

January 14, 2022

BOARD OF REGENTS MEETING NOTICE

January 20-21-2022

The Washington State University Board of Regents will hold its next official meetings on Thursday and Friday, January 20-21, 2022, pursuant to the schedule below.

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

Thursday, January 20, 2022 – Strategic and Operational Excellence Committee

<https://youtu.be/wv4845-INN8>

Telephone access: dial 1-253-215-8782, enter passcode 150937

Meeting ID: 999 6632 9034

Thursday, January 20, 2022 – Concurrent Committee Meetings:

Research and Academic Affairs:

<https://youtu.be/YB0JMhTLA18>

Telephone access: dial 1-253-215-8782, enter passcode 819544

Meeting ID: 967 2257 6121

Student Affairs and Student Life Committee:

<https://youtu.be/dOps0BRPzYg>

Telephone access: dial 1-253-215-8782, enter passcode 989567

Meeting ID: 973 9361 8426

Thursday, January 20, 2022 – Finance and Compliance Committee

<https://youtu.be/x-tspXAVNXQ>

Telephone access: dial 1-253-215-8782, enter passcode 631965

Meeting ID: 994 4704 9704

Friday, January 21, 2022 - Board of Regents Meeting

<https://youtu.be/4pexENsn6Lw>

Telephone access: dial 1-253-215-8782, enter passcode 420580

Meeting ID: 977 0902 7101

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

Committee meetings will run as outlined below throughout the day; starting times following the 1:00 pm committee meetings are estimates only. If a session ends earlier than expected, the next scheduled session may convene immediately. Committee meetings may be attended

by all members of the Board of Regents, and all members may participate.

Thursday, January 20, 2022

9:00 am Strategic and Operational Excellence Committee
11:30 am Break
1:00 pm Concurrent Meetings
Research and Academic Affairs Committee
Student Affairs and Student Life Committee
2:30 pm* Break
2:45 pm* Finance and Compliance Committee
4:00 pm* Executive Session

Friday, January 21, 2022

8:00 am Board of Regents Meeting

Members of the public are invited to comment only during the Public Comment Period during the meeting of the full Board on Friday, January 21, 2022. Public access to the meeting will be limited to viewing and listening until the public comment period begins.

During the public comment period, members of the public planning to speak are asked to mute their microphones or telephones and to disable their cameras, unless they are called to the Public Comment Period.

To sign up for the public period that will take place at the Board of Regents meeting on January 21, 2022, use the "Request to Provide Public Comment" form. The Form will be available starting at noon on Friday, January 14, 2022, on the Board of Regents website and will close at 5:00 pm on January 20, 2022.

This notice is being sent by the direction of the Chair of the Board of Regents pursuant to the requirements of the Open Public Meetings Act, chapter 42.30 RCW.

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

**or upon conclusion of previous session*

Agenda
Strategic and Operational Excellence Committee
Thursday, September 20, 2022
9:00 a.m. – 11:30 a.m.

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

<u>Focused Discussions</u>	<u>Section</u>
1. WSU’s Tribal Consultation Policy (<i>Higheagle Strong</i>)	SO-1
2. Academic Affairs Update System-wide Efforts on Faculty Equity, Diversity, and Inclusion (<i>Guerrero/Gaither</i>) Supporting Faculty and Reducing Inequities (<i>Hill</i>)	SO-2
3. Marketing and Communications Presentation (<i>Weiler</i>)	SO-3

Information Items

1. Update: WSU Foundation Environmental, Social, and Governance Investment Strategy (*Connell*)
2. Legislative Update (*Kerr*)

Action Items

- | | |
|---|------|
| 1. Proposed Update to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy (<i>Connell/Shearer</i>) | SO-4 |
| 2. Facility Name Recommendation – Athletics Indoor Practice Facility Naming (<i>Pearson/Chun</i>) | SO-5 |



WASHINGTON STATE
UNIVERSITY

Executive Policy 41

Policy on Tribal Engagement, Consultation, and Consent
for Joint WSU-Tribal Research Activities and Projects

Zoe Higheagle Strong, PhD

Executive Director of Tribal Relations & Special Assistant to the Provost

Assistant Professor, Educational Psychology, College of Education

zoe.strong@wsu.edu

Land Acknowledgement of America's First People's

Washington State University acknowledges that its locations statewide are on the homelands of Native peoples, who have lived in this region from time immemorial. Currently, there are 42 tribes, 35 of which are federally recognized that share traditional homelands and waterways in what is now Washington State. Some of these are nations and confederacies that represents multiple tribes and bands. The University expresses its deepest respect for and gratitude towards these original and current caretakers of the region. As an academic community, we acknowledge our responsibility to establish and maintain relationships with these tribes and Native peoples, in support of tribal sovereignty and the inclusion of their voices in teaching, research and programming. Washington State University established the [Office of Tribal Relations](#) and [Native American Programs](#) to guide us in our relationship with tribes and service to Native American students and communities. We also pledge that these relationships will consist of mutual trust, respect, and reciprocity.

As a land grant institution, we also recognize that the Morrill Act of 1862 established land-grant institutions by providing each state with “public” and federal lands, which are traced back to the disposition of Indigenous lands. In 1890, Washington State received 90,081 acres of Indigenous Lands designated to establish Washington State University ([see data](#)). Washington State University retains the majority of these lands to this day. We acknowledge that the disposition of Indigenous lands was often taken by coercive and violent acts, and the disregard of treaties. For that, we extend our deepest apologies. We owe our deepest gratitude to the Native peoples of this region and maintain our commitment towards reconciliation.

See full statement: <https://strategicplan.wsu.edu/acknowledgement-of-americas-first-peoples-4/>

Background of EP41



WWSU

Tribal Consultation Legislation & Policy

- Centennial Accord (WA State, 1989) “This Accord...is executed between the federally recognized Indian tribes of Washington...and the State of Washington...in order to better achieve mutual goals through an improved relationship between their sovereign governments.”
<http://www.goia.wa.gov/>
- Millennium Agreement (WA State, 1999)
“Meaningful Tribal Consultation”
- Executive Order 13175 (Federal): Consultation and Coordination with Indian Tribal Governments (Pres. Clinton, 2000)
- Out-of-state Accord (WA State, 2004) Nez Perce and Confederated Tribes of the Umatilla Indian Reservation



Centennial Accord

State agency directors are accountable to the governor through the chief of staff for the related activities of their agencies. Each director will initiate a procedure within his/her agency by which the government-to-government policy will be implemented. Among other things, these procedures will require persons responsible for dealing with issues of mutual concern to respect the government-to-government relationship within which the issue must be addressed. Each agency will establish a documented plan of accountability and may establish more detailed implementation procedures in subsequent agreements between tribes and the particular agency.

WWSU

Memorandum of Understanding (MOU)

Signed November 8, 1997

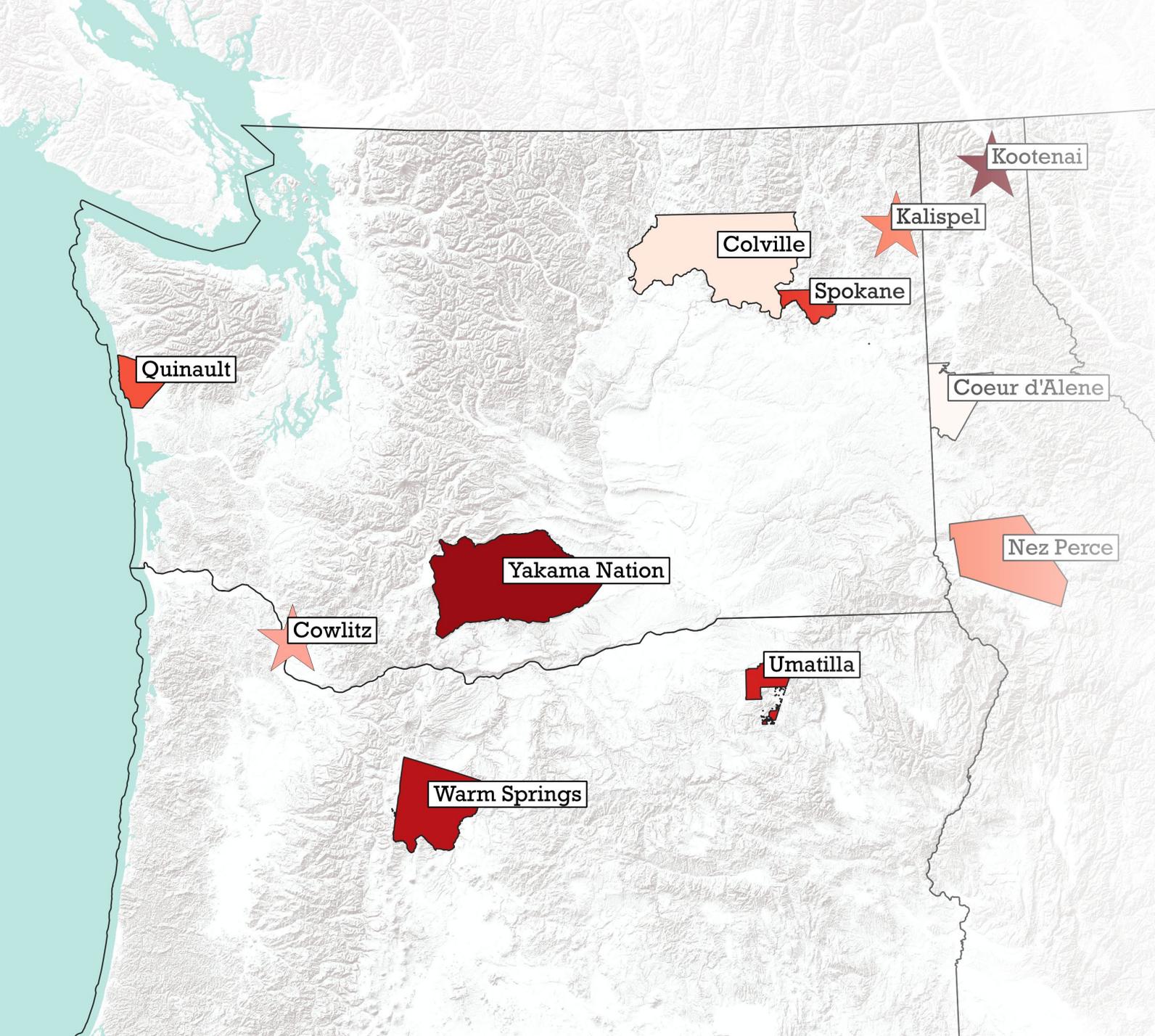


The MOU states that, together with signatory Tribes, WSU wishes "to improve the quality of educational services and opportunities provided to Native American students at WSU."

1. The MOU created a Native American Advisory Board to the President.
2. The Board's mission is to strengthen the relationship between the University and the Tribes.
 - a) When WSU is authorized to provide services to Native American communities, the Board will assist in the facilitation of delivery of these services to these communities.
 - b) The Board will promote a campus climate conducive to meeting the cultural needs of the Native American community at WSU.
 - c) The Board will promote Native American studies and educational programs.

native.wsu.edu/tribalrelations/

MOU Signatory Tribes



- Nez Perce Tribe
- Coeur d'Alene Tribe
- Kootenai Tribe of Idaho
- Confederated Salish and Kootenai Tribes
- Confederated Tribes of the Umatilla Indian Reservation
- Confederated Tribes of Warm Springs
- Confederated Tribes of the Colville Reservation
- Cowlitz Indian Tribe
- Kalispel Tribe
- Quinault Indian Nation
- Spokane Tribe
- Confederated Tribes and Bands of the Yakama Nation

Overview of EP41



WWSU

Executive Policy 41

Passed by the President's Cabinet on October 11, 2021 – Indigenous People's Day



Summary:

WSU is committed to meaningful Tribal consultation in support of Tribal sovereignty and the inclusion of their voices in teaching, research, and programming. Therefore, this policy establishes the formal policies and procedures that govern interactions and activities between Washington State University and Tribal governments. It also supplements and bolsters the Memorandum of Understanding (MOU) entered into by and among Washington State University ("WSU" or "University") and the several Native American Tribal governments ("Tribes") that are signatories to the MOU.

