

MINUTES  
Board of Regents  
November 7, 2016

The Board of Regents of Washington State University (WSU) held a special meeting pursuant to call in Open Meeting at 4:05 p.m., on Monday, November 7, 2016. The meeting was held on the WSU Pullman campus in Lighty Student Services Building, Room 405.

**III. Call to Order.** Regent Lura Powell, Chair called the special meeting to order. She welcomed everyone to the meeting and said the purpose of the meeting was for the Regents to discuss with University legal counsel matters relating to pending or potential litigation involving the University. Chair Powell informed the audience that the Regents would be participating in the meeting by telephone conference call. Chair Powell noted that, in addition, legal counsel was present in Pullman. Chair Powell reminded the audience that there would be a public comment period during the meeting and that the public comment period would be after the Executive Session and would be for up to 10 minutes. She instructed anyone wishing to make public comment to sign up with the Special Assistant to the President, Christine Hoyt. Chair Powell then instructed Chris to take a roll call.

**IV. Roll Call.** Special Assistant, Christine Hoyt, took the roll call. Present (via teleconference): Regent Lura Powell, Chair; Regents Don Barbieri, Ted Baseler, Brett Blankenship, Scott Carson, Narek Danielyan, Ryan Durkan, Laura Jennings, Ron Sims, and Mike Worthy; and President Kirk Schulz.

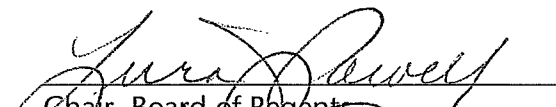
Also present in Pullman: Senior Assistant Attorney General Danielle Hess and Special Assistant to the President, Christine Hoyt.

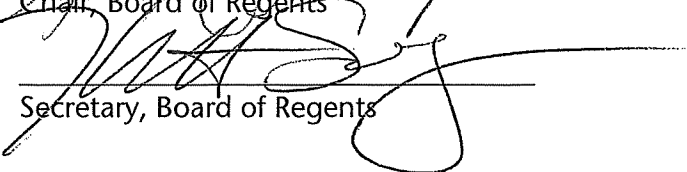
**V. Executive Session.** Chair Lura Powell announced an executive session to discuss with the University's legal counsel matters relating to pending or potential litigation involving the University. The executive session lasted for 30 minutes. No action was taken as a result of the executive session.

**VII. Public Comment.** No individuals signed up for public comment.

**VIII. Adjourn.** The meeting adjourned at 4:43 p.m.

Approved by the Board of Regents at its meeting held on January 27, 2017, on the WSU Tri-Cities Campus, at the Consolidated Information Center.

  
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Chair, Board of Regents

  
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Secretary, Board of Regents



MINUTES  
Board of Regents  
November 4, 2016

The Board of Regents of Washington State University (WSU or University) met pursuant to call in Open Meeting at 8:00 a.m. on Friday, November 4, 2016, at WSU Pullman, Compton Union Building, Room 204, Pullman, Washington.

Present: Regent Lura Powell, Chair; Regents Don Barbieri, Ted Baseler, Brett Blankenship, Narek Daniyelyan, T. Ryan Durkan, Ron Sims, and Mike Worthy; President Kirk H. Schulz. Also present via teleconference: Regents Scott Carson and Laura Jennings.

**I. OPENING**

**A. Report from the Chair of the Board of Regents.** Chair Powell provided welcoming remarks to the audience and extended a special welcome to the Board's newest Regent, Brett Blankenship.

Chair Powell reported on the following events Regents have participated in since the September Board meeting.

- September 28-30: Regents Scott Carson and Harold Cochran participated in the WSU Foundation Board of Directors Annual Meeting. Chair Powell noted Regent Cochran was honored for his dedicated service on the WSU Foundation Board of Directors as well as his service on the WSU Foundation Investment Committee.
- September 30: Chair Powell and Regents Scott Carson, Harold Cochran and Ted Baseler attended the Annual WSU Foundation Recognition Gala. Chair Powell reported it was truly a wonderful event and celebration of the strong support by alumni and friends of WSU.
- October 12: Chair Powell reported she had the great opportunity to attend the groundbreaking ceremony for the WSU Tri-Cities Student Housing Complex.
- October 17: Regent Ryan Durkan attended the Achievement Rewards for College Sciences (ARCS) luncheon in Seattle. Chair Powell said the ARCS program offers financial incentives to graduate student and further encourages the study of science, medicine and engineering. She said Regent Durkan reported the luncheon was wonderful and that our WSU scholars are amazing.
- October 18: Regent Ron Sims presented the keynote speech at the Healthiest Companies in Southwest Washington Awards Reception and Showcase in Vancouver. Chair Powell said Regent Sims discussed the topic of reducing healthcare costs by investing in employee well-being and said he did a wonderful job connecting health to community engagement as well as

