Royalties/Advert. etc.	3.1	3.2	4.5	5.0	5.2	5.3
16 - Sport Camp Revenue	0.3	0.3	0.3	0.3	0.3	0.3
17 - Endowments	0.6	0.6	0.7	0.7	0.7	0.7
18 - Other Revenue	1.6	2.0	2.5	2.5	2.6	2.5
19 - Bowl Revenue	2.5	2.6	2.7	2.8	2.9	3.0
Total Revenue	69.1	72.1	78.6	81.0	84.9	85.5
	-	-	-	-	-	-
EXPENSES:	-	-	-	-	-	-
20 - Athletic Aid	11.1	11.0	11.7	12.0	12.3	12.6
21 - Guarantee Expense	1.7	1.8	1.3	1.8	1.6	1.5
22 - Coaches Comp: WSU	13.8	14.3	15.4	14.8	14.9	14.9
23 - Coaches Comp: 3rd Party	-	-	-	-	-	-
24 - Admin Comp: WSU	14.4	14.9	15.0	15.2	15.5	15.7
25 - Admin Comp: 3rd Party	-	-	-	-	-	-
26 - Severance	0.5	1.7	1.5	1.1	-	-
27 - Recruiting	1.5	1.6	1.6	1.6	1.7	1.7
28 - Team Travel	4.4	4.7	4.7	4.8	4.9	5.2
29 - Equipment	2.0	2.2	2.2	2.3	2.5	2.7
30 - Game Expenses	2.5	2.5	2.7	2.7	2.8	2.6
31 - Fund Raising/Marketing	2.5	2.4	2.5	2.6	2.6	2.7
32 - Sport Camp Expense	0.3	0.3	0.3	0.3	0.3	-
33 - Spirit Groups	0.2	0.2	0.2	0.2	0.2	0.2
34 - Facilities: Debt/Lease/Rental	9.2	9.6	10.0	10.0	10.0	10.0
35 - Direct Admin Expense	1.7	2.0	2.1	2.1	2.2	2.2
36 - Indirect Inst. Support	0.4	0.4	0.4	0.4	0.4	-
37 - Medical/Insurance	0.9	0.9	0.9	0.9	1.0	1.0
38 - Dues & Memberships	2.3	2.4	2.5	2.6	2.7	2.8
39 - Student-Athlete meals	1.0	1.0	1.0	1.0	1.0	1.1
40 - Other Expense	4.5	4.9	4.8	4.9	5.1	5.2
41 - Bowl Expenses	2.3	2.1	2.2	2.3	2.4	2.5
41A - Coaches Bowl Bonuses	0.5	0.5	0.5	0.5	0.5	0.5
Total Expenses	77.7	81.4	83.5	84.3	84.7	85.2
	-	-	-	-	-	-
Net Income from Operations	(8.6)	(9.3)	(5.0)	(3.2)	0.3	0.3
56-Capitalized Expenses	0.6	6.7	0.3	0.0	-	-
Net Income after Capitalized Expenses	(9.2)	(16.0)	(5.3)	(3.3)	0.3	0.3
Accumulated Deficit	(78.4)	(94.4)	(99.7)	(103.0)	(102.7)	(102.5)

Washington State University
Athletics Transfers at Year End

Attachment C

	FY2015	FY2016	ACTUAL FY2017	FY2018	Cash balance as of 4/30/2019
Cumulative Athletics operating deficit before transfers	(38.9)	(51.5)	(59.0)	(69.9)	(98.6)

Note: Additional revenues and expenses are expected before the end of the fiscal year. These may change the FY19 results significantly. Three possible scenarios are shown below, along with sources of funds that would be transferred to cover the year end deficit.

	Projection 1 Best Case	Projection 2 Midpoint	Projection 3 Worst Case
Cash Balance as of April 30, 2019	(98.6)	(98.6)	(98.6)
Possible range of additional revenue through June 30, 2019	29.7	29.2	28.6
Possible range of anticipated expenses through June 30, 2019	(9.1)	(9.7)	(10.9)
Anticipated Ending Balance June 30, 2019	(78.0)	(79.1)	(80.9)
Transfers to offset deficit as of June 30, 2019			
Housing and Dining	(59.0)	(59.0)	(59.0)
Parking & Transportation	(7.4)	(7.4)	(7.4)
Creamery Building Reserve	(2.6)	(2.6)	(2.6)
Misc. Auxiliaries and Self-Sustaining Activities	(9.0)	(9.4)	(9.4)
Real Estate Management	-	(0.7)	(2.5)
Total Transfers	(78.0)	(79.1)	(80.9)

ACTION ITEM #3
Othello Purchase of Real Property
(Stacy Pearson/Dr. André-Denis Wright)

June 7, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Purchase of Real Property located in Othello, WA

PROPOSED: That the WSU Board of Regents authorize the purchase of an improved parcel of land in Othello, Washington totaling 48.12 acres, identified as Adams County Parcel No. 2100461112577 (the "Property"), for \$2,500,000, plus closing and due diligence costs, and delegate authority to the President or his designee to enter into any and all documents necessary to complete this acquisition.

SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration

SUPPORTING INFORMATION: The Property located at 1485 W. Cunningham Road in Othello, WA is currently owned by Monsanto Company ("Monsanto"), which utilized the Property for its research and corn growing operation. Monsanto constructed several improvements on the Property including a 15,400 sq. ft. Breeding Building that contains warehouse space, a conference room, break room, a seed lab and a wet lab and a cold room. It also constructed a 15,552 sq. ft. Greenhouse Building with three (3) zones (5,000 sq. ft. each) and a 750,000 gallon irrigation pond. An aerial photograph is provided in Attachment A that illustrates the general outline of the Property and the layout of the buildings and improvements located thereon. The aerial photo shows that the Property also includes approximately 26 acres of irrigated farmland. A detailed site plan of the Property and the floor plans of the buildings are provided in Attachment B. Some of Monsanto's personal property and equipment will also be included within the sale of the Property, such as miscellaneous office equipment and furniture, fume hoods, the dust collection system in the building and the irrigation system on the Property.