In addition to this policy, WSU Administrators, faculty, and staff are also required to be aware of, and adhere to, applicable state and federal laws and regulations. This policy is not intended to take the place of any existing WSU policies, or conflict with applicable state and federal laws and regulations. The intent is for WSU Administrators, faculty, and staff to be aware that Tribes hold sovereign status and may require WSU employees working with their Tribal citizens and descendants or on their Tribal land to follow certain protocols and permit processes.

Consultation is required for activities with “potential for direct and foreseeable Tribal implications”

- Policies, Initiatives, and Programs
- Infrastructure Projects
- Research
- Student Projects

Consultation may lead to consent—“The receipt of voluntary, prior, and informed consent before the actions specified in this policy that directly and foreseeably affect the Tribes, Tribal rights, or Tribal lands. WSU seeks consent when undertaking infrastructure projects, research, or activities on land under the control or jurisdiction of a Tribe as outlined in this policy and that foreseeably and directly affect a Tribe. The form of consent required varies among Tribes, and types of projects and activities. Thus, the consent process should be guided by the Tribe(s) that hold jurisdiction.”

A **courtesy notification** of new Tribal consultation and consent outreach and requests to the Executive Director for Tribal Relations is recommended at tribal.relations@wsu.edu.

- This system-wide policy is intended to promote the letter and spirit of the prior mentioned legislation, policies, and MOU agreement, as well as tribal treaties.
- The policy applies to:
 - ✓ Work involving/impacting *all* federally and state recognized tribes.
 - ✓ Research and oral histories taking place on tribal land or resulting in generalizable claims about a tribe or segment of a tribe.
 - ✓ Research/program/project/activity on which a WSU employee is lead investigator, director, coordinator, etc.
 - ✓ WSU individuals with primary oversight of any program, project or activity that has direct and foreseeable implications for those Tribes.
- EP 41 does not replace any federal, state, and WSU policies or procedures, such as the IRB review of human subjects research protocols.
- Tribal review processes, requirements, and timelines will vary from tribe to tribe. If the tribes require contracts or other agreements, these should follow ORSO guidelines.

Key Points

Resources

- **More information/resources:** <https://native.wsu.edu/cnrc/>
- **The Office of Tribal Relations and the Center for Native American Research & Collaboration exists as a resource for anyone pursuing or engaged in Joint WSU-Tribal Research Activities and Projects.**

Contact: Tribal.Relations@wsu.edu

WSU

WASHINGTON STATE UNIVERSITY
EXECUTIVE POLICY MANUAL

Executive Policy #41
Approved October 11, 2021

Policy on Tribal Engagement, Consultation, and Consent for Joint WSU-Tribal Research Activities and Projects

SUMMARY

WSU is committed to meaningful Tribal consultation in support of Tribal sovereignty and the inclusion of their voices in teaching, research, and programming. Therefore, this policy establishes the formal policies and procedures that govern interactions and activities between Washington State University and Tribal governments. It also supplements and bolsters the Memorandum of Understanding (MOU) entered into by and among Washington State University (“WSU” or “University”) and the several Native American Tribal governments (“Tribes”) that are signatories to the MOU. The MOU is located at:

native.wsu.edu/documents/2016/07/mou-with-tribes.pdf/

In addition to this policy, WSU Administrators, faculty, and staff are also required to be aware of, and adhere to, applicable state and federal laws and regulations. This policy is not intended to take the place of any existing WSU policies, or conflict with applicable state and federal laws and regulations. The intent is for WSU Administrators, faculty, and staff to be aware that Tribes hold sovereign status and may require WSU employees working with their Tribal citizens and descendants or on their Tribal land to follow certain protocols and permit processes. In this policy the following terms are defined as follows:

Tribe - the federally recognized American Indian and Alaska Native Tribes, Villages, Native Nations, and Confederacies or the governing body of that Tribe, whether or not located in Washington State.

Tribal land (includes **Indian Country**) - as defined in federal law, as well as trust lands and lands which have been identified by a Tribe to WSU, as containing cultural, historic, or archaeological resources.

WSU or University - the WSU entity or University official authorized or designated to act on behalf of WSU.

POLICY STATEMENT

WSU recognizes that its locations statewide are built on the homelands of Native peoples of the Pacific Northwest, who have occupied these lands since time immemorial. WSU holds deep respect for Tribal cultures, traditions, customs, symbols, beliefs, laws, regulations, sovereignty, and jurisdiction over its lands. Further, the University values the Tribes’ significant contributions

POLICY STATEMENT (cont.)

to society through their knowledge, labor, technology, science, philosophy, resources, and arts and has benefitted from Tribal homelands and successful relationships with the Tribes.

This policy reflects and reaffirms WSU's enduring commitment to strengthening its relationship and on-going communication with the Tribes built on mutual respect and collaboration. It provides the framework and procedures for carrying out this important government-to-government relationship, and outlines responsibilities and guidelines of WSU administration, staff, faculty, and students when conducting research, projects, programs, and activities that affect Tribes or citizens and descendants of Tribes.

APPLICABILITY

This is a system-wide policy (i.e., it applies to all campuses) that applies to WSU individuals with primary oversight of any program, project or activity that has direct and foreseeable implications for those Tribes. This policy does not address matters such as tuition setting and other general issues that affect the Tribes to the same extent as the general public.

WSU recognizes that certain institutional colleges, departments, programs, research centers and extension units conduct ongoing projects with Native American tribes and peoples. This policy is meant to guide new Tribal partnerships, initiatives, policies, programs, and research, not to hinder day-to-day work. If initiatives, policies, programs, and research is initiated by Tribal governments or programs, consultation is implied.

ENGAGEMENT

Engagement refers to the establishment and growth of reciprocal relationships, through which WSU identifies and collaborates with Tribal employees, cultural specialists, and representatives as equal partners. These relationships should be built before projects commence and maintained throughout their duration. Engagement also entails ensuring that Tribal partners are apprised of the impacts of projects and of opportunities that arise because of them.

CONSULTATION

Consultation is a deliberative process, through which WSU shares information regarding WSU programs, activities, and research with affected Tribes. WSU communicates early, regularly, and in good faith with individual Tribal governments or designated Tribal departments to:

- Ensure an understanding of the activity;
- Identify and address Tribal concerns; and
- Secure consent, when applicable, for those activities.

CONSULTATION (cont.)

The University may, from time to time, develop new programs and services or discontinue existing programs or services for Native American students. The WSU Executive Director for Tribal Relations assists in communicating those programs and services changes to the MOU Native American Advisory Board to the President.

If WSU plans to develop an institutional policy or initiative that may foreseeably affect a Tribe or Tribal members in a manner different from the general public, the University uses its best efforts to share information and solicit input in advance about the proposed policy or initiative with the affected Tribe(s). The Executive Director of Tribal Relations assists in consulting the affected Tribe(s). However, individual university colleges, departments, programs, research centers and extension units may hold their own Tribal consultation advisory councils, procedures, and practices to ensure this policy is followed in a manner that does not hinder day-to-day work. In these situations, a courtesy notification to the Executive Director of Tribal Relations regarding such positions, systems, and procedures that facilitate ongoing consultation with Tribal governments or programs are encouraged.

Activities Subject to Consultation

The following are examples of WSU activities with the potential for direct and foreseeable Tribal implications that requires consultation under this policy as well as special considerations associated with certain activities.

Policies, Initiatives, and Programs

Policies, initiatives, or educational programs that may foreseeably impact or harm Native American peoples, Tribes, and natural resources in a manner different from the general public, or that takes place on aboriginal territories or land under the control or jurisdiction of a Tribe.

Infrastructure Projects

Infrastructure projects that may foreseeably impact or harm Tribal natural resources, treaty rights, or cultural resources. WSU initiates an Inadvertent Discovery Plan (IAD) with the local Tribe(s) before any ground-disturbing work is started.

Research

Research or activity involving:

- The non-incident participation of Tribal members and that may foreseeably produce research results with implications specific to a Tribe or to individuals as members of a Tribe.

Research (cont.)

- Human subjects or human biological material, including DNA, cells, organs, gametes, tissues, waste, or other biological materials in which:
 - The individual's membership in or affiliation with a Tribe is identified, and
 - That is intended to or that may foreseeably result in conclusions or generalizations about a Tribe or individuals as members of a Tribe.

A Tribe may request the return of DNA, tissue, or human biologic material at the conclusion of the agreed research.

- Native American Graves Protection and Repatriation Act materials, including Native American human remains, funerary objects, sacred objects, and objects of cultural patrimony.
- Tribes' cultural, historic, archeological, or natural resources, including but not limited to Tribal traditions, languages, customs, and symbols, and research or any activity on land under the control or jurisdiction of a Tribe.

Student Projects

Class and Registered Student Organization projects or activities involving:

- The participation of Native American Tribal members or taking place on aboriginal territories or land under the control or jurisdiction of a Tribe that may foreseeably result in public presentation, publication, or dissemination of findings with implications to a specific Tribe or to individuals as members of a Tribe.
- Native American Graves Protection and Repatriation Act materials, including Native American human remains, funerary objects, sacred objects, and objects of cultural patrimony.
- Tribes' cultural, historic, archeological, or natural resources, including but not limited to Tribal traditions, languages, and symbols, and research or any activity on aboriginal territories or land under the control or jurisdiction of a Tribe.

Consultation Process

Consultation may occur at the University level or at the level of a particular program, project, or activity that may foreseeably affect a Tribe or Tribal members. Consultation is the responsibility of the individual with primary oversight of the program, project, or activity. Consultation may emerge from engagement on individual or community levels, but it must also involve Tribal employees or appointees with authority over relevant Tribal departments, programs, or committees.

Consultation Process (cont.)

Through this consultation process, the individual with primary oversight of the program, project, or activity should determine whether formal consent is required from the affected Tribe(s) and proceed accordingly. The Executive Director for Tribal Relations may assist in identifying the appropriate leaders and protocols of the Tribe(s), make introductions, recommend applicable WSU employees that should be consulted, and guide the individual through the consultation process as needed.

If the consultation process results in any formal written agreements between WSU and Tribe(s), such as the right to block publications or insert a rebuttal statement, data use or intellectual property agreements, the individual with primary oversight of the program, project, or activity should submit the agreement to Office of Research for review, guidance, and processing prior to it being finalized.

The Executive Director for Tribal Relations may also consult in instances of disputes or disagreements between WSU individuals or units that affect WSU's relationship with Tribe(s).

CONSENT

Consent is the receipt of voluntary, prior, and informed consent before the actions specified in this policy that directly and foreseeably affect the Tribes, Tribal rights, or Tribal lands. WSU seeks consent when undertaking infrastructure projects, research, or activities on land under the control or jurisdiction of a Tribe as outlined in this policy and that foreseeably and directly affect a Tribe. The form of consent required varies among Tribes, and types of projects and activities. Thus, the consent process should be guided by the Tribe(s) that hold jurisdiction.

The University recognizes that certain laws that protect individual participants in research may not be sufficient to protect the interests of a sovereign Tribe that may be affected by research. For example, some Tribes have their own research/project permit process that is required above and beyond the requirements of the University's Institutional Review Board.

Other Tribes may also reserve the right, during the consultation process, to block or embargo the publication process or insert a rebuttal statement if they believe their Tribe(s), people, language, culture, etc. are being misrepresented.

WSU does not need to seek consent on broad matters that impact many or all Washington Tribes when "consensus" from all affected Tribal governments is both impractical and inconsistent with the independent sovereignty of each Tribe.

Consent Process

During the Tribal consultation process, the individual with primary oversight of the program, project, or activity is responsible to identify whether or not a formal Tribal consent is required. The consent process must be initiated by the individual with primary oversight of the program, project, or activity that is subject to consent under this policy. The responsible individual varies

Consent Process (cont.)

based on the scope of the program, project, or activity. The Executive Director of Tribal Relations can assist in identifying the appropriate leaders and approval protocols of the Tribe(s), make introductions, and guide the individual through the consent process as needed.

Any formal written agreements and contracts should follow WSU's Office of Research Support and Operations (ORSO) guidelines and procedures. Further, a Tribal research consent or permit should be in addition to following WSU's Institutional Review Board guidelines and procedures for human subjects.