Vice Presidential Searches: President Schulz reported he was pleased to announce Stacy Pearson as WSU's new Vice President for Finance and Administration. He said Ms. Pearson brings with her 12 years experience in a similar position at Boise State University, has extensive experience with campus master planning, implementation of new information technology initiatives to improve functionality of administrative information systems, was the 2013 Idaho Business Review's Woman of the Year, is a certified public accountant, holds a master's degree in Public Administration from Boise State University and a bachelor's degree in Business Administration from the University of Idaho. President Schulz reported Ms. Pearson will start at WSU March 1, 2017. President Schulz further reported the university is on track to hire a Vice President for Student Affairs in December and a Vice President for Marketing and Communications in January or early February of 2017.

## II. CONSENT AGENDA.

Chair Powell reported there were three items on the Consent Agenda.

- A) Approval of Minutes – September 16, 2016, Board of Regents Meeting
- B) Proposed Degree Name Change – Master of Arts in Foreign Language and Culture to Master of Arts in Hispanic Studies
- C) Proposed Degree Name Change – Bachelor of Arts in Apparel, Merchandising and Textiles to Bachelor of Arts in Apparel, Merchandising, Design and Textiles

Chair Powell asked if any Regent wished to remove any 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 groups—Foundation Board of Governors, Faculty Senate, Administrative and Professional Advisory Council, Associated Students of WSU, Graduate and Professional Student Association, and the Alumni Association—reviewed their reports as submitted. (*Exhibit A*)

**IV. EXECUTIVE AND GOVERNANCE COMMITTEE REPORT.** Chair Powell reported the Executive and Governance Committee was recommending approval of the Board of Regents' Appointments to the WSU Foundation Investment Committee.

### **Board of Regents Appointments to the WSU Foundation Investment Committee**

It was moved and seconded that the Board of Regents approve the appointment of Regent Scott Carson and re-affirm the appointment of William O. Ward to the WSU Foundation Investment Committee. Carried. (*Exhibit B*)

**WSU Pullman, Soccer Field Improvements, Phase Two, Construction Revised Project Budget**

It was moved and seconded that the Board of Regents adopt resolution #161104-535 to approve the revised project budget of \$3,000,000, authorize the project to proceed to construction, 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. Carried. *(Exhibit C)*

**WSU Pullman, Chief Joseph Village Buildings B & C**

It was moved and seconded that the Board of Regents adopt resolution #161104-536 to approve the Chief Joseph Renovation Buildings B & C project with a total budget not to exceed \$12,300,000, and authorize the project to proceed to construction, 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. Carried. *(Exhibit D)*

**IX. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT.** Regent Baseler reported that Vice President for International Programs Asif Chaudhry provided the committee with a presentation on a new WSU initiative with INTO University Partnerships, a private global education company, to increase WSU's international diversity. The initiative will increase the exposure of students throughout the WSU statewide system to international perspectives, thereby better preparing them to work in environments around the globe and collaborate with colleagues from different cultures. Regent Baseler further reported the committee heard a presentation on a Future Action Item, Board of Regents Policy on Delegation of Authority presented by Senior Assistant Attorney General Danielle Hess. In conclusion, Regent Baseler reported Vice President for University Advancement and WSU Foundation Chief Executive Officer John Gardner presented the Committee with two Action Items regarding operating agreements for the WSU Alumni Association and the WSU Foundation and forwarded the same to the Board for consideration.