Monsanto is selling the Property due to their acquisition by Bayer in 2018, at which time Bayer determined that Monsanto's operations should be relocated to other Bayer properties. Monsanto hired a

broker to list the Property for sale at \$2,700,000 based on the broker's "low end" opinion of value. The Assessed Value of the Property in 2018 totaled \$4,275,500 (See Adams County's Parcel Information Sheet in Attachment C). Prior to formally listing the Property for sale, Monsanto offered it to the University's College of Agricultural, Human and Natural Resource Sciences ("CAHNRS") at the further discounted price of \$2,500,000 based on their desire to maintain a strong relationship with the University.

CAHNRS would like to move forward with acquisition of the Property, which is ideal for the expansion of its honeybee and pollinator research and education program. University scientists, administrators, key stakeholders and donors have visited the Property numerous times and have carefully considered the advantages and disadvantages of the buildings and improvements and the location of the Property for the honeybee and pollinator program. A Memorandum dated May 24, 2019 from Laura Lavine, Professor and Chair of the Department of Entomology is provided in Attachment D, which provides a detailed explanation of how CAHNRS will utilize the Property and its rationale for purchasing the Property.

In summary, the Property will allow CAHNRS' honey bee and pollinator research and education program to: (1) continue its innovative honey bee breeding program and supply better bees to commercial beekeepers through improved genetics; (2) expand the program on honey bee colony health and nutrition; (3) conduct research at the same scale as beekeepers; and (4) provide an all-in-one, centrally located facility for workshops, extension presentations, short courses, graduate and undergraduate research and training, and information dissemination for state of the art honey bee and pollinator research.

CAHNRS has been working diligently to raise funding to acquire the Property and has successfully been able to expedite and convert some of its future gifts and pledges into cash. By the end of June 2019, they will have approximately \$1,900,000 cash to put toward the purchase price of the Property. The additional \$600,000 will come in the form of temporary bridge funding from CAHNRS college level reserves. The \$600,000 contributed from CAHNRS will be recovered through gift pledges to be collected through FY2022.

Ongoing operations and maintenance expenses pertaining to the Property are estimated at \$100,000 per year, which will be covered

by additional revenues from the new facility operations or from the college. Other costs can be controlled based on the expansion or contraction of the facility operations.

The University plans to execute a non-binding Letter of Intent ("LOI") with Monsanto in early June 2019 wherein the parties will confirm their agreement on the main terms of the transaction, including the \$2,500,000 purchase price. Pursuant to the LOI, the University will have a due diligence period that expires on July 31, 2019, during which period the University will have the ability to satisfy certain contingencies before being obligated to purchase the Property. Such contingencies include, but are not limited to, the Board of Regents' approval, any necessary environmental or other assessments, and CAHNRS ability to finalize its funding for the acquisition of the Property and for the ongoing operations and maintenance expenses. The closing date of this transaction will occur on or before September 30, 2019. These key terms of the transaction will be incorporated into the Purchase and Sale Agreement.

The acquisition of the Property will benefit CAHNRS and the University as a whole in meeting its land grant mission. As Laura Lavine explains in her Memorandum, agricultural diversity and prosperity in the United States and in Washington State have benefited from the research and extension specialists at the University. The crisis facing honeybee and pollinators demands more research and extension to solve this critical agricultural and environmental challenge. CAHNRS is currently limited in its ability to address these problems due to its current facilities and its inability to expand. Acquiring the Property will allow the University to recruit additional researchers to work on these critical issues.

ATTACHMENTS: Attachment A - General Illustration of the Property
Attachment B - Site Plans and Floor Plans
Attachment C - Adams County's Parcel Information Sheet
Attachment D - Laura Lavine Memorandum
Attachment E - Financial Analysis

BOARD OF REGENTS

Purchase of Real Property (48.12 Acres) Located in Othello, WA

Resolution #190607-610

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 authorize the purchase of an improved parcel of land in Othello, Washington totaling 48.12 acres, identified as Adams County Parcel No. 2100461112577 (the "Property"), in an amount not to exceed \$2,500,000, plus reasonable closing and due diligence costs, and delegate authority to the President or his designee to enter into any and all documents necessary to complete this acquisition.

Dated this 7th day of June, 2019.