The individual with primary oversight of the program, project, or activity that is subject to consent under this policy requests consent by sending notification to the chair of the Tribe's governing body and/or designated Tribal departments, in accordance with the applicable protocols or processes of the Tribe(s) involved. The request should be sent at least 30 days prior to when a response is needed and must:

- Provide clear information about the policy, initiative, infrastructure project, research, or activities involved; and
- Describe its potential impact on the Tribe(s).

WSU requests that consent be provided in written form issued by the governing body or designated Tribal department of the affected Tribe(s).

If a Tribe responds to a request for consent by objecting to the project, research, or activities involved, WSU may request consultation with the Tribe to see if issues raised by the Tribe may be addressed.

NOTICE TO THE EXECUTIVE DIRECTOR FOR TRIBAL RELATIONS

A courtesy notification of new Tribal consultation and consent outreach and requests to the Executive Director for Tribal Relations is recommended. For individual university colleges, departments, programs, research centers and extension units who have their own Tribal consultation advisory councils, procedures, and processes in place, a consultation meeting with the Tribal Relations Office is also recommended.

The notification or consultation allows the Executive Director to effectively guide WSU to engage in best practices and principles of Tribal consultation and consent processes, and effectively inform and respond to Tribal queries regarding programs, projects, or activities being conducted with their Tribal citizens and descendants or on their Tribal land. E-mail courtesy notifications and consultation requests to tribalrelations@wsu.edu.

GUIDING PRINCIPLES FOR JOINT RESEARCH ACTIVITIES AND PROJECTS

WSU and Tribes collaborate in the design of research in which they jointly choose to participate and are partners in study design, data collection, interpretation, and publication in the research and in the dissemination of results to federal, community, and academic constituencies. The individual with primary oversight of the program, project, or activity that is subject to this policy is responsible for ensuring that such collaboration is conducted throughout the project lifecycle.

WSU recognizes the sovereignty of Tribes, and different Tribal governments and programs may agree to varying levels of involvement. Tribal researchers and partners are given credit according to their roles in the research, analysis, and publication of the project in accordance with applicable authorship guidelines and academic standards.

Data includes information and knowledge, in any format, that impact Tribe(s) at the collective and individual levels. This includes but may not be limited to data about Tribal resources and environments (land, water, geology, plants, animals, etc.), individuals (administrative, legal, health, social, commercial, corporate, etc.), and as Native Nations (traditional and cultural information, archives, oral histories, literature, ancestral and clan knowledge, stories, belongings, objects of cultural patrimony, etc.).

Factors that should be mutually agreed upon in writing when engaging in joint research projects include, but are not limited to, the following:

- Whether data include information heard in conversations, informal discussions, or social gatherings, and who is empowered to give associated permissions;
- Permissions and ownership of data collected formally or informally during the course of research;
- Protocols for the transport, storage, security, and retention of data;
- Principles of co-authorship and a transparent pre-review process for publications, presentations, online postings, and other forms of information dissemination;
- Communication channels and timeliness of communication between stakeholders; and
- Conditions for data analyses, including scope of research, privacy issues, and intellectual property rights.

PROCESS TO ADDRESS NONCOMPLIANCE OR RAISE CONCERNS

The goal of this policy is to provide a framework for government-to-government interactions to promote collaborative relationships and ensure mutual respect for the rights, interests, and obligations of each sovereign.

PROCESS TO ADDRESS NONCOMPLIANCE OR RAISE CONCERNS (cont.)

If any federally- or state-recognized Tribe(s) or Tribal member(s), or WSU faculty, staff, or students, become aware or concerned of a violation to this Tribal Consultation policy, or wish to bring forward an issue of concern or a dispute arising out of this policy, the following procedure should be followed:

1. Tribe(s) or Tribal member(s) are invited to bring matters to the attention of WSU's Executive Director of Tribal Relations if resolution cannot be reached. This notification is not meant to replace existing WSU resolution procedures (e.g., Human subject's consent forms ask concerned parties to contact Principal Investigator or Institutional Review Board). WSU faculty, staff, or students are required to inform WSU's Executive Director of Tribal Relations of any matters requiring resolution.
2. The Executive Director of Tribal Relations coordinates with appropriate University community members and Tribal representatives, or other affected individuals, to reach a mutually acceptable resolution.
3. If the Executive Director of Tribal Relations and the affected Tribal or WSU parties are not able to develop a satisfactory and timely resolution, the Executive Director of Tribal Relations informs the University President or Provost. The President, Provost, or their designee(s) offer to meet with the designated leadership of the Tribe(s) and the pertinent WSU parties to continue to address the concerns and develop a mutually acceptable resolution.

ROLES AND RESPONSIBILITIES

WSU holds various positions dedicated to Native American health sciences, research centers, student services, and Tribal liaisons, which all contribute to WSU's ability to develop meaningful relationships with Tribe(s) and consultation practices. The following list outlines the roles and responsibilities of each position recognized to guide this policy:

President

- Meet bi-annually with Native American Advisory Board;
- Guide and assist with reinforcing Tribal consultation policy and resolving disputes;

Provost and Executive Vice President

- Supervise the Office of Tribal Relations;
- Meet bi-annually with the Native American Advisory Board; and
- Guide and assist with reinforcing Tribal consultation policy and resolving disputes.

ROLES AND RESPONSIBILITIES (cont.)

Executive Director of Tribal Relations and Special Assistant to the Provost

- Serve as the point of contact and liaison with Tribal governments;
- Provide direction, leadership and guidance on Tribal consultation policy and resolving disputes; and
- Direct and coordinate with other key WSU positions dedicated to liaison with, serve, and advocate for Tribal governments and peoples.

Assistant Director of Tribal Relations and Recruitment

- Assist the Executive Director with all coordination and administrative duties pertaining to Tribal relations and the Tribal consultation policy; and
- Oversee Native American student recruitment and outreach.

Academic Affairs Update



WSU Board of Regents Meeting

January, 2022

Integrating Diversity, Equity, and Inclusion into Recruitment and Retention

- **Cluster Hire Program**
- **Professional Development Trainings for departments and colleges focused on transforming practices toward increased equity and inclusion**
- **Creating community network for cluster hire faculty cohorts**

Racism and Social Inequality in the Americas

Fall 2021 Cohort

- **Inaugural cohort of Faculty Cluster Hire Program:**
 - **Kristina Borrman, Design and Construction, WSU Pullman**
 - **Michelle Brown, Digital Technology and Culture, WSU Tri-Cities**
 - **Alan Malfavon, History, WSU Pullman**
 - **Arifa Raza, Criminal Justice and Criminology, WSU Pullman**
 - **Darryl Singleton, Music, WSU Pullman**



Cluster Hire Program

Fall 2022 Cohort

- **Black Families, Kinship, and Reproductive Justice (Women's, Gender, and Sexuality Studies)**
- **Advancing our Understanding of Development among Indigenous Populations (Human Development)**
- **Inequities in Maternal-Child Health (Psychology)**
- **Health Justice in Marginalized Communities (Medical Education and Clinical Sciences)**
- **Health Equity for Native Hawaiian and Pacific Islander People (Nursing)**

**Fall 2023 to focus on Native American
and Indigenous communities**

Creating a Culture of Belonging: Mindfulness-Based Anti-Racism

- **Experiential training based on research and Mindfulness-Based Stress Reduction Model**
- **Learning community approach**
 - **Each cohort of participants assigned to a sub-group**
 - **Three group trainings in MBAR**
 - **Sub-group meetings and homework**
- **Structured to provide support, resources and to build community**

Mindfulness Based Anti-Racism

- More than 150 faculty have participated in Part 1 and Part 2; 35 engaged in learning communities
- Overwhelmingly positive response on post-training evaluations
- 95% Agreed/Strongly Agree that training was useful
- *“I’ve attended so many trainings through the years. I don’t say this lightly – this is the best set of interactions/conversations I’ve seen.”*

Addressing Inequities

- **Longstanding inequities were exacerbated by COVID-19**
- **Ongoing policy revision to address inequities became urgent**
- **Areas of reform included major changes in performance review and additional support for instruction faculty leave related to COVID-19**

Ongoing Revisions to Faculty Review

- **Expansion of tenure & promotion guidelines to emphasize full range of faculty activities**
 - E.g. service, community-engaged research
- **Trainings on revised P&T for chairs, directors, P&T committees**
 - Unconscious biases, myths, what “counts”
- **Annual reporting modified to include institutional priorities**
 - IDEA work, Community engagement, HIPs, Internationalization

COVID-Related Supports

- **Automatic COVID extension to tenure clock in 2020; additional extensions granted as needed**
- **COVID-impact statements included in annual review and P&T**
- **Course grants to support move to remote instruction**
- **COVID modified duties policy**

Thank You



UNIVERSITY MARKETING and COMMUNICATIONS



UNIVERSITY MARKETING and COMMUNICATIONS

- WSU has a great story to tell
- We have a small, talented team in place telling those stories
- We need to commit the resources to amplify those stories far and wide

UNIVERSITY MARKETING and COMMUNICATIONS

Two main groups:

- Design and Printing Services
- Strategic Communications and Brand Marketing

DESIGN and PRINTING SERVICES

WSU's system-wide fee-for-service printing, mailing, publishing, and design partner

- Graphic design and copyediting
- Digital printing/large-format printing/bindery
- Email campaigns
- Mailing services
- Academic press
- Departmental printer/copier placement program
- Self-service student printing (Pullman)

DESIGN and PRINTING SERVICES (performed annually)

- Project Development/Management**
 3,500 projects
 700 email campaigns
- Print and Web/HTML Graphic Design**
 9,200 dedicated project hours
- Offset and Digital Printing**
 10,000,000 impressions
- Student and Staff Mailing and Addressing Services**
 802,000 incoming mail pieces sorted and delivered
 662,000 outgoing letters addressed and mailed



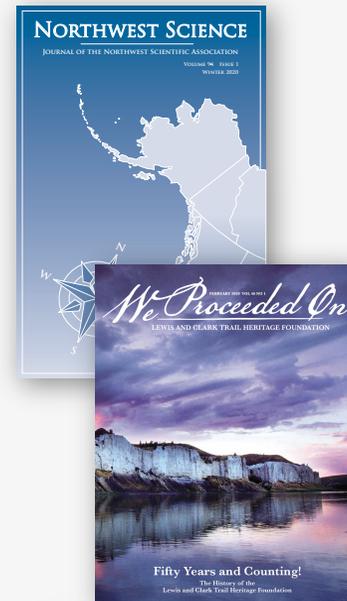
WSU Press Academic Publishing

- **WSU Press publishes and distributes academic and trade books, and scholarly journals**
 - 8-12 new peer-reviewed books per year
 - 2 scholarly journals published quarterly
 - 200+ titles currently available in print and/or eBook format
- **Basalt Books imprint launching in spring 2022**

Academic Publishing



Journal Publishing



Basalt Books



STRATEGIC COMMUNICATIONS and BRAND MARKETING

How we tell our story:

- Earned Media
- Owned Media
- Shared Media
- **Paid Media**



Paid media delivers the message – earned, owned, and shared media reinforce it



ORGANIZATION of WSU's MARKETING and COMMUNICATION FUNCTION

What is centralized?

- Brand management – Six campuses, one brand
- News and media relations
- Web infrastructure
- System-wide enrollment management marketing
- Social media strategy
- Washington State Magazine
- Videography and photography services
- Internal communications
- Executive communications
- Public affairs (in conjunction with External Affairs and Govt. Relations team)

ORGANIZATION of WSU's MARKETING and COMMUNICATION FUNCTION

What is decentralized?