**WSU Alumni Association Operating Agreement**

It was moved and seconded that the Board of Regents adopt resolution # 161104-537 delegating authority to the President to finalize the Washington State University – Washington State University Alumni Association Operating Agreement in substantially the same terms as presented to the Regents. Carried. *(Exhibit E)*

EXHIBIT A  
Board of Regents Meeting  
November 4, 2016

November 4, 2016

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Foundation Regents Report

SUBMITTED BY: Lewis Lee, President, WSU Foundation  
Chair, Board of Directors, WSU Foundation

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

- During Fiscal Year 2017 (July 1, 2016—June 30, 2017) the WSU Foundation has received \$20,429,211 in total fundraising commitments through Sept. 30, 2016. The WSU Foundation's FY 2017 Progress Report is attached.
- The WSU Foundation's endowment market value as of Aug. 31, 2016 was \$431,200,237. The investment return for FY2017 to date was 2.20%, and the three-year investment return to date was 5.20%. Additional endowment performance information can be found at:  
<https://foundation.wsu.edu/endowment-performance/>.
- In addition to ongoing efforts to secure private support for WSU's statewide academic, research, and service mission, fundraising priorities for FY 2017 continue to be scholarship and unrestricted support for the Elson S. Floyd College of Medicine, which was granted preliminary accreditation by the Liaison Committee on Medical Education in October. To date, \$5.04 million has been committed toward the first milestone of \$15 million in fall 2017. More about supporting the Floyd College of Medicine can be found at  
<https://medicine.wsu.edu/alumni-and-friends>.
- WSU's development efforts are also focused on securing private support for several capital projects, including the Digital Classroom Building, the Schnitzer Museum of Art, and the Elson S. Floyd Cultural Center in Pullman; and the Classroom Building in Everett, which recently received a \$250,000 commitment from The Boeing Company to create the Boeing Innovation Studio—a fabrication lab to be equipped with state-of-the-art technology, including a 3D printer and scanner, concept CNC mill, laser cutter, and more.
- The WSU Foundation Board of Directors will engage in a strategic planning retreat with Foundation leadership, December 2-3, 2016. The next business meeting of the Directors is March 3, 2017 in Tri-Cities, WA. The next meeting of the WSU Foundation Trustees will be May 18-19, 2017, in Vancouver, WA.




Office of  
Faculty Senate

November 4, 2016

ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Faculty Senate Report

SUBMITTED BY: AG Rud, Chair, Faculty Senate 

The Medical College: After the successful approval of the curriculum map, and the preliminary accreditation by the Liaison Committee on Medical Education (LCME) last week, the senate stands ready to consider approval of the full curriculum of the Elson S. Floyd College of Medicine.

Academic Integrity proposals: As reported last time, the Academic Integrity Task Force made proposals to be considered for endorsement by the Faculty Senate, and to be presented for approval to the provost. Those proposals were voted upon favorably by the senate at its October 20 meeting and have been presented to the provost.

Constituent Concerns: At the senate meetings this fall, senators heard the following constituent concerns: parking reduced by building construction enacted and planned for, as well as game day parking inconvenience, on the Pullman campus; the athletic deficit and clarification of plans to deal with it; the elimination of journals in the library and thus incompatibility with the university's Drive to 25; the use of free or open-source courseware and books, possibly favoring cost savings over rigor and academic suitability; and the loss of graduate student health insurance coverage. The journal and graduate student health insurance issues were staved off for a year by the university and the federal government respectively.

Guest Speakers at Senate Meetings: It is important for faculty senators to be informed how the university works. We have invited and confirmed as speakers the president, the provost, the chief budget officer, the dean of libraries, the dean of international programs, and the director of transportation services, and will be pursuing several more leaders from various parts of the university.

Activities of the Senate Officers: As chair, I serve on several university committees, including the search committee for a new vice president for business and finance (just appointed). I met faculty and administrators on the Tri-Cities campus October 31, and will visit the Vancouver, Spokane, and possibly the Everett campus, in the spring.

on pursuing education after graduating high school. This year, we had just about 150 high school students attend the SHAPING Conference.

**DEAR WSU:** We have set the date for our annual “student feedback” campaign for November 14-18. We hope to engage students to express changes they want to see on campus, whether that is in classes, where they are living or all around student life. Often times student government leaders don’t hear the concerns of the general students, so this program exists to bring light to what students are saying about WSU.