Chair, Board of Regents

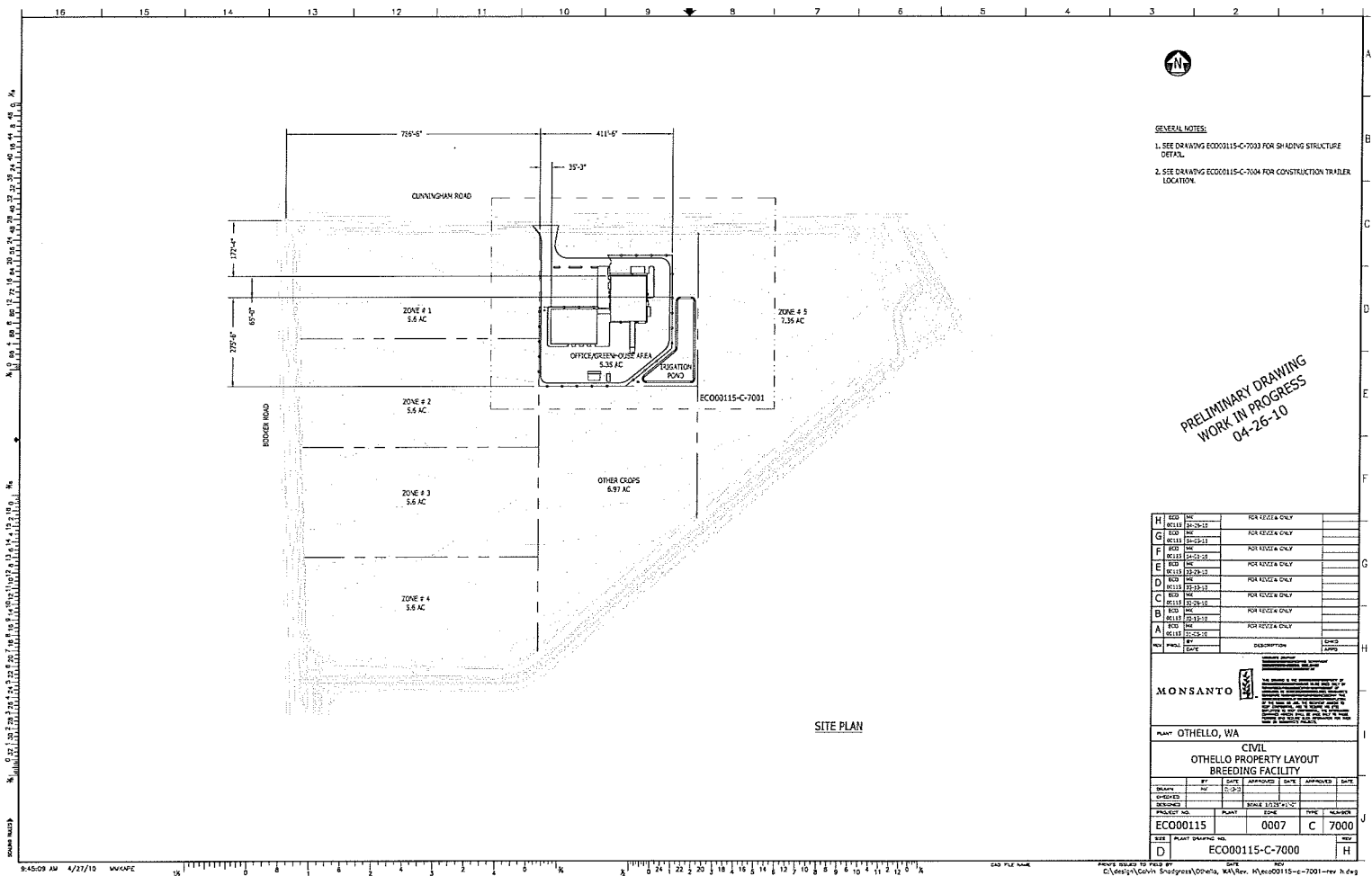
Secretary, Board of Regents

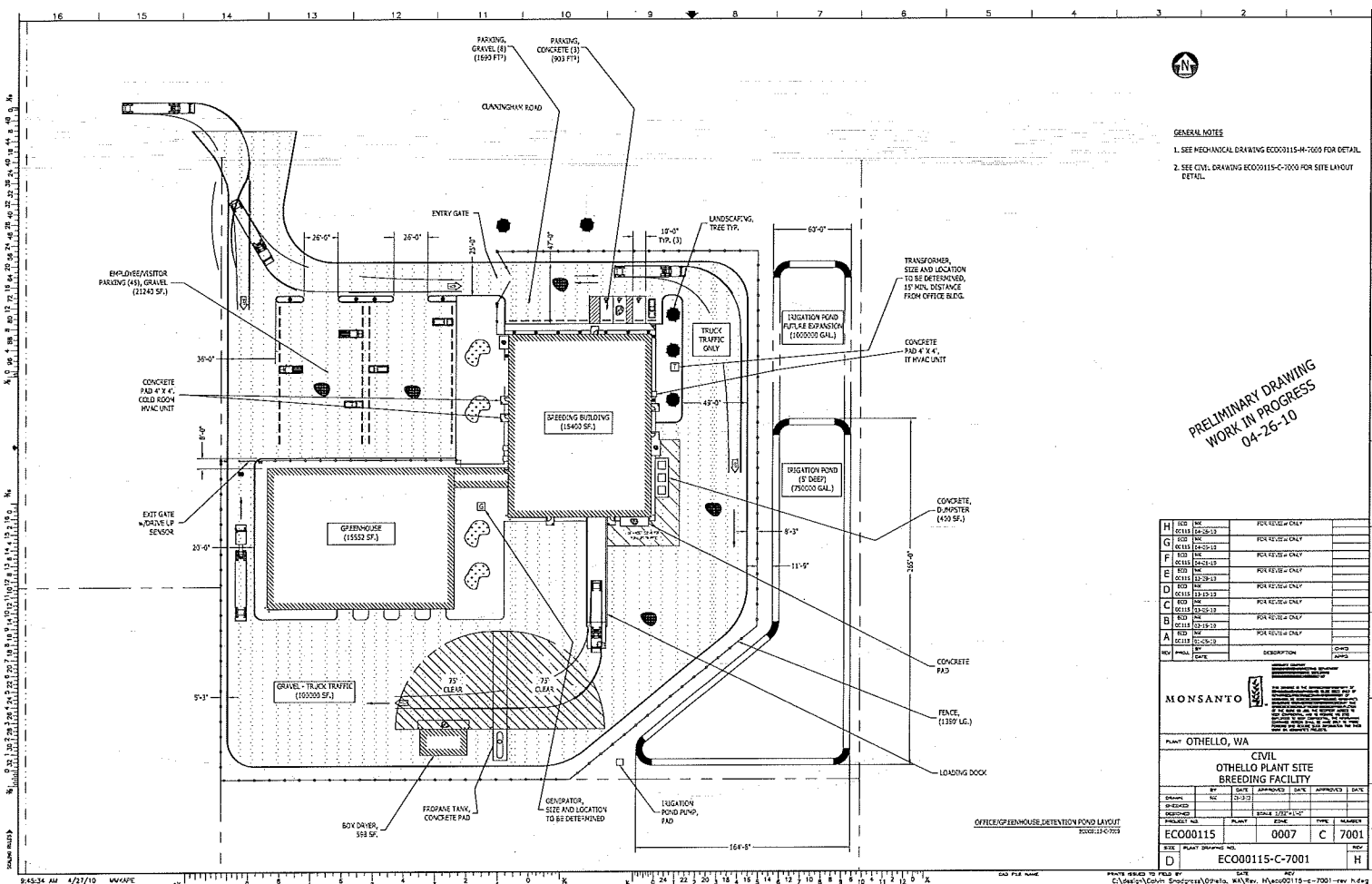
Attachment A

General Illustration of Property (48.12 Acres - Outlined in Red)