- College-specific internal communications and recruitment marketing
- Campus-specific internal communications and recruitment marketing
- Athletics
- Alumni communications
- Donor-specific messaging

SUCSESSES

- New WSU Brand
- Online news site – WSU Insider
- Rebuilt WSU web infrastructure
- Digital-first marketing strategy
- Partnership with Enrollment Management
- System-wide, campaign-driven social media program
- Upskill team
- Enhanced analytics to drive decision-making
- COVID-19 communications support
- Automation tools to improve customer service and boost productivity

CHALLENGES

Budgets:

- No investment since 2015
- Budget reductions for past five years
 - Three-year fiscal recovery process – (2.5% per year, totaling 7.5%)
 - State-imposed COVID-19 reductions – two years (10% of state appropriation)

WSU's marketing budget:

- \$ 163,000
 - Focused on undergraduate student recruitment (mostly Pullman)

"Look-alike" data:

- \$2.5M to \$3.5M

CHALLENGES

Staffing:

- WSU is missing key positions
- System-wide staff also supporting marcom needs of Pullman campus

WSU's staffing level:

- 30 staff members

"Look-alike" data:

- 55 – 65 staff members on average

RECOMMENDATIONS

- Complete preliminary landscape analysis with help of APLU
- Fund a 10-year reputation strategy (approx. \$350,000)
- Secure consistent, sustainable marketing budget for the system

CONCLUSION

- WSU has a great story to tell
- We have a small, talented team in place telling those stories
- We need to commit the resources to amplify those stories far and wide

DISCUSSION

ACTION #1

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

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed update to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy

PROPOSED: That the Board of Regents approve the proposed update to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy as adopted by the WSU Foundation Board of Directors on October 21, 2021 (Resolution 10-21-2021-03).

SUBMITTED BY: Mike Connell, Acting Vice President of WSU Advancement; CEO WSU Foundation

SUPPORTING INFORMATION:

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

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

Revisions were made to the Investment Policy Statement to update fiduciary language associated with the governance restructure of the

WSU Foundation boards; updates to WSU and WSU Foundation staff titles; clarification of committee name(s); and general grammatical and/or formatting changes. The following sections include such revisions:

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

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

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

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

PURPOSE:

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

ESTABLISHMENT:

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

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

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

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

COMPOSITION:

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

COMMITTEE CHAIR:

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

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

STAFF:

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

QUORUM/VOTING:

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

MEETINGS:

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

EXECUTIVE SESSION:

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

CONSULTANTS:

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

RESPONSIBILITIES:

Investment Management and Investment Policy Oversight:

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

Reporting:

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

Risk Management:

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

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

Charter and Policy Review:

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

AUTHORITIES & LIMITATIONS:

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

Washington State University Foundation
Consolidated Endowment Fund

~~Charter &~~ Investment Policy Statement and Spending Policy

(Draft [11/1808/2021](#))

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1. Purpose and Background

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

BACKGROUND:

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

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

The Washington State University Foundation Consolidated Endowed Fund Investment ~~Charter and~~ Policy Statement and Spending Policy applies to WSU Foundation assets held as endowments as well as University endowed assets entrusted to the WSU Foundation for investment management under the Agreement. These endowed assets are managed by the WSU Foundation as part of the Washington State University Foundation Consolidated Endowment Fund

(Fund). The Fund is an institutional fund (as that term is defined in RCW 24.55.010(4)). There are two components to the Fund, reflecting the sources of the Fund's corpus:

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

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

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

COMPOSITION/APPOINTMENT/~~TERMS~~REPORTING:

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

~~Services~~ of the WSU Foundation or their designee are ex officio members of the Investment Committee. ~~The Chair can serve one additional two-year (2-year) term upon approval by the Chair of the Board of Directors. Members whose terms have expired, may serve until a successor is appointed.~~ The Committee Chair must be a Director. The Chief Financial Officer Sr. Associate Vice President of Finance, Operations and Services of the WSU Foundation or their designee serves as Secretary to the Committee. Investment policy and guidelines, as well as performance against benchmarks shall be reported by the Committee Chair, at least quarterly, to the Board of Directors, and the Board of Regents of the University and University administration.

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

2. Allocation of Responsibilities

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

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

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

2.1.1 Directors WSU Foundation

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

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

2.1.2 Regents WSU

The Regents' responsibilities are to:

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

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

2.2 WSU Foundation Investment Committee

2.2.1 Duties

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

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

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

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

2.3 Chair of the Committee

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

The Chair is responsible for the following duties:

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

2.4 WSU Foundation CFO ~~Snr. Associate Vice President of Finance, Operations and Services~~ or ~~Secretary of the Committee~~

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

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

2.5 Custodian Bank

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

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

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

2.6 Investment Managers

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

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

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

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

2.7 Investment Consultant

The Investment Consultant is responsible for the following:

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

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

3. Investment Objectives

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

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

3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

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

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

3.2 Investment Strategy Objectives

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

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

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

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

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

3.3 Domestic Equities

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

3.4 International Equities

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

3.5 Alternative Assets – Private Equity

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

3.6 Alternative Assets - Hedge Funds

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

3.7 Alternative Assets – Real Assets

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

3.8 Inflation Protected Fixed Income

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

3.9 Fixed Income

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

4. Policy Guidelines

4.1 Spending Policy/Rebalancing/Cash Flow Management

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

4.2 Spending Policy

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

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

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

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

4.3 Rebalancing/Cash Flow Management

Rebalancing and cash flow management will be made in amounts and proportions intended to preserve the asset allocation targets set forth in [attached Appendix A, below](#).

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

4.4 Usage of Derivatives

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

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

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

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

4.5 Proxy Voting

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

4.6 Securities Lending

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

4.7 Cougar Investment Fund

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

4.8 Conflicts of Interest

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

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

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

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

5. Monitoring of Objectives

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

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

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

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

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

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

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

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

6. Communications and Reporting

6.1 Chair of the Committee

Annually, the Chair will:

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

6.2 WSU Foundation Staff

Promptly after adoption or approval, Staff will:

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

6.3 Investment Managers

Immediately, each investment manager will report, in writing:

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

Quarterly, each investment manager will:

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

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

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

6.4 Investment Consultant

On a quarterly basis:

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

On an annual basis:

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

7. Evaluation and Review

7.1 Evaluation

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

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

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

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

~~7.2 Meetings~~

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

~~inspection at the registered office of the WSU Foundation for all members of the Board of Directors, promptly following any Investment Committee meeting.~~

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

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

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

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

7.3 Authorities & Limitations

~~11-18-18: Resolution AA-BB-CC-DD Updates the Committee Charter.~~

9-26-13: Resolution 9-26-13-03 Updates the Committee Charter.

10-20-11: Resolution 10-20-11-03 Updates the Committee Charter.

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

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

APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	50%	60%
U.S. Equity	12%	15%	18%
International Equity	16%	20%	24%
Private Equity	12%	15%	18%
Risk Reduction Assets	24%	30%	36%
U.S. / Global Fixed Income	8%	10%	12%
Hedge Funds	16%	20%	24%
Inflation Protected Assets	16%	20%	24%
U.S. TIPS	4%	5%	6%
Real Assets	12%	15%	18%
Total		100%	

APPENDIX B

ASSET CLASS

BENCHMARK

Growth Assets

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

Risk Reduction Assets

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

Inflation Protected Assets

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

Conflicts of Interest
Statement & Certification

Introduction

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

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

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

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

Duty to the WSU Foundation

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

APPENDIX C

Identifying a Conflict of Interest

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

Potential Conflicts of Interest

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

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

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

Confidentiality Policy

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

Definitions

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

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

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

APPENDIX C

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

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

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

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

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

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

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

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

APPENDIX C

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

Definitions

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

Disclosure

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

Approval of Conflicting Interest Transactions

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

**Washington State University Foundation
Consolidated Endowment Fund**

**Investment Policy Statement and Spending Policy
(October 2021)**

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1. Purpose and Background

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

BACKGROUND:

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

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

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

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

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

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

COMPOSITION/APPOINTMENT/REPORTING:

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

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

2. Allocation of Responsibilities

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

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

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

2.1.1 Directors WSU Foundation

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

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

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

2.1.2 Regents WSU

The Regents’ responsibilities are to:

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

2.2 WSU Foundation Investment Committee

2.2.1 Duties

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

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

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

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

2.3 Chair of the Committee

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

The Chair is responsible for the following duties:

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

2.4 WSU Foundation CFO

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

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

2.5 Custodian Bank

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

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

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

2.6 Investment Managers

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

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

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

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

2.7 Investment Consultant

The Investment Consultant is responsible for the following:

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

3. Investment Objectives

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

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

3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

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

3.2 Investment Strategy Objectives

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

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

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

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

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

3.3 Domestic Equities

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

3.4 International Equities

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

3.5 Alternative Assets – Private Equity

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

3.6 Alternative Assets - Hedge Funds

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

3.7 Alternative Assets – Real Assets

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

3.8 Inflation Protected Fixed Income

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

3.9 Fixed Income

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

4. Policy Guidelines

4.1 Spending Policy/Rebalancing/Cash Flow Management

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

4.2 Spending Policy

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

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

the quarter ended prior to the distribution date. (For example, the September 30, 2009, distribution was based on monthly market values for the period July 31, 2006, through June 30, 2009).

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

4.3 Rebalancing/Cash Flow Management

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

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

4.4 Usage of Derivatives

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

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

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

4.5 Proxy Voting

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

4.6 Securities Lending

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

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

4.7 Cougar Investment Fund

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

4.8 Conflicts of Interest

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

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

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

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

5. Monitoring of Objectives

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

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

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

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

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

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

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

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

6. Communications and Reporting

6.1 Chair of the Committee

Annually, the Chair will:

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

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

6.2 WSU Foundation Staff

Promptly after adoption or approval, Staff will:

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

6.3 Investment Managers

Immediately, each investment manager will report, in writing:

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

Quarterly, each investment manager will:

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

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

- a. A report on the various transaction charges incurred on behalf of the Fund. The report shall indicate the number of shares traded, brokerage firms used, total trading costs, and cost per share.

- b. Present a copy of proxy voting policies and report on the manner in which proxies were voted.

6.4 Investment Consultant

On a quarterly basis:

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

On an annual basis:

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

7. Evaluation and Review

7.1 Evaluation

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

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

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

division, each fund shall be managed in accordance with the new investment and spending policy for that fund by the entity (ties) so designated in the new policies.

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

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

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

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

7.3 Authorities & Limitations

9-26-13: Resolution 9-26-13-03 Updates the Committee Charter.

10-20-11: Resolution 10-20-11-03 Updates the Committee Charter.

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

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

APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	50%	60%
U.S. Equity	12%	15%	18%
International Equity	16%	20%	24%
Private Equity	12%	15%	18%
Risk Reduction Assets	24%	30%	36%
U.S. / Global Fixed Income	8%	10%	12%
Hedge Funds	16%	20%	24%
Inflation Protected Assets	16%	20%	24%
U.S. TIPS	4%	5%	6%
Real Assets	12%	15%	18%
Total		100%	

APPENDIX B

ASSET CLASS

BENCHMARK

Growth Assets

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

Risk Reduction Assets

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

Inflation Protected Assets

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

Conflicts of Interest
Statement & Certification

Introduction

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

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

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

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

Duty to the WSU Foundation

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

Identifying a Conflict of Interest

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

Potential Conflicts of Interest

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

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

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

Confidentiality Policy

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

Definitions

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

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

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

APPENDIX C

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

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

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

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

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

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

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

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

APPENDIX C

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

Definitions

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

Disclosure

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

Approval of Conflicting Interest Transactions

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

ACTION ITEM #2

Facility Name Recommendation Athletics Indoor Practice Facility Naming (Stacy Pearson/Pat Chun)

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Facility Name Recommendation for Athletics Indoor Practice Facility (IPF) as the Taylor Sports Complex

PROPOSED: That the Board of Regents approve the recommendation to name the new WSU Athletics Indoor Practice Facility (IPF) as the Taylor Sports Complex

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

SUPPORTING INFORMATION: WSU Athletics is requesting to name the new IPF the Taylor Sports Complex.

Athletics is seeking WSU Regents approval to name the new IPF the Taylor Sports Complex. The Taylor Family has now paid off a \$7M pledge to the project. At the time of their agreement, this gift was projected to cover over a third of the project cost. While the final project cost has not yet been determined, WSU wishes to honor the terms of this gift and name the facility for the family.

In accordance with policy, this facility naming request has been approved by the WSU Facilities Naming Committee and President Schulz.

ATTACHMENT: Attachment A – Supporting Documents



WASHINGTON STATE UNIVERSITY
Finance and Administration

MEMORANDUM

TO: Kirk Schulz, President

FROM: Stacy Pearson, Vice President, Finance & Administration/CFO
Chair, Facilities Names Committee

DATE: January 3, 2022

SUBJECT: Athletics' Indoor Playing Field Naming Request

Please see the below naming request for Athletics' Indoor Playing Field (IPF) to be named the Taylor Sports Complex.