Administrative Professional  
Advisory Council

November 4, 2016

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: APAC Report

SUBMITTED BY: Ray Acuña-Luna, Chair, Administrative Advisory Council

Distinguished members of the Board of Regents, President Schulz and Provost Bernardo,

It is my pleasure to report the following on behalf of the Administrative Professional Advisory Council:

The APAC forums have now been officially scheduled and are as follows:

- November 4, 2016 – Tri-City. Time TBA
- November 9, 2016 9:00-10:30am – Spokane
- December 6, 2016, 2:00-3:30pm – Vancouver
- November 29, 2016- Pullman. Time 8:30am-10:00am
- Everett: March. TBA

The purpose of these forums are:

- a. Provide a space for all AP voices to be heard; to feel included in the conversations that occur with upper level administration;
- b. Provide input on the ways we offer programming and professional development opportunities;
- c. Connect APAC council representatives at each campus with their AP constituencies so that non-council members know who and how to contact APAC

We are incredibly thankful to President Schulz for his support on this endeavor. Throughout the process, he has been so helpful and encouraging as well as providing funding to complete these forums. During the next few weeks, we will be working with university departments and APAC Council representatives to develop marketing and content for these forums.

APAC is currently conducting our annual AP Survey. The survey is designed to gather additional information from Administrative Professionals on how they would like APAC to serve them. The survey will remain active for the next couple of months and later analyzed and implement new initiatives as necessary.

Finally, APAC participated in currently undergoing searches: VP for Marketing and Communication and the Business Modernization Feasibility Study. We are thankful to be included in the discussions and looking forward to continuing participating in the process.

## **ACTION ITEM #1**

### **Board of Regents Appointments to the WSU Foundation Investment Committee (Kirk H. Schulz)**

November 4, 2016

TO ALL MEMBERS OF THE BOARD OF REGENTS

**SUBJECT:** Board of Regents Appointments to the WSU Foundation Investment Committee

**PROPOSED:** That the WSU Board of Regents appoint Regent Scott E. Carson and re-affirm the appointment of William O. Ward to the WSU Foundation Investment Committee

**SUBMITTED BY:** Kirk H. Schulz, President

**BACKGROUND:** Members of the WSU Board of Regents are fiduciaries for University endowed assets that are managed by the WSU Foundation. Responsibility for investment and management of those funds lies with the WSU Foundation Investment Committee. Specifically, as provided in the Washington State University Foundation Consolidated Endowment Fund Investment Policy Statement, "the Committee shall be responsible for investments, reinvestments, and general management of all gifted property and assets of the WSU Foundation (except planned gift assets) and those University endowed assets entrusted to the WSU Foundation for management by contract with the University." Further, Regents are responsible for reviewing and approving Regents-appointed members to the WSU Foundation Investment Committee.

Following for your reference is an excerpt from Investment Policy Statement regarding the composition and duties of the Investment Committee:

#### 2.2.1 Composition

The Committee is comprised of seven (7) appointed members (voting) and between two (2) and four (4) 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 experience selected upon consultation with the Committee, subject to notice to the Governors.

- Make reasonable effort to verify facts relevant to the management and investment of the Fund; and
- Annually (each December) review Investment Policy Statement.
- 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:
  - Selecting the agent;
  - Establishing the scope and terms of the delegation; and
  - Reviewing and monitoring the agent's performance.
- 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:
  - Duration and preservation of the endowment fund;
  - Purposes of the University and the endowment fund;
  - General economic conditions;
  - Possible effect of inflation or deflation;
  - The expected total return from income and the appreciation investments;
  - Other resources of the University
  - This Investment Policy.
- Comply with all applicable state and federal laws, regulations, and rulings that relate to the Fund's investment management process.
- Recommend Investment Policy changes to the Governors and the Regents.
- Operate within the allocation ranges of the Investment Policy.
- Establish and regularly review objectives, asset allocation, and guidelines for the investment of the Funds' assets.
- Establish and regularly review manager structure guidelines for the Fund's components.
- 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.
- Select qualified external investment managers to manage the Fund's assets.
- Select other service providers it deems appropriate to carry out its function, including, but not limited to, independent investment consultant(s).
- Meet quarterly to evaluate policy compliance, review progress in achieving the Fund's goals, and assess the effectiveness of the investment program.

## **ACTION ITEM #1**

### **WSU Pullman, Soccer Field Improvements, Phase Two, Construction Revised Project Budget (Olivia Yang/John Johnson)**

November 4, 2016

TO ALL MEMBERS OF THE BOARD OF REGENTS

**SUBJECT:** WSU Pullman, Soccer Field Improvements, Phase Two, Revised Project Budget

**PROPOSED:** That the WSU Board of Regents approve the revised project budget of \$3,000,000, authorize the project to proceed to construction, and 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:** Olivia Yang, Interim Vice President for Finance and Administration

**BACKGROUND:** On October 30 2015, the Board of Regents authorized the construction of Soccer Field Improvements, Phase Two at a total project budget of \$1,600,000. That budget was based on a master plan effort and a predesign specific to the Soccer facility. Subsequent estimates were performed throughout the design of the project to keep the project within the established budget. The project scope was adjusted to fit that budget. The project was bid and all bids received were over the budgeted amount.