Attachment B



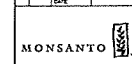


GENERAL NOTES

1. SEE MECHANICAL DRAWING ECO00115-M-7000 FOR DETAIL.
2. SEE CIVIL DRAWING ECO00115-C-7000 FOR SITE LAYOUT DETAIL.

PRELIMINARY DRAWING
WORK IN PROGRESS
04-26-10

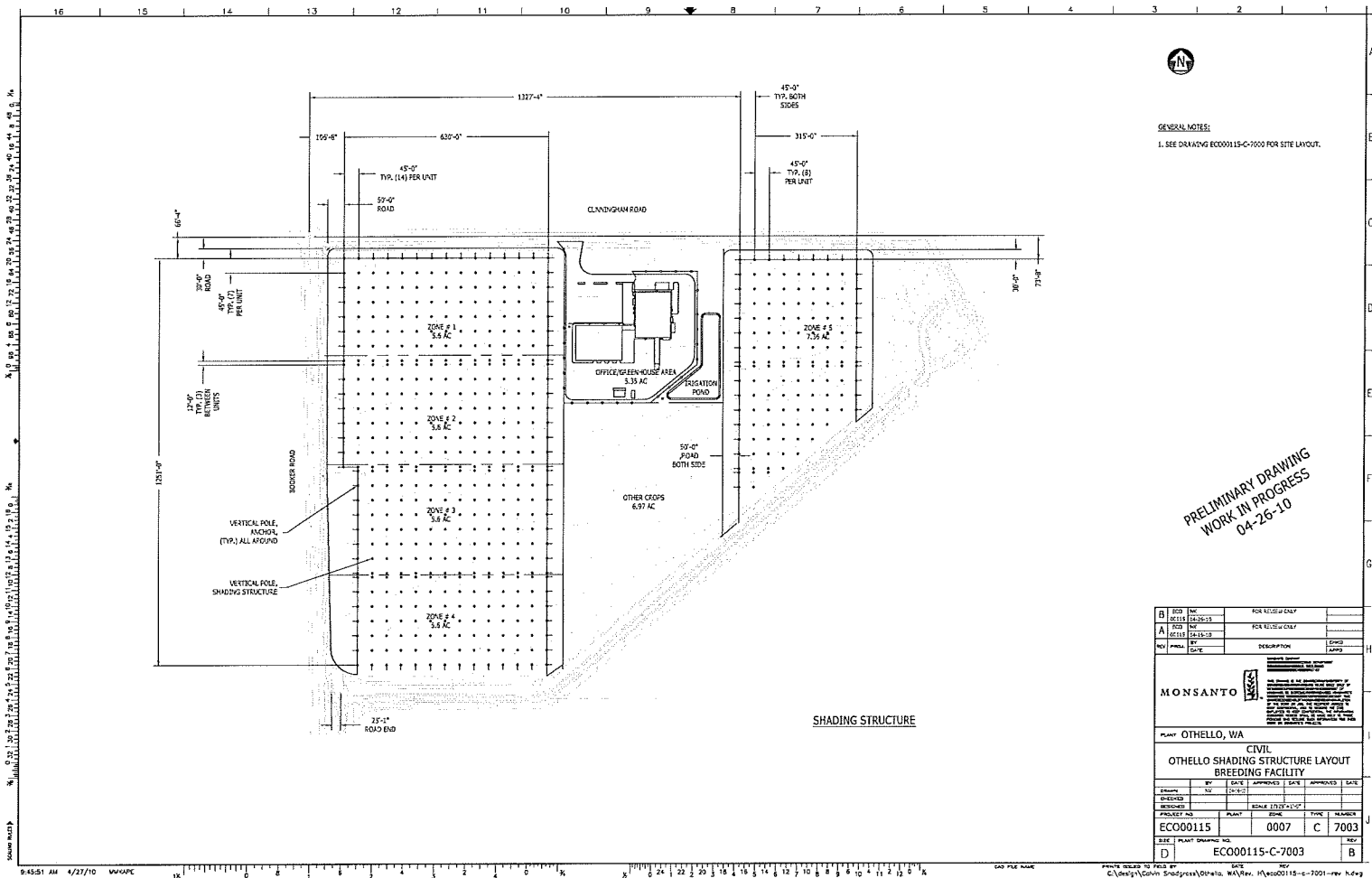
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C	DOB	NO	PCR REVIEW ONLY
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A	DOB	NO	PCR REVIEW ONLY
REV	NO	NO	DESCRIPTION