Athletics is seeking formal acknowledgment that the IPF will be named the Taylor Sports Complex. The Taylor Family has now paid off a \$7M pledge to the project. At the time of their agreement, the IPF project was projected to cost \$20M, making their gift over 1/3 of the project cost.

The Facilities Naming committee concurs with the naming request. If you approve, please provide your acceptance at the bottom of this page.

Thank you.

I concur with the above request


Kirk H. Schulz, Ph.D.
President

1-4-2022
Date

Agenda
Research and Academic Affairs Committee
Thursday, January 20, 2022
1:00 p.m. – 2:30 p.m.

Committee Members: Lura Powell (Chair), Marty Dickinson, Jenette Ramos, and Ron Sims

Future Action Item	<u>Section</u>
1. Discontinue the Bachelor of Arts in Interior Design at WSU Spokane (<i>Chilton</i>)	R-1
Information Items	
1. Dual Credit Program (<i>Cillay</i>)	R-2
2. Items Approved Under Delegated Authority (<i>Chilton</i>)	R-3
3. Office of Research Update (<i>Keane/Nordquist</i>)	R-4

FUTURE ACTION ITEM #1

**Discontinue the Bachelor of Arts Degree in Interior Design at WSU Spokane
(Elizabeth S. Chilton)**

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Discontinue the Bachelor of Arts Degree in Interior Design at WSU Spokane

PROPOSED: That the Board of Regents discontinue the Bachelor of Arts Degree in Interior Design at WSU Spokane

SUBMITTED BY: Elizabeth S. Chilton, Provost and Executive Vice President

SUPPORTING INFORMATION: The Voiland College of Engineering and Architecture and the School of Design and Construction propose the discontinuation of the Bachelor of Arts Degree in the Interior Design at the WSU Spokane campus.

The School of Design and Construction withdrew the degree from the Spokane campus in 2015 but neglected to formalize the discontinuation with the Faculty Senate. It is important to note, there are no students enrolled in the degree through the Spokane campus and there is no impact to other degree programs or units because the degree has not existed on the campus in over six years.

This discontinuation was reviewed carefully and has support from the Provost's Office. This was recommended by the Faculty Senate on November 18, 2021.

ATTACHMENT: Attachment A – Faculty Senate Memorandum



WASHINGTON STATE UNIVERSITY
Office of the Provost

MEMORANDUM

TO: Faculty Senate

FROM: Elizabeth Chilton, Provost and Executive Vice President *etc*

SUBJECT: Discontinue Bachelor of Arts in Interior Design, Spokane Campus

DATE: September 30, 2021

The attached proposal seeks to discontinue offering of the Bachelor of Arts in Interior Design through the Spokane campus. We have no concerns about the proposal. The degree has not been offered at that campus since 2015 and the School of Design and Construction does not plan to resume instruction in Spokane.

We consider the proposal ready for Senate consideration.

PROPOSAL TO DISCONTINUE A DEGREE PROGRAM

DEANS: Send this completed proposal electronically in Word to the Office of the Provost:
provost.deg.changes@wsu.edu

Degree Title:	Bachelor of Arts in Interior Design
Academic Program:	
Academic Plan:	
Number of Credits:	
Department(s) or Program(s):	School of Design + Construction
College(s):	Voiland College of Engineering and Architecture
Campus(es):	Spokane

Contact Name:	Ryan E. Smith, Director	Email Address:	r.e.smith@wsu.edu
Contact Phone:	385-215-0326	*Proposed start date:	

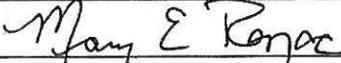
Rationale for discontinuing the degree:
The School of Design + Construction withdrew from the Spokane campus in 2015 and has no plan to return. The School neglected to discontinue the degree at that location, when the other degree programs were discontinued in 2015.
Implications for currently enrolled students (how many)? Attach teach out plan.
There are no students enrolled through Spokane.

Attach teach out plan

Impact on or responses of current faculty and staff:
There are no faculty at the Spokane location.
Impact on or responses of other degree programs, departments, colleges or campuses:
There is no impact on other degree programs or units because it has not existed for the past 6 years.
Impact on or responses of other stake holders (e.g., advisory or alumni groups):
There is no impact on other stake holders because the degree has not existed at the Spokane location since 2015.

SIGNATURES: The names typed below certify that the relevant academic and campus officials have reviewed and approved this proposal:

Chair Signature:		Date:	05/26/2021
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Dean Signature:		Date:	05/27/2021
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→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

Everett Chancellor		Date:	
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Spokane Chancellor		Date:	5/28/21
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Tri-Cities VCAA		Date:	
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Vancouver VCAA		Date:	
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VP Global Campus		Date:	
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Provost Office:		Date:	10/1/21
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Comments:	
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For Registrar's Office Use Only:			
Current CIP Code:		New CIP Code:	
		Date:	

Send completed form in Word version to: provost.deg.changes@wsu.edu

INFORMATION ITEM #1

Establishment of a Dual Credit Program

(Dave Cillay)

Proposal:

Establish a new form of dual credit program that is a blend of running start and college in the high school, specifically aimed at students who do not have easy access to a college campus and to schools that have historically low transition rates from high school to university and/or are in rural communities.

Background:

Washington's Launch Year Act, signed into law in 2011, requires all public high schools in Washington to work toward increasing the number of dual credit courses offered to high school students. Although there are multiple dual credit programs offered in Washington, not all programs are available at all high schools.

Types of Dual Credit Programs Offered In Washington State*

Running Start

Washington's Running Start program allows 11th and 12th grade students to take college courses at Washington's colleges and universities. Running Start courses are regular college courses offered on the college campus. Students pay no tuition. However, they do pay for transportation, books, and fees.

College in the High School

College in the High School (CiHS) programs provide college academic courses to 10th, 11th, and 12th grade students. Courses are taught at the high school, by high school teachers, with college curriculum, college textbooks, and oversight by college faculty and staff.

AP, Cambridge International, IB

Advanced Placement (AP), Cambridge, and International Baccalaureate (IB) programs enable students to take rigorous high school courses, taught by high school teachers, at the high school. Upon completion of the course, students may take a standardized exam. Depending on how they score, they may earn college credit.

Bright Future Program

Seattle Vocational Institute (SVI) offers an award-winning dual-credit program—Bright Future—for 11th and 12th graders who enroll in allied health, business computers, pre-apprenticeship construction, or Cosmetology at SVI. Bright Future integrates community college-based workforce education programs with the academic program of high school juniors and seniors.

Career Link

Career Link is a high school completion program at South Seattle Community College for students ages 16 to 21 who no longer attend traditional high school. The program supports personal and academic development to help students achieve their high school diploma and transition to postsecondary education. Students may earn dual credit for high school completion and college credit. Youth who enroll in the program attend full time at no cost.

Early College

The Early College program provides low-income youth, first-generation college-goers, English language learners, students of color, and other young people underrepresented in higher education the opportunity to earn a high school diploma and one to two years of college credit at the same time, tuition free.

Gateway to College

* <https://wsac.wa.gov/college-credit-high-school>

INFORMATION ITEM #2

Degree Rename and Degree Extension
by the President Under Delegated Authority
(Elizabeth S. Chilton)

Degree Rename

- PhD and Master of Science (MS) Degrees in Veterinary Sciences to PhD and MS Degrees in Biomedical Sciences

Degree Extension

- Bachelor of Arts in Chemistry to WSU Vancouver

Memorandums denoting the above items as submitted to President Schulz for consideration are attached. Both recommendations were passed by the Faculty Senate on November 18, 2021 and December 9, 2021 respectively.



MEMORANDUM

TO: Kirk Schulz, President
FROM: Elizabeth S. Chilton, Provost and Executive Vice President *E. Chilton*
SUBJECT: Request for approval under Presidential Delegated Authority
DATE: December 10, 2021

The Faculty Senate recommended approval for the following degree rename and extension.

Degree Rename

- PhD and Master of Science (MS) Degrees in Veterinary Sciences to PhD and MS Degrees in Biomedical Sciences

Degree Extension

- Bachelor of Arts in Chemistry to WSU Vancouver

The recommendations were passed by the Faculty Senate on November 18, 2021 and December 9, 2021 respectively. The full proposals are appended to this memorandum.

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

Approved
by:

Kirk Schulz
Kirk Schulz, President

12-10-2021
Date

Attachments: Degree rename proposal – PhD and MS Degrees in Biomedical Sciences
Degree extension proposal – BA in Chemistry to WSU Vancouver

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

MEMORANDUM

TO: Graduate Studies Committee
FROM: Blaine Golden, Assistant Registrar
DATE: September 27th, 2021
SUBJECT: Rename Veterinary Sciences – PhD and MS

Please find attached a proposal from the College of Veterinary Medicine to rename the PhD and MS in Veterinary Sciences to Biomedical Sciences. This is considered a “streamlined” action and does not require review by the Catalog Sub Committee.

MEMORANDUM

TO: Faculty Senate

FROM: Elizabeth Chilton, Provost and Executive Vice President 

SUBJECT: Rename Veterinary Sciences – PhD and MS

DATE: September 1, 2021

The attached proposal from the College of Veterinary Medicine to rename the PhD and MS in Veterinary Sciences to Biomedical Sciences has been reviewed by the Provost's Office. We have no concerns about the proposal. The college conferred with the deans of the Elson S. Floyd College of Medicine and the College of Pharmacy and Pharmaceutical Sciences. Neither college expressed concern about potential confusion of this degree with other graduate degrees.

We judge the proposal ready for the Senate review process.

PROPOSAL TO RENAME A DEGREE PROGRAM

DEANS: Send this completed proposal in Word version electronically to the Office of the Provost: provost.deg.changes@wsu.edu

Current Degree Title:	Veterinary Sciences PhD & MS
Proposed Degree Title:	Biomedical Sciences PhD & MS
Academic Program:	Veterinary Sciences
Academic Plan:	Multiple: Combined Anatomic Pathology Residency; Combined Clinical Microbiology Residency; Immunology and Infectious Diseases; Integrative Physiology and Neuroscience; Clinical and Translational Sciences
Number of Credits:	
Department(s) or Program(s):	Veterinary Clinical Sciences (VCS), Veterinary Microbiology and Pathology (VMP), Paul G. Allen School for Global Animal Health (SGAH) and Integrative Physiology and Neuroscience (IPN)
College(s):	College of Veterinary Medicine (CVM)
Campus(es)	Pullman

Contact Name:	Tom Kawula	Email Address:	Tom.Kawula@wsu.edu
Contact Phone:	509 335-1301	*Proposed start date:	Fall 2022

Rationale for proposed name change:

The rationale for the name change is four-fold. First the name change will more accurately reflect the current breadth and depth of faculty research and coursework available. Our research programs use molecular, cellular and systems levels approaches to biomedical issues applicable to both animal and human medicine. The current degree title (Veterinary Sciences) and program name (Veterinary Sciences) contains the term 'veterinary' which implies a research focus only on animals, and thus is more narrow than the current focus and interest of many faculty in the program. This implied narrow focus makes the program/plans unattractive to some of the most highly competitive graduate applicants, who are specifically interested in the broad biomedical applications and not a specific veterinary application. This consideration is especially important for the plans in Immunology and Infectious Diseases and Integrative Physiology and Neuroscience. As a result of this name change we expect to recruit many higher quality applicants into these plans than we currently do. Note that this does not prevent students attracted to the purely veterinary focus of some faculty, because this focus is also encompassed by the term 'biomedical'.

Second, the proposed name of Biomedical Sciences fosters the continued development of faculty research relationships between the Pullman and Spokane campus (between CVM and EFCOM). By replacing the term veterinary with biomedical, faculty in the EFCOM would be invited to become members of plans appropriate to their research because the new program name would encompass the broader context of their non-veterinary biomedical research. They would then be in a position to recruit students through these plans. When a student is interested in working with a Spokane-based faculty their research work will occur on the Spokane campus, but the degree remains a Pullman-based degree (with faculty from both Pullman and Spokane as members). Thus, there are no changes in degree requirements nor is the program in Spokane a new program, rather it is just an extension of the Pullman-based program. We have already pioneered this type of relationship with faculty in the EFCOM through the Neuroscience Graduate Program, so we know it can be successful. Thus this

name change will foster a closer working relationship between faculty in Pullman and Spokane, especially in topics beyond neuroscience.