Upon analysis of the bids received, we believe that the overage had two primary causes: (1) the construction of the required foundation system based on the existing soils condition is more costly than originally budgeted; and (2) the access to the project site without impacting existing facilities and roadways has a higher premium than originally budgeted.

The previous design adjustments had removed the public restrooms from the project scope.

This proposed revised budget of \$3,000,000 accounts for the foundation and access issues and adds back in the public restroom.

## Board of Regents

### WSU Pullman, Soccer Field Improvements, Phase Two, Construction Revised Project Budget

#### Resolution #161104-535

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 WSU Board of Regents approve the revised project budget of \$3,000,000, authorize the project to proceed to construction, and 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 4<sup>th</sup> day of November, 2016

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Chair, Board of Regents

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Secretary, Board of Regents

**Project Schedule:**

Advertise for Bids	September 2016
Begin Construction	November 2016
Complete Construction	July 2017
Occupy new building	August 2017

**Project Budget:**

Design	\$ 451,000
Construction (including contingency & sales tax)	\$10,399,000
Furnishings and Moveable Equipment	\$ 385,000
Other Costs (including field & coordination cost, builder's risk insurance)	\$ 468,000
Project Management / Agency Fee	\$ <u>597,000</u>
Total Project Budget	<u><b>\$12,300,000</b></u>

**Source of Funds:**

Chief Joseph remaining funds	\$ 7,394,004
Global Scholars Hall (Northside 2) remaining funds	\$ 1,849,657
Additional Housing cash reserves	\$ <u>3,056,339</u>
Total Source of Funds	<b>\$12,300,000</b>

The Aerial Site is appended as Attachment A

## **Board of Regents**

WSU Pullman, Chief Joseph Village Buildings B & C

### **Resolution #161104-536**

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 Chief Joseph Renovation Buildings B & C project with a total budget not to exceed \$12,300,000, and authorize the project to proceed to construction, 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 4th day of November, 2016.

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Chair, Board of Regents

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Secretary, Board of Regents

Language was revised in consultation with the Attorney General's Office and the WSU Contracts Office. Once signed by the University, the WSUAA president will sign the document.

Attachments:        *WSU-WSUAA Operating Agreement* (track changes and clean copies)



## ACTION ITEM #1

### Proposed Washington State University-Washington State University Alumni Association Operating Agreement (John Gardner)

November 4, 2016

TO ALL MEMBERS OF THE BOARD OF REGENTS

**SUBJECT:** Proposed revisions to the Washington State University-Washington State University Alumni Association Operating Agreement (Agreement)

**PROPOSED:** That the Board of Regents delegate authority to the President to finalize the Washington State University – Washington State University Alumni Association Operating Agreement in substantially the same terms as presented to the Regents.

**SUBMITTED BY:** John Gardner, Vice President for Advancement

**SUPPORTING INFORMATION:** The operating agreement between Washington State University (WSU) and the Washington State University Alumni Association (WSUAA) outlines the working relationship between the two organizations. The Agreement has been updated with specific attention placed on the following:

- Addition of a three-year term for the Agreement;
- The WSUAA's adoption of WSU Executive Policy #15 prohibiting volunteers from engaging in discrimination, sexual harassment, and sexual misconduct;
- Clarification of the role of the Office of Equal Opportunity in investigating allegations made toward WSUAA volunteers;
- Stipulation that the WSUAA is the university's only officially recognized alumni association;
- Clarification of the WSUAA's role in managing the Cougar vehicle license-plate program and the distribution of scholarship funds from the program;
- WSUAA to adhere to PCI compliance
- Updated requirements for insurance coverage, indemnification, and liability coverage.

## **BOARD OF REGENTS**

### **Proposed Washington State University-Washington State University Alumni Association Operating Agreement**

#### **Resolution #161104-537**

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 delegate authority to the President to finalize the Washington State University – Washington State University Alumni Association Operating Agreement in substantially the same terms as presented to the Regents.

DATED this 4<sup>th</sup> day of November, 2016.

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Chair, Board of Regents

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Secretary, Board of Regents