PLANT OTHELLO, WA

CIVIL			
OTHELLO PLANT SITE			
BREEDING FACILITY			
DATE	DATE	APPROVED	SIGNATURE

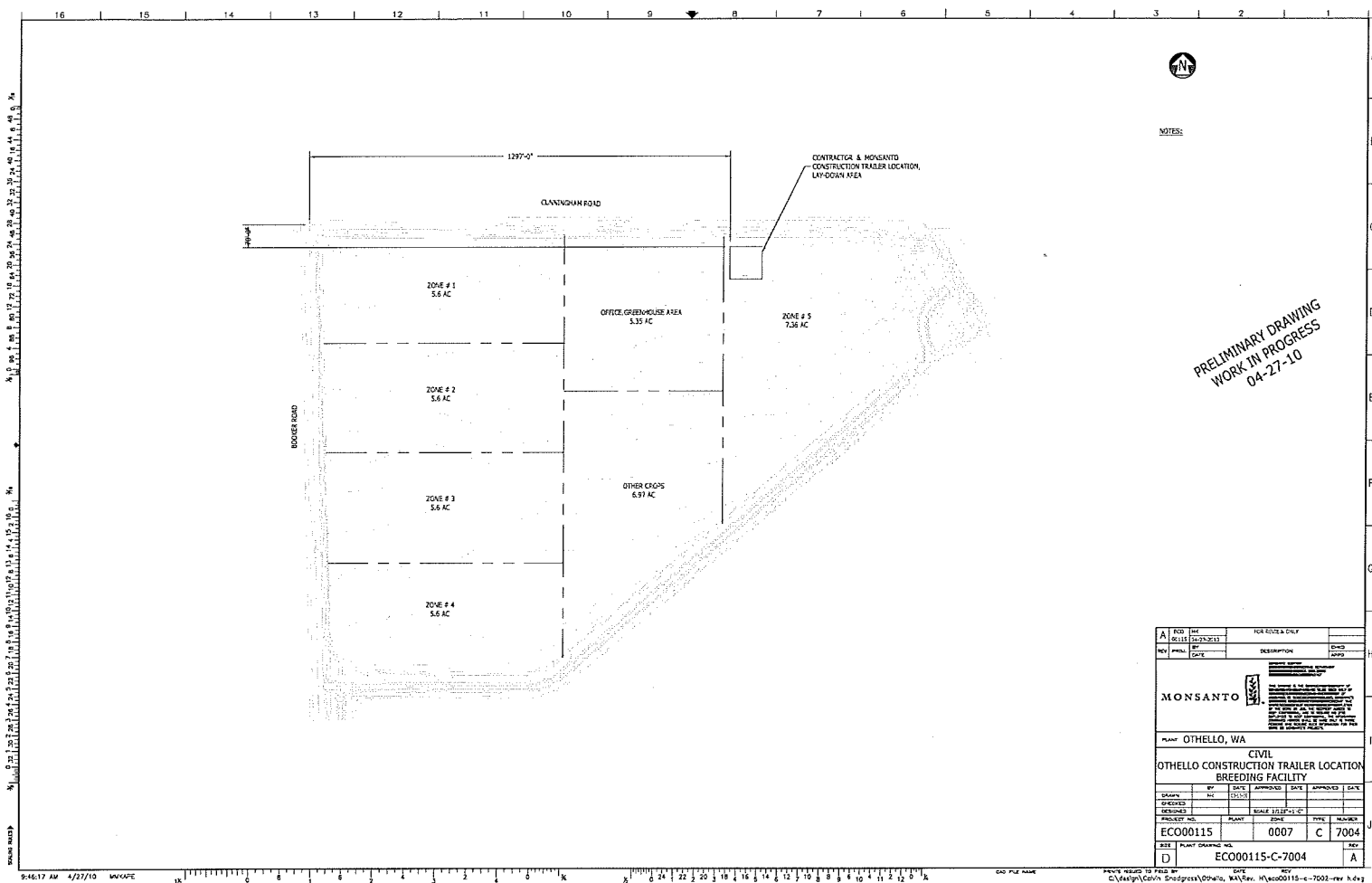
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D	ECO00115-C-7001					H