Third, as the EFCOM builds out, it will eventually become a significant location for graduate education. If EFCOM builds graduate programs independent of CVM, it will set-up a situation in which similar programs in Spokane and Pullman are in competition for students. Further, it will make the application process confusing because the similar focused programs will be at WSU, and yet they would be separate programs. To avoid this potential future competition between similar programs at the same institution located at two different campuses, we will work through a common program adapted to both campuses. Thus we will build research enterprises that are cooperative and supportive, not competitive and duplicative.

Fourth, current faculty in EFCOM have limited opportunities to recruit graduate students because of the newness of their college. By broadening the appeal of the current programs, it will help establish a route to recruit graduate students to work with research intensive faculty as they are recruited to the EFCOM much more quickly than if EFCOM had to generate both the critical mass of faculty and a new curriculum before they can recruit students.

Finally, as the faculty at EFCOM expand and develop new foci, they will still be free to develop independent plans or programs. However, by establishing a culture of cooperation rather than competition, these future developments can be done in a manner that is productive and supportive for all biomedical programs at WSU regardless of location.

Implications for currently enrolled students:

Currently enrolled students will have the choice of keeping the degree name Veterinary Sciences or changing it to Biomedical Sciences. Because there are no changes in curricular requirements, there is no need to propose teaching out an expired curriculum for existing students. Any new students would be required to accept a degree in Biomedical Sciences.

This change would not be detriment to the students already enrolled. They would still be getting a degree with biomedical sciences in the title, which is a term that encompasses medical research in both a veterinary and human context. Current and future students could still compete for jobs that are primarily veterinary in focus, but they would also be competitive for jobs in which a specific veterinary focus is not paramount. This will expand their opportunities and the new degree title will be a more accurate reflection of the nature of their expertise. In fact, the one question we received from current students when the topic of the name change was raised was whether they would be allowed to use the new name because it was also their preferred name.

Describe the process by which current faculty and staff were consulted about this change and summarize the response:

The idea of developing more cooperative biomedical graduate programs has been underway for over four years. When needed, underlying plans have adjusted their curriculum to align with many of the common elements of the combined program structure. Those that require Faculty Senate Approval (e.g., specific curricular changes) have been processed through the normal channels. However, many additional elements that do not require faculty senate approval, such as common professional development opportunities, common orientation, and a coordinated recruitment process have already been implemented. Thus current faculty and students have been well aware of these changes.

Leadership of the individual plans sponsored by Veterinary Sciences are fully supportive (we have an Executive Committee that includes the leaders from all the underlying plans), and these leaders have been in communication with their faculty and students. The program name from Veterinary Sciences to Biomedical Sciences will not change program operation nor discourage current or future students, and thus is relatively non-controversial.

Finally, in anticipation of the official submission for the name change all units that participate have discussed this change at recent faculty meetings and have given approval to move forward.

Describe the process by which other degree programs, departments, colleges or campuses were consulted about this change and summarize the response:

The primary unit that would be interested in this name change is the EFCOM. This name change has been vetted in many meetings with leadership at the EFCOM, and they are fully supportive of the concept of an integrated biomedical graduate program (see attached support from Dean Tomkowiak). Faculty in their unit will be invited to become graduate faculty the appropriate plans.

We have also been in contact with the Dean Pollack in the College of Pharmacy who has expressed no opposition to this change.

A final unit consulted in this process has been the biomedical oriented faculty on the Vancouver campus. As most of these individuals are already associated with CVM graduate programs (Neuroscience and Molecular Biosciences) they have been aware of the development of a more cooperative program. They have not raised any concerns regarding any of these name changes.

Describe the process by which other stake holders (e.g., advisory or alumni groups) were consulted about this change and summarize the response:

Unlike professional programs, the graduate programs in the CVM do not have external advisory groups or alumni associations. We have not been aggressive at seeking such input as the name change to the broader term Biomedical Sciences from the more restrictive Veterinary Sciences would not be seen as impactful on their current or future use of their degrees. Many of these individuals see their degree defined more by the individual plan names (such as Immunology and Infectious Diseases) than the program name.

SIGNATURES: The names typed below certify that the relevant academic and campus officials have reviewed and approved this proposal:

Chair Signature:	Tom Kawula	Date:	July 10, 2021
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Dean Signature:	Dori Borjesson	Date:	August 10, 2021
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VP Global Campus		Date:	
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→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

Everett Chancellor		Date:	
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Spokane Chancellor		Date:	
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Tri-Cities VCAA		Date:	
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Vancouver VCAA		Date:	
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Provost Office:		Date:	
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Comments:

For Registrar's Office Use Only:			
Current CIP Code:		New CIP Code:	
		Date:	

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WASHINGTON STATE UNIVERSITY
Office of the Provost

MEMORANDUM

TO: Faculty Senate

FROM: Elizabeth Chilton, Provost and Executive Vice President

A handwritten signature in black ink, appearing to read 'EAC'.

SUBJECT: Extend Bachelor of Arts in Chemistry to Vancouver

DATE: October 18, 2021

The attached proposal to extend the Bachelor of Arts in Chemistry to Vancouver has been reviewed by the Provost's Office review committee. The committee had some concerns about the currency of the demand analysis and accuracy of projected enrollment. The department has considered these issues and provided stronger justification for each in this revised proposal.

We are satisfied that the proposal is ready for Senate review.

PROPOSAL TO EXTEND AN EXISTING DEGREE TO AN APPROVED PHYSICAL LOCATION

Degree Title:	Bachelor of Arts in Chemistry
Academic Program:	Sciences
Academic Plan:	Bachelor
Number of Credits:	Standard option: 120 credits
Department(s) or Program(s):	Chemistry
College(s):	Arts and Sciences
Campus(es):	Vancouver
Method of Instructional Delivery:	Face-to-Face

Contact Name:	Adenike Otoikhian	Email Address:	adenike.otoikhian@wsu.edu
Contact Phone:	360-546-9626	*Proposed start date:	Fall 2022

***Proposed Start Date:** Approval must be received from the Northwest Commission on Colleges and Universities before the program may be advertised or recruited for. Financial aid may not be available until the program has been approved by the Department of Education subsequent to NWCCU approval.

SIGNATURES: The names typed below certify that the relevant academic and campus officials have reviewed and approved this proposal:

Chair Signature:		Date:	07/02/2021
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Dean Signature:		Date:	
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VP Global Campus		Date:	
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→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

Everett Chancellor		Date:	
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Spokane Chancellor		Date:	
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Tri-Cities VCAA		Date:	
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Vancouver VCAA		Date	7/2/2021
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Provost Office:		Date:	
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Comments:	
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For Registrar's Office Use Only:			
Current CIP Code:		New CIP Code:	
		Date:	

Send completed form in Word format to: provost.deg.changes@wsu.edu

This template asks you to answer the array of questions about your proposed program that are important to your department, your college, the Faculty Senate, the State of Washington, accreditors and other external stakeholders.

By placing all proposals in a similar format, this template provides a common standard for comparison, ensuring that all potential programs can be evaluated in an equitable fashion. It can be used to determine whether or not a program is feasible within the university's academic and financial situation, and if it will have the resources to further the University's objective of providing high quality education and scholarship.

This template is also a framework to think about the viability of your ideas. It can thus be a tool for strengthening both your proposal and the resulting program itself, since a program that is starved for either students or resources from its inception is not likely to become a high quality program.

Here are some of the things to consider as you complete the template:

What are the aspirations for the reputation of this program – local, regional, national? What will it take to make that a reality?

Who are you trying to attract with this program in the new location? Will it bring new students to the university, better meet the needs of current students, or draw students away from other departments or campuses?

How strong is the demand for education of this kind, and in what specific careers will someone who receives such an education find meaningful employment?

How many students do you need to attract to break even, and can both the market and WSU's capacity support this number?

Providing good answers to hard questions maximizes the likelihood that a program extension will not just win acceptance by the Faculty Senate and administration, but will ultimately be successful in attracting students and placing graduates. The analyses in the Demand, Financial and Library workbooks will assist you in creating a persuasive proposal. The findings in each area, and their basis or justification, should be summarized in the proposal itself.

Proposal

Mission and Core Themes (Strategic Goals):

Explain how extending the degree to this location fulfills the strategic plan and the missions of the department, campus, and university.

Washington State University

Vision

Washington State University offers a premier undergraduate experience, conducts and stimulates world-class graduate education, research, scholarship and art, and provides an exemplary working and learning environment that fosters engagement.

Mission

Washington State University is a public research university committed to its land-grant heritage and tradition of service to society. Our mission is threefold:

- To advance knowledge through creative research and scholarship across a wide range of academic disciplines.
- To extend knowledge through innovative educational programs in which emerging scholars are mentored to realize their highest potential and assume roles of leadership, responsibility, and service to society.
- To apply knowledge through local and global engagement that will improve the quality of life and enhance the economy of the state, nation, and world.

Vancouver Campus

Vision

Washington State University Vancouver will be a positive force in bettering the lives of the people of Southwest Washington and beyond by contributing outstanding research; expanding access to the highest-quality university education where student success is central; and engaging with community partners to address the needs of our changing world.

Mission

Washington State University Vancouver is dedicated to its land-grant tradition “for openness, accessibility and service to people.” The campus’ mission stands on five pillars:

- To advance knowledge through research, innovation and creativity across a wide range of academic disciplines.
- To extend knowledge through innovative educational programs in which students and emerging scholars are mentored to realize their highest potential and assume roles of leadership, responsibility and service to society.
- To apply knowledge through local and global engagement that will improve quality of life and enhance the economy of the state, nation and world.
- To address the need for social justice, equity and a culture of inclusion in our society.
- To collaborate with partners to build the bonds that unite a healthy community.

Strategic Plan

Research and Student Success represent the core mission of the campus. Growth is both acknowledgement that WSU Vancouver was founded to help grow the baccalaureate attainment rate in the region, and that dramatic changes in public funding have occurred over the duration of the last strategic plan. At WSU Vancouver, Equity and Diversity, and Community are reflective of the university’s collective commitment to the region it serves. This plan redoubles the campus’s commitment to continued excellence and a symbiotic relationship to its community.

College of Arts and Sciences

A solid foundation in the arts and sciences is at the core of every WSU Vancouver education. We prepare students for a global, diverse and fast-changing world, our classes foster critical, analytical and creative thinking skills and effective communication. We offer opportunities for multidisciplinary and collaborative learning, hands-on research with faculty, and real-world engagement with the community.

Extending the B.A. in Chemistry to the Vancouver campus will fulfill the university and the campus mission of extending knowledge through innovative educational programs. Extension of this degree also aligns with part of WSU Vancouver vision of “expanding access to the highest-quality university education where student success is central”, and the “growth” goal of the WSU Vancouver Strategic plan 2016-2021.

An extension of B.A. Chemistry major will also address a critical issue that was passed by Washington State Legislature during 2013-14 session. According to House Bill 1872 (<http://apps2.leg.wa.gov/billssummary?BillNumber=1872&Year=2013>), all institutions of learning in the State of Washington are required to establish a comprehensive initiative to increase learning opportunities and improve educational outcomes in science, technology, engineering, and mathematics (STEM) through multiple strategies and statewide partnerships, with a goal of strengthening the education pipeline and degree production in STEM. Due to the flexibility of the degree program, students upon graduation with a B.A in Chemistry would be able to enroll in the Masters in Teaching (MIT) secondary program on the Vancouver campus. The MIT program currently offer teacher certification programs that prepares students for career as a K-12 teacher, with secondary education endorsements currently in Biology and Mathematics (and some other academic disciplines). The B.A. in Chemistry program on the Vancouver campus will allow for an endorsement in Chemistry as well.

Educational Offerings:

Describe the program to be extended, and include copies of the four-year degree plan (undergraduate) or appropriate plan of study (graduate and professional).

Please note that any curricular changes must go through the Catalog Subcommittee before the degree extension will be reviewed.