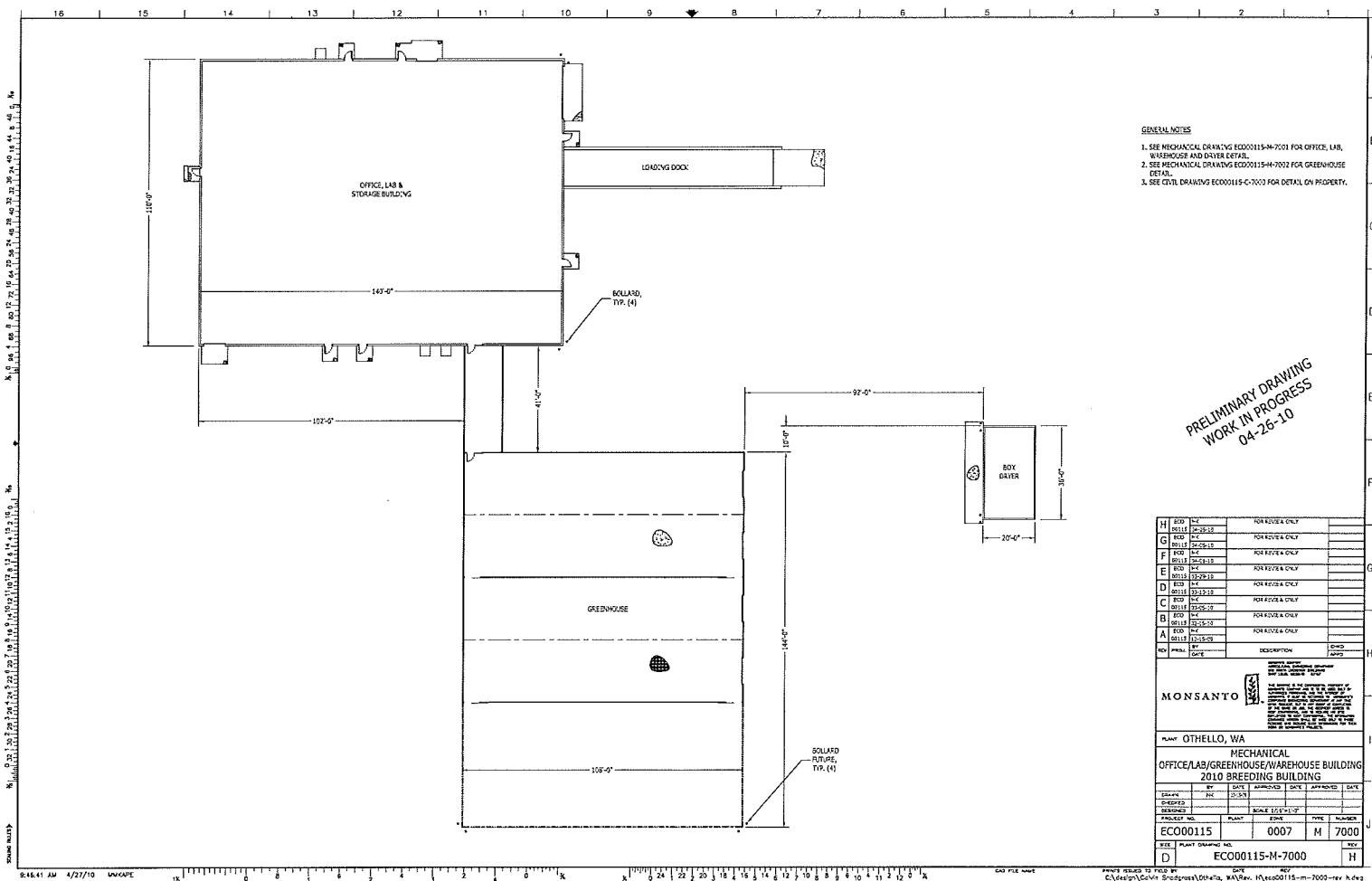


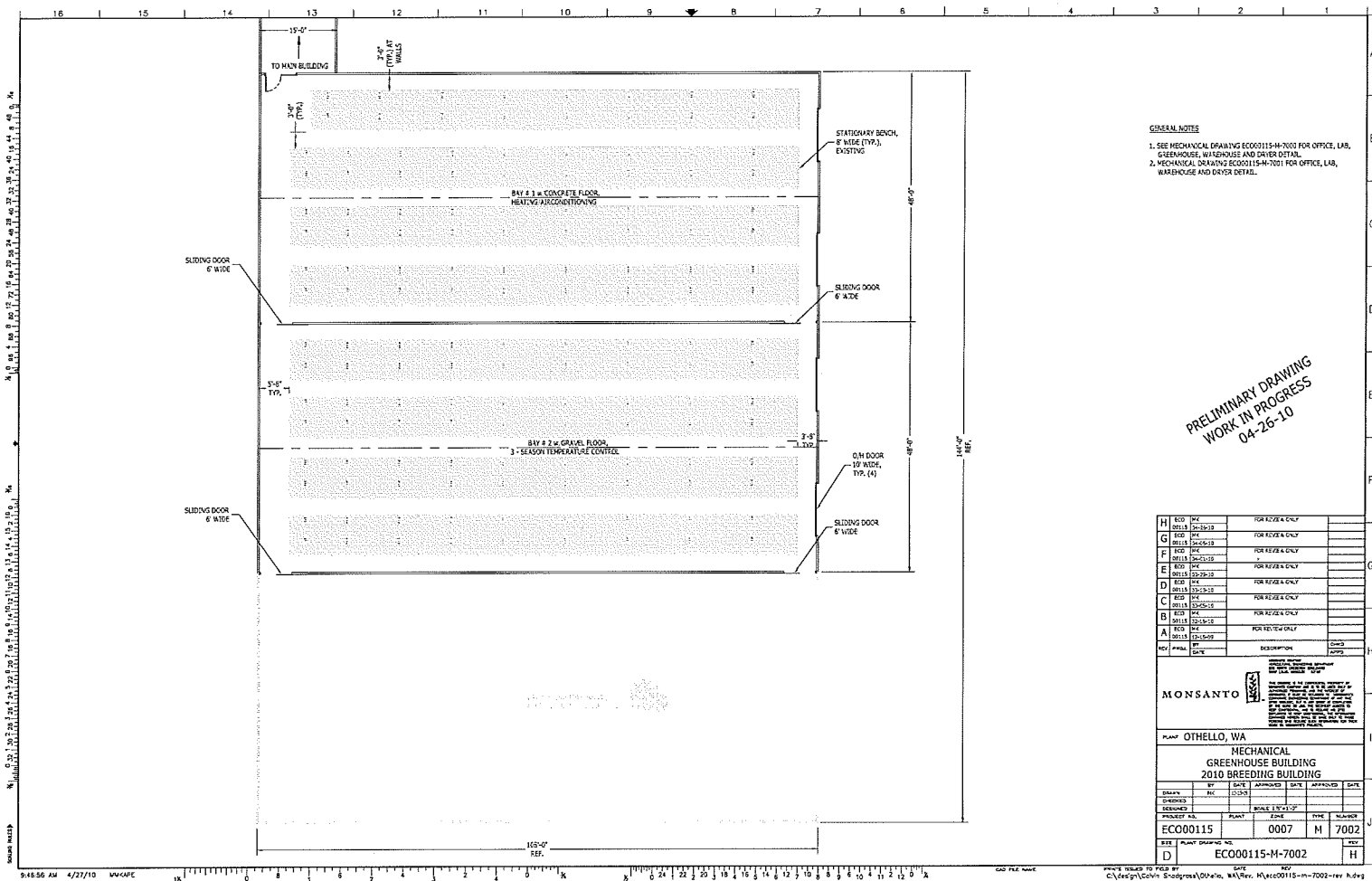
GENERAL NOTES:
1. SEE DRAWING EC000115-C-7003 FOR SITE LAYOUT.

PRELIMINARY DRAWING
WORK IN PROGRESS
04-26-10

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A	REV	DATE	FOR REVISION ONLY	
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DESIGNED	BY	DATE	APPROVED	DATE
DRAWN	BY	DATE	APPROVED	DATE
PROJECT NO.	PLANT	ZONE	FOUR	NUMBER
EC000115		0007	C	7003
REV	PLANT	DATE	REV	DATE
D	EC000115-C-7003		B	

[illegible]





GENERAL NOTES

1. SEE MECHANICAL DRAWING EC000115-M-7002 FOR OFFICE, LAB, GREENHOUSE, WAREHOUSE AND DRIVER DETAIL.
2. MECHANICAL DRAWING EC000115-M-7001 FOR OFFICE, LAB, WAREHOUSE AND DRIVER DETAIL.

PRELIMINARY DRAWING
WORK IN PROGRESS
04-26-10

REV	BY	DATE	DESCRIPTION	CHG
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G	EC	04/15/10	FOR REVIEW ONLY	
F	EC	04/15/10	FOR REVIEW ONLY	
E	EC	04/15/10	FOR REVIEW ONLY	
D	EC	04/15/10	FOR REVIEW ONLY	
C	EC	04/15/10	FOR REVIEW ONLY	
B	EC	04/15/10	FOR REVIEW ONLY	
A	EC	04/15/10	FOR REVIEW ONLY	

MONSANTO

PLANT OTHELLO, WA
MECHANICAL
GREENHOUSE BUILDING
2010 BREEDING BUILDING

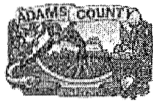
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ECO000115-M-7002

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ADAMS COUNTY WASHINGTON



TAXSIFTER

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Sherri L Brewer
Adams County Assessor 210 W Broadway Ave Ritzville, WA 99169