The B.A.in Chemistry is a degree program that allows students to shape their own program of study. With sufficient elective credits incorporated into the program, it gives students flexibility and allows them to pursue secondary areas of interest, and possibly a dual major if their interest intersects with another field of study. This degree will also address the unmet need for STEM teachers at the secondary education level. With a B.A. in Chemistry from Vancouver, a student will be able to apply into Masters in Teaching (MIT) secondary program upon the completion of two required courses which they would have taken as part of their elective credits.

The offering of this degree program is overall less resource intensive because the Vancouver campus already offers a minor in Chemistry. The program would follow the curriculum for the B.A. in Chemistry – Standard option as offered by the chemistry department in Pullman (**Appendix A**).

Table 1: Required chemistry courses and current semester offerings in Vancouver.

Required Chemistry Courses	Offered, Semester
CHEM 105 Principles of Chemistry I (4 [3-3])	Yes, Fall
CHEM 106 Principles of Chemistry II (4 [3-3])	Yes, Spring
CHEM 220 Quantitative Analysis (3)	Yes, Fall
CHEM 222 Quantitative Analysis Laboratory (1 [0-3])	No
CHEM 301 Descriptive Inorganic Chemistry (3)	No
CHEM 338 Physical Chemistry for Chemical Biology (3)	No
CHEM 345 Organic Chemistry I (4 [3-3])	Yes, Fall
CHEM 348 Organic Chemistry II and Problem Solving (4 [3-2])	Yes, Spring
MBIOS 303 Introductory Biochemistry (4) (Substitute for CHEM 370)	Yes, Spring
CHEM 398 Undergraduate Seminar (1)	No
Advanced CHEM Elective: CHEM 347 Organic Qualitative Analysis Laboratory (3 [1-6])	Yes, Summer
CHEM 485 Senior Thesis in Chemistry (3)	No

CHEM 370 (3) and CHEM 425 (2) can be introduced later because there are other existing courses that can substitute for them. Course credit in parenthesis.

Table 2: Comparison between required chemistry courses and credits, and what is currently taught.

	Required courses	Currently taught	Difference
Total number	12	7	5
Total credits	37	26	11*

* 6 credits for 2 lecture courses, 1 credit for 1 lab course, 1 credit for seminar, and 3 credits for senior thesis.

Table 1 shows the list of chemistry required courses and those that are currently offered in Vancouver. As noted in Table 2, there are a total of 37 required chemistry course credits and 26 of those credits are currently offered in Vancouver. The extension of B.A. in Chemistry to Vancouver campus would require the initial addition of 5 chemistry courses to the ones currently offered. Of the 5 courses, 2 are lecture courses, 1 lab course and the remaining 2 are: seminar (1 credit) and thesis (3 credits). All other required, non-chemistry courses are currently offered in Vancouver.

Additionally, students will be able to find courses to fulfill a total of 29 credits, non-chemistry electives. With 29 credits of free electives, a student will be able to obtain a minor in another field of study and/or a dual degree.

Provide descriptive information regarding (the) method(s) of instructional delivery (percent face-to-face, hybrid, distance, and/or competency-based).

All required chemistry courses for the degree will be made available via face-to-face offering on the Vancouver campus. However, in the initial phase, one or two of the advanced chemistry courses, not currently taught in Vancouver, can be delivered via AMS from Pullman. Table 3 shows the proposed course rotations from year 1 (Y1) through year 3 (Y3). The numbers indicate the number of sections to be offered (number of lab sections is based on current enrollment). Courses in *italics* indicate courses not currently offered in Vancouver that would be added with the major. Two fulltime, career track, faculty will be hired to make these course rotations possible.

Table 3: Proposed chemistry course rotations.

Course	Y1 Fall	Y1 Spring	Y2 Fall	Y2 Spring	Y3 Fall	Y3 Spring
CHEM 105 Principles of Chemistry I (4 [3-3])*	1	1	1	1	1	1
CHEM 105 Laboratory	6	4	6	4	6	4
CHEM 106 Principles of Chemistry II (4 [3-3])*	1	1	1	1	1	1
CHEM 106 Laboratory	3	4	3	4	3	4
CHEM 220 Quantitative Analysis (3)*	1		1		1	
<i>CHEM 222 Quantitative Analysis Laboratory (1 [0-3])*</i>	1		1		1	
<i>CHEM 301 Descriptive Inorganic Chemistry (3)*</i>		1		1		1
<i>CHEM 338 Chemistry for Chemical Biology (3)*</i>			1		1	
CHEM 345 Organic Chemistry I (4 [3-3])*	1		1		1	
CHEM 345 Laboratory	5		5		5	
CHEM 347 Organic Qualitative Analysis Lab (3[1-6])** (currently offered in Summer)		1		1		1
CHEM 348 Organic Chemistry II and Problem Solving (4 [3-2])*		1		1		1

CHEM 348 Laboratory		2		2		2
CHEM 370 Chemical Biology (3)* (M BIOS 303 can substitute)				1		1
CHEM 398 Undergraduate Seminar (1)* (S/F)		1		1		1
CHEM 425 Quantitative Instrumental Analysis (2)** (STAT 412 can be taken instead)						1
CHEM 485 Senior thesis in chemistry (3)*						1

*Required course; **Elective course (major requires 5 elective credits). STAT 412, which will be offered as part of the data analytics major, can also be used as an elective.

Assessment of Student Learning and Student Achievement

* For graduate programs, please contact the Graduate School before completing this section.

Please provide a list and description of expected student learning outcomes.

Student Learning Outcomes (SLO) will follow the B.A. in Chemistry SLO as already established by the Chemistry Department in Pullman, which was mapped directly from the B.S. path, and these SLO align with WSU's Seven Goals of the Baccalaureate, addressing critical and creative thinking, quantitative reasoning, scientific literacy, information literacy, communication, diversity, and integration of learning.

Students graduating with a B.A. from the Chemistry Department will be able to demonstrate:

1. A thorough knowledge of the basic principles of chemistry, including atomic and molecular structure, chemical dynamics and the chemical and physical properties of substances.
2. The ability to communicate effectively about chemistry both verbally and in writing.
3. A foundational knowledge of the subfields of chemistry, including analytical, inorganic, organic, biochemistry, and physical chemistry.
4. The ability to retrieve, read, critically evaluate, and interpret general scientific information.

Student Learning Outcome (SLO) 3 above differs from the B.S. in that B.A. students are not required to take more than one course in inorganic, biochemistry, or physical chemistry. SLO 4 is a broad enough outcome to include not only chemistry (B.S. and B.A.) but also secondary areas of specialization (B.A. only)

Alignment with the seven goals of the baccalaureate:

B.A. SLO	Seven Goals of the Baccalaureate
1, 2, 4	CRITICAL and CREATIVE THINKING. Graduates will use reason, evidence, and context to increase knowledge, to reason ethically, and to innovate in imaginative ways.
1, 2, 3, 4	QUANTITATIVE REASONING. Graduates will solve quantitative problems from a wide variety of authentic contexts and everyday life situations.
1, 2, 3, 4	SCIENTIFIC LITERACY. Graduates will have a basic understanding of major scientific concepts and processes required for personal decision-making, participation in civic affairs, economic productivity and global stewardship.
4	INFORMATION LITERACY. Graduates will effectively identify, locate, evaluate, use responsibly and share information for the problem at hand.
2, 4	COMMUNICATION. Graduates will write, speak and listen to achieve intended meaning and understanding among all participants.
	DIVERSITY. Graduates will understand, respect and interact constructively with others of similar and diverse cultures, values, and perspectives.
1, 2, 3, 4	DEPTH, BREADTH, AND INTEGRATION OF LEARNING. Graduates will develop depth, breadth, and integration of learning for the benefit of themselves, their communities, their employers, and for society at large.

For undergraduate programs, provide the department's plan for assessing student learning outcomes. Describe briefly how information on student learning will be collected and incorporated into existing processes for evaluating student learning in the department. Please attach the plan and a curriculum matrix.

The B.S. in Chemistry program assessment plan is being used as a basis for the B.A. in Chemistry assessment, and it is managed through the department's undergraduate curriculum committee. The department constantly strives for a unified and system-wide program assessment across all campuses. Annual trips to the urban campuses are made and a faculty member from Pullman sits in on chemistry courses, meet with instructors to discuss observations, and provide annual reports to the committee and department chair. Additionally, the department's undergraduate curriculum committee, and faculty in Vancouver and Tri-Cities meet annually to go over program assessment.

Please indicate as appropriate:

- Assessment of this program will be incorporated into the existing assessment plan for B.A. in Chemistry in Pullman. Please attach a copy of the existing plan. (**Appendix B**)
- A draft assessment plan is attached.
- A curriculum matrix is attached. (**Appendix C**)

Planning:

1. Summarize the need for the degree at this location, and what planning steps led to the decision to extend the degree. Who was consulted, and how was the feedback incorporated into this plan?

A survey of students, both at WSU Vancouver and Clark College, as part of the Vancouver campus 2014 year-long academic planning process, showed that chemistry was on the top of the list of the top preferred majors by students not currently in their preferred major (**Appendix D**), and one of the three most in-demand majors not currently offered in Vancouver. The 2014 detailed report from Penson Associates consulting, have looked at national survey and local survey data, identified the most in-demand majors not offered in Vancouver as: Communication, Chemistry, and Mathematics. Since then, the other two majors (B.A. in Strategic Communications and B.S. in Mathematics) have been extended to Vancouver. Currently, there is no in-person option for a bachelor's degree in Chemistry in SW Washington. The offering of a B.A. in Chemistry at WSU Vancouver will therefore be the only option for students who seek a bachelor's degree Chemistry in the SW Washington area.

2. Describe the target audience.

Provide realistic justification for the projected FTE.

How can transfer students matriculate smoothly into the program and complete it with approximately the same number of total credits as students who enter WSU as freshmen?

Please describe specific efforts planned to recruit and retain students who are persons of color, disabled, or whose gender is underrepresented in this discipline.

The B.A. in Chemistry will mainly serve the student population in the SW Washington area, with WSU Vancouver being the only R-1 institution offering a clear and well-defined path to a chemistry degree. Traditionally, these students would have had no other choice than to enroll in one of the universities in the Portland area who offer chemistry degree or would have had to look somewhere else. The option of going to Portland area universities mean that the students would have to pay nonresident tuition rates, in addition to the inconvenience of commuting in traffic. Anyone who lives in Vancouver can testify to the bad traffic that exist when commuting back and forth from Portland. Currently, the Washington Border Policy guidelines at Portland State University (PSU) limits enrollment to 8 or fewer credits per term (including summer) in order for students who live in one of the 11 approved border counties to be granted resident tuition rates. University of Portland, a private institution which is much closer to SW Washington, is more expensive and, because it is a private institution, does not have any Washington border policy.

As shown in table 4, there is a steady interest in our chemistry minor and one can only imagine that these students who are already hungry for some type of a chemistry program will transition to getting a B.A. degree in chemistry.

Table 4: Headcount of Vancouver students certified in Chemistry Minor from AY 2013 – AY 2020.

	AY 2013 - 2014	AY 2014 - 2015	AY 2015 - 2016	AY 2016 - 2017	AY 2017 - 2018	AY 2018 - 2019	AY 2019 - 2020
Fall	6	27	20	18	16	18	21
Spring	29	19	23	14	19	16	21
Total	35	46	43	32	35	34	42

In addition, students who complete the Associate of Science Transfer Degree 1 (AST1) with a focus in Chemistry at Clark College (in Vancouver Washington) would have the option of transferring to WSU Vancouver to complete a bachelor's degree in Chemistry. The four-year degree plan (**Appendix A**) has students taking general science required courses in their first two years and core required chemistry courses at the beginning of the third year. This makes it easy for students to transfer smoothly into the program and complete their degree with approximately the same number of total credits as students who enter WSU Vancouver as freshmen. Overall, the four-year plan allows students to complete the first two years of the program at a community college that offer either organic chemistry or analytical chemistry.