Assessor **Treasurer** **Appraisal** **MapSifter**

Parcel

Parcel#: 2100461112577 **Owner Name:** MONSANTO COMPANY
DOR Code: 83 - Resource - Agriculture Current Use **Address1:** C/O DUCHARME, MCMILLEN & ASSOCIATES
Situs: 1485 W CUNNINGHAM RD **Address2:** P O BOX 80615
Map Number: 1530-03-00-900000-046-11100 **City, State:** INDIANAPOLIS IN
Status: **Zip:** 46280

Description: TAX #2577 IN FU 111, BLK 46 LYING S OF CUNNINGHAM RD SURVEY #295009 Described as follows: A ptn of FU 111, Blk 46, in the NW 1/4 of Sec. 3, Twp 15 Rg 30: Commencing at the NW corner of said Sec. 3, being the NW corner of said FU 111, monumented by a U.S.B.R. brass cap; Thence S01°20'45"E, 1418.67 ft along the W line of said section and FU to the SW corner of said FU; Thence S89°46'55"E, 642.15 ft along the S line of said FU to the POB; Thence continuing S89°46'55"E, 1959.54 ft along said South line to the SLY R/W of Northern Pacific Railroad being the SE corner of said FU; Thence N30°06'12" W, 1255.40 ft to the centerline of U.S.B.R. irrigation ditch DE79; Thence S49°38'17"W, 1605.35 ft along said DE79 centerline; Thence 115.94 ft along a curve to the right, said curve having a radius of 163.70 ft, a delta angle of 40°34'48" and a chord bearing and a dist of S69°55'41"W, 113.53 ft, to the POB. Said Parcel contains 23.63 ac to the POB.

Comment: SPLIT FROM PARCEL # 2100461110100 ON 05/11/2010

2018 Market Value

2018 Taxable Value

2018 Assessment Data

Land:	\$264,900	Land:	\$149,000	District:	13 - RURAL OTHELLO
Improvements:	\$4,010,600	Improvements:	\$4,010,600	Current Use/DFL:	Yes
Permanent Crop:	\$0	Permanent Crop:	\$0		
Total	\$4,275,500	Total	\$4,159,600	Total Acres:	48.12000

Ownership

Owner's Name	Ownership %
MONSANTO COMPANY	100 %

Sales History

Sale Date	Sales Document	# Parcels	Excise #	Grantor	Grantee	Price
05/05/10	QD-295059	2	26873	NAU, JAMES R & VICKI A	NAU, JAMES R & VICKI A	\$0
05/05/10	WD-295060	1	26872	NAU, JAMES R & VICKI A	MONSANTO COMPANY	\$260,000

Building Permits

Permit No.	Date	Description	Amount
6553		PAD FOR CORN PROCESSING	\$26,408.00
6426		48X108 GREENHOUSE	\$148,000.00
6321		GREENHOUSE & R&D BLDG	\$1,705,000.00
6306		FOUNDATION ONLY FOR SEED DRYER EQUIPMENT	\$20,000.00

Historical Valuation Info



Department of
Entomology

COLLEGE OF AGRICULTURAL, HUMAN, AND NATURAL RESOURCE SCIENCES

May 24, 2019

To: André-Denis G. Wright, Dean, CAHNRS

From: Laura Lavine, Professor & Chair, Department of Entomology

RE: Rationale for Monsanto/Bayer Facility for Honey Bee & Pollinator Research

Honey bee and pollinator research and education is critically important to the state of Washington. A report to the Washington State Legislature from the Honey Bee Work Group in 2014 was submitted in response to ESSB 5882 that resulted in a state appropriation to WSU for a honey bee research and extension specialist. WSU filled this much needed position in 2015 and we continue to expand our efforts into research, extension, and education in this arena.

In 2019, SB 552, Section 3 created a pollinator health task force to develop a state pollinator health strategy. This task force is set to convene in fall 2019 and a WSU representative will participate. WSU has a small, but renowned global research program leading the field in understanding and improving honey bee and pollinator health but our capacity to meet the many research and extension needs of our state is limited. Although our research and extension team is small, their efforts are valued as they work with stakeholders to ensure that there is a thriving, adaptable, and resilient pollination system for domestic and global food security.

The Monsanto 2010 Breeding Building located in Othello, Washington is an ideal property for the expansion of the WSU honey bee and pollinator research and education program. We have visited the site numerous times with our WSU scientists, administrators, and importantly, our key stakeholders and donors. We have reviewed the blueprints and carefully considered the advantages and disadvantages of this facility and location for the WSU honey bee and pollinator program.

We all agree that this facility would be more than appropriate as the expansion site for the WSU program and has many attributes that make it more than ideal for our current and future purposes. Although the facility will need to be renovated somewhat, the current offices, labs, agricultural land, greenhouse space, controlled atmosphere room, and conference facilities are ideally suited for our purposes.

Acquisition of this property will allow our honey bee and pollinator research and education program to (1) continue its innovative honey bee breeding program to supply better bees

to commercial beekeepers through improved genetics, (2) expand the program on honey bee colony health and nutrition, (3) conduct research at the same scale as beekeepers, and (4) provide an all in one, centrally located facility for workshops, extension presentations, short courses, graduate and undergraduate research and training, and information dissemination for the state of the art in honey bee and pollinator research.

We will be able to move into this space immediately and move bees and laboratory experiments into this facility. We can also immediately begin to host workshops and conferences at this location, which is more centrally located than WSU Pullman and offers the benefit of being in an agriculturally intensive part of Washington state, which lends itself to outreach and extension to our commercial beekeepers, agricultural partners, growers, hobbyist beekeepers, and regular citizens.

Rationale for Funding Operations & Maintenance – a short- and long-term vision

The opportunity to purchase the Monsanto property at this time at this great price was one that we could not pass up. Efforts to partner with other groups within CAHNRS resulted in the bee program, and Entomology being the only serious bid. Although we have had a honey bee and pollinator fundraising project ongoing for over two years, many of the funds we have raised have been in pledges and future gifts. As soon as we found out that we had a chance to buy this facility for honey bee and pollinator researchers, we immediately asked our donors to make their gifts into cash. They have been doing that to the extent that they are able with promises of more to come, including \$1,000,000 in the Christianson's trust that will mature in 2022. In this section we outline the finances to date of our plan to purchase and operate this facility.

Please refer to the excel spreadsheet titled "Bee Building Finances 5.24.19 Final" for the estimated revenues and expenses for the operation and maintenance of this facility.

In the tab titled "Revenues," we show the secured gift/donation funds that have been raised, gift pledges, future fundraising pledges, a loan from CAHNRS to acquire the building, and possibly yearly revenue which includes short- and long-term predictions for potential revenue generation. We expect our ongoing fundraising efforts to secure additional funding for this facility and for this research.

In the "Expenses" tab, we have costs split out as one-time expenses and operational and maintenance building expenses per month. One time expenses include estimates of the cost to

move into the building for it to be fully operational. A few items in this list can be postponed (bee truck, honey extractor removal, transport, upgrade, installation, and planting of perennial bee forage) depending on the move-in date.

Monthly expenses are estimates based on information from the utilities and previous owner (Monsanto) and information from the WSU Othello Farm and CAHNRS Business Center. Items highlighted in yellow are important to note because these are likely to be variable from the estimate given. The payroll expenses that are given are likely to be an overestimate of what is needed, especially in the first three years. However, we wanted to have a realistic budget based on current practices at WSU Othello.

Our funding model and business plan will be formalized as we move towards the actual purchase. The plan that we have now will be revised as we learn more about the facility and agricultural land it is on. Leadership from Entomology and IAREC in Prosser will work together to manage the facility to maximize the research and extension that occurs there as well as the farm revenues and workshop and conference fees that will support operations.

In addition, the overall benefit to CAHNRS and the University overall will be primarily in meeting our land grant mission of meeting the needs of the citizens of Washington State. Agricultural diversity and prosperity in the United States and in Washington State have benefited from the research and extension specialists at WSU. The crisis facing honey bee and pollinators demands more research and extension to solve this critical agricultural and environmental challenge. Investment in this facility will allow WSU to recruit additional researchers to work on this important problem and federal and state funding beyond the capacity we are at currently. We are primarily limited in our ability to address these problems at this time by our facilities and our ability to expand.

Appendix 1. Examples of Research, Extension, & Education Activities that will be able to be done at the facility

- Commercial Scale Honey Bee Research
 - Cold storage of hives to promote honey bee health
 - Controlled atmosphere experiments on hive storage to reduce Varroa mite pests without harming honey bees
- Expansion of the Honey Bee Breeding Program
 - Increased numbers of honey bee queens produced through genetic improvement using semen collected from around the world
 - Increased sales of WSU breeding program bees (queens) to commercial beekeepers to improve genetic stocks nationwide to increase honey bee health through breeding
- Expand native pollinator and non-honey bee pollinator research capacity
 - Station graduate student and postdoctoral students working on these species at this location
- Increased Research & Extension Capacity
 - Host workshops and short courses by WSU faculty and extension
 - Host beekeepers such as the Washington State Beekeepers Association meetings
 - Host workshops and conferences by state commodity commission and agricultural boards (for example the Washington Potato Commission, the Washington State Commission on Pesticide Registration)
 - Provide access to a living laboratory of honey bee and pollinator research
- Increased Teaching Capacity
 - Host FFA, 4H, and Master Gardeners
 - Host Master Beekeepers
 - Invite K-12 teachers to participate in educational trainings targeted at school age children to inform them about honey bees and pollinators
 - Teach Entom 361 Honey Bee Biology and Entom 343 General Entomology from this location

Appendix E: Financial Analysis - Purchase of Real Property located in Othello, WA**Funding Overview**

Purchase Price	2,500,000
Cash in Hand - CAHNRS	1,905,000
Temporary Funding Bridge - CAHNRS	595,000
College Level Resources	
Funding Available	2,500,000
Difference	-

Temporary Funding Bridge - CAHNRS College Level Reserves

The temporary funding bridge of approximately \$595,000 will be provided from CAHNRS college level resources. It is expected that existing pledges to be received by FY2022 will be used to repay the CAHNRS college level resources.

	FY2019	FY2020	FY2021	FY2022	Total Available Pledges
Pledges Receivable	25,000	135,000	55,000	1,000,000	1,215,000

ACTION ITEM #4

Honorary Doctoral Degree (Kirk H. Schulz)

June 7, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Honorary Doctoral Degree Recommendation

PROPOSED: That, on the recommendation of the Honorary Doctoral Degree Committee and the Faculty Senate Steering Committee, the Board of Regents select and approve the award of an Honorary Doctorate Degree from Washington State University to Candidate "A" and Candidate "B".

SUBMITTED BY: Kirk H. Schulz, President

SUPPORTING INFORMATION: The criteria for awarding honorary doctoral degrees states:

Honorary degrees recognize those who have made profound and enduring contributions to scholarship, culture, and an improved quality of life to society at large. Achievements of national and international significance deserve priority consideration. Nominees must be persons of great integrity, as the choices reflect values of the university.

Additionally:

- Honorary degrees cannot "be conferred in consideration of the payment of money or the giving of property of whatsoever kind." [RCW 28B.30.150 (15)].
- Nominee must not have a degree from Washington State University. [RCW 28B.30.150 (15)]
- Nominations must be in alignment with statutory criteria. [RCW 28B.30.150(15)]

Recent honorees include:

- 2018: R. James Cook, former Chief Scientist, United States Department of Agriculture and WSU Professor Emeritus, Plant Pathology and Crop and Soil Sciences
- 2016: Elson S. Floyd, former President of Washington State University
- 2014: Jordan D. Schnitzer, President, Harsch Investment Properties and President, Jordan Schnitzer Family Foundation
- 2007: Johnnetta Cole, former WSU faculty member and administrator, President Emerita, Spelman College (Atlanta) and Bennett College (North Carolina)
- 2005: Clarence A. Ryan Jr., emeritus professor and plant biochemistry researcher, WSU Institute of Biological Chemistry; first WSU professor in National Academy of Sciences

A full list of past honorees can be found at:
<https://president.wsu.edu/honorary-doctoral-granted/>.