It is anticipated that the offering of this degree will attract diverse student populations with career interests in the following areas: (i) professional health (medicine, dentistry, pharmacy, among others), (ii) STEM education (secondary teachers, graduate education in chemistry or other sciences), (iii) scientific laboratory, field research, and biotechnology sector. Upon completion of their degree, our graduates will be well equipped to compete for jobs in the industry, government, and private sectors of the economy. According to the Bureau of Labor Statistics (<https://www.bls.gov/ooh/life-physical-and-social-science/chemists-and-materials-scientists.htm>), the median annual wage for chemist was \$79,300 in May 2020 and overall employment is projected to grow 6 percent from 2020 to 2030, about as fast as the average for all occupations.

Proactive efforts will be made when advertising the program to recruit students who are persons of color, disabled, or whose gender is underrepresented in this discipline. Creative and effective messaging will be used when creating marketing materials, admission presentations, and media representations of the program. The university, Admissions, and CAS websites will be updated to reflect the new program. CAS sciences faculty, CAS academic coordinators, Office of Admissions, and the Office of Marketing and Communications on the Vancouver campus will help promote the program. We will develop and/or adopt materials used by CAS, Admissions, and Marketing, such as flyers, program brochure, program PowerPoint presentation to show to parents and prospective students when they visit campus. Links to these materials will be uploaded to a website that will be developed and devoted to the proposed B.A. in Chemistry and linked to the WSU Vancouver page. Recruitment efforts will target school districts serving underrepresented populations in the region. Program faculty will attend local, regional and/or national meetings of the American Chemical Society (ACS) to advertise and recruit potential students. There are currently a number of on-campus groups and initiatives geared at helping to retain our diverse student population. WSU Vancouver's Center for Intercultural Learning and Affirmation is one of such established groups on campus (<https://studentaffairs.vancouver.wsu.edu/student-diversity/mission-learning-outcomes>). We also have the campus office on Equity and Diversity (<https://www.vancouver.wsu.edu/equity-diversity>). CAS sciences faculty and CAS academic Coordinator will work with Academic Affairs, Student Affairs, the Library, Math and Science Skills Center, and the office of Equity and Diversity to retain underrepresented students pursuing the degree.

Using the current headcount in the chemistry minor program on the Vancouver campus (Table 4) as a guide, the following enrollment has been projected for the B.A. in Chemistry.

Table 5: Projected FTE

	Year 1	Year 2	Year 3	Year 4	Year 5
FTE	10	15	20	25	30

3. What will need to happen at the instructional location in order for this degree to be offered, and what other steps will need to be taken for WSU to offer it?

We would need to offer 5 new courses. Two of the classes are 3-credit lecture classes; one of the five is a lab course (CHEM 222, 1 credit); another is a 1 credit Undergraduate Seminar (CHEM 398); and the last is a 3-credit senior thesis (CHEM 485). Eventually, we may also need to move one of our currently offered courses (CHEM 347), which is an elective for the major, from summer to fall or spring. We also plan to eventually offer CHEM 370 and CHEM 425, even though other courses can substitute for them initially. To staff these courses and also balance the workload of existing scholarly faculty, we would need to hire two full-time teaching faculty. One of the faculty would begin in Year 1, and the second in Year 2. The two faculty would have standard workloads (12 credits/semester + service).

Name or Position Identifier	Rank/Title	Status	FTE	% Effort in Program	FTE in Program
New Faculty	Teaching Assistant Professor	Non-Tenure track	1.00	100.0%	1.00
New Faculty	Teaching Assistant Professor	Non-Tenure track	1.00	100.0%	1.00
Total Faculty FTE					2.00

Instructors workload (S=Scholarly faculty; 1=Teaching faculty 1; 2=Teaching faculty 2)

Course	Fall	Spring
CHEM 105 Principles of chemistry I (4 [3-3])	S	1
CHEM 105 Laboratory (6 sections fall, 4 sections spring)	S	1
CHEM 106 Principles of chemistry II (4 [3-3])	1	S
CHEM 106 Laboratory (3 sections fall, 4 sections spring)	1	S
CHEM 220 Quantitative analysis (3)	1	
CHEM 222 Quantitative analysis laboratory (1 [0-3])	1	
CHEM 301 Descriptive inorganic chemistry (3)		1
CHEM 338 Chemistry for chemical biology (3)	2	
CHEM 345 Organic chemistry I (4 [3-3])	2	
CHEM 345 Laboratory (5 sections)	2	
CHEM 348 Organic chemistry II and problem solving (4 [3-2])		2
CHEM 348 Laboratory (2 sections)		2
CHEM 347 Organic Qualitative Analysis Lab (3[1-6])		2
CHEM 370 Chemical biology (3) (M BIOS 303 can substitute)		2
CHEM 398 Undergraduate seminar (1)		1
CHEM 425 Quantitative Instrument Analysis (2)		2
CHEM 485 Senior thesis in chemistry (3)		2

Workload credits¹.

	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3
	Fall	Spring	Fall	Spring	Fall	Spring

¹ Teaching credits for lead instructor = course credits; Teaching credits for supervising adjuncts/TAs who teach lab sections = .33 x total lab contact hours; Teaching credits for adjuncts/instructors who teach lab sections=.66 x total lab contact hours

Revised 10.04.17

C:\Users\awight\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\77EF2Y5G\BA in Chemistry - extend-degree-to-Vancouver-campus - 09-23-21.docx

Scholarly faculty	10.0	8.0	10.0	8.0	10.0	8.0
Teaching faculty 1	12.0	12.0	12.0	12.0	12.0	12.0
Teaching faculty 2			12.0	12.3	11.0	13.3

Teaching workloads for both teaching faculty will range between 11 and 13.3 credits every semester, with a mean workload of 12.1 credits (15=full-time teaching). This load is conventional, and leaves time for standard faculty service contributions. The scholarly faculty is expected to lead the development of the new degree and has a standard teaching load for this rank (8 or 10 credits every semester, which would increase if more lab sections for CHEM 105 and 106 were needed). If enrollments in existing courses remained unchanged, then a slight reduction in employment of adjuncts and teaching assistants would result, because the new full-time faculty would take over some courses currently taught by adjunct faculty. However, if enrollment growth continues, then this reduction in adjuncts/TAs might be offset, or outweighed, by the requirement to teach new lab sections. Increased setup/takedown of laboratory teaching materials would eventually require increased time from one lab technician.

Additionally, the degree requires the offering of one additional lab course (CHEM 222, 1 credit) over the ones currently taught in Vancouver. This course would be supported by course fees, but there would be a one-time costs for lab equipment.

4. Lay out a three-year timetable for implementation, including hiring plans, partnership contracts if needed, facilities modification, recruiting, and other elements of implementation. Provide dates for each step.

	Year 1	Year 2	Year 3
Equipment for CHEM 222	Equipment will be purchased prior to start of fall semester.		
Recruitment	Program will be advertised and recruited for as soon as the proposal is approved.	Program will continue to advertise and find more unique ways to recruit students locally, regionally, and nationally.	Program will continue to advertise and find more unique ways to recruit students locally, regionally, and nationally.
Teaching Faculty 1	Position announcement will be created and advertised at the end of the academic year leading to Year 1. Qualified candidates will be interviewed, and Faculty will be hired prior to start of fall semester.		
Teaching Faculty 2		Position announcement will be created and advertised at the end of year 1. Qualified candidates will be interviewed, and Faculty will be hired prior to start of fall semester in Year 2.	

Budget:

Attach the Financial Worksheet with five-year FTE, revenue and expenditure projections. Fully account for costs such as staff support, training, library, facilities and so on.

Please describe the funding picture narratively, including funding sources, department, college and/or campus commitments, investments already made, one-time costs, facilities costs (labs, classrooms, offices, telecom etc.) and library costs.

Funding for current chemistry scholarly faculty member and adjuncts would continue. Advising for the major would be handled by current advising staff.

Other Funding (please specify): New funding estimate.

	Year 1	Year 2
Personnel		
Teaching Faculty 1 (salary & benefits) (PBL)	\$77,832	
Teaching Faculty 2 (salary & benefits) (PBL)	--	\$77,832
Equipment (one-time) (flexible)	\$100,000	--
Faculty Start-up funds (one-time)	\$5,000	\$5,000
Total*	\$182,832	\$82,832

*Includes only costs for adding major; even if major is not added, there may be new costs for adjuncts and instructional technician support due to enrollment growth on campus, especially in engineering, sciences, and other areas.

Student Services:

Describe how the proposed location will support students (advising, tutoring, health and welfare, childcare, career services, financial services, technology support, etc.).

Advising for the proposed major would be handled by current CAS advising staff. Other students support will be provided through already existing students' resource/service center already available on campus (<https://studentaffairs.vancouver.wsu.edu/src>).

Physical Facilities and Equipment:

Describe the physical facilities and equipment at the proposed location that will support the program and its projected growth. Include videoconferencing and other technologies that support course delivery as well as classrooms, labs, and office space.

CHEM 222 would be supported by course fees.

Current chemistry teaching laboratory facilities are much stretched. Since only one new laboratory course is required (CHEM 222), it is possible to offer the B.A. degree with current lab capacity. Nevertheless, additional growth of existing classes is expected regardless of whether the B.A. is added or not, and lab space has potential to become a limiting factor. To mitigate against this, we are moving to a schedule where we offer CHEM 105 and 106 off-sequence (offer one section of both, each semester), which spreads lab sections more evenly through the year, minimizing limitations during the busiest (fall) semester. Also, the proposed degree program does not require advanced undergraduate chemistry research.

Existing technologies, classrooms and office space are adequate to support the proposed degree program and its projected growth. To accommodate for future growth in Vancouver, a new life science building is in its design phase and when completed, it would help absorb overall growth on campus. The life sciences building has two new teaching labs planned into it.

Instructional Laboratory Equipment – There would be one-time costs for lab equipment.

A list of needed equipment was developed, based on correspondence with Greg Crouch of Pullman Chemistry.

The cost estimate for core equipment is given below:

Item	Price
7" Hot Plate/Stirrer	8990.78

50 mL Burette	862.93
2 mL Volumetric Pipette	363.07
5 mL Volumetric Pipette	275.67
10 mL Volumetric Pipette	128.59
25 mL Volumetric Pipette	421.70
10 mL Volumetric Flask	775.51
50 mL Volumetric Flask	1775.72
250 mL Volumetric Flask	953.04
125 mL Erlenmeyer Flask	175.95
150 mL Beaker	103.37
400 mL Beaker	143.14
125 mL Separatory Funnel	2476.21
65 mm Short Stem Conical Funnel	986.82
1 L Long Neck Flat Bottom Boiling Flask	388.39
500 mL Side Arm Flask	898.94
1 L Plastic Bottle	183.29
DI Wash or Squirt Bottles	77.35
Scoopula	54.43
95 mm Watch Glass	44.01
100 uL Micropipette and Tips	4100.80
1000 uL Micropipette and Tips	4100.80
Gas Chromatography (GC)	28826.96
TOTAL	57,107.46

These costs assume that sufficient replicates of each item are purchased to run a lab section of 24 students. The cost of each item was estimated by obtaining quotes from 3 suppliers, averaging, and adding 10% to account for tax and shipping. Taking the lowest cost option typically reduces costs by about 15% from those given above, although sometimes the lowest cost option is not the best choice.

The committee identified three scenarios:

- Scenario 1: equipment purchases are limited to those outlined above, so the total cost is near \$57,000.
- Scenario 2: Includes purchase of Atomic Absorption (AA) Spectrophotometer (\$23,100-\$34,254) in addition to all the equipment outlined above, giving a total cost between \$93,565 and \$104,719.

Scenarios 2 would strengthen students' hands-on experiences in several laboratory courses, including CHEM 345 and CHEM 347 (normally taught in the summer). In the absence of equipment that would allow students to collect their own data, students in both labs are restricted to analysis of existing data provided by the instructor.

Library and Information Resources:

Describe the availability and adequacy of library and information resources for this degree, degree level, and location. Note plans to address gaps.

Because WSU licenses resources for all campuses whenever possible, Vancouver faculty and students already have access to the necessary electronic resources (providing full-text) to support their research needs and these resources are available 24/7 from on or off campus. See the list below. In addition, the Library currently supports resources for teaching in STEM areas for our Masters in Teaching students. There is a librarian assigned to work with faculty in the sciences, including Chemistry, and they are assigned a small budget for investment in any one-time purchases (books, media, etc.) to support Chemistry students and faculty. Pre- and post-COVID, the Library is open more than 80 hours/week, 7 days/week and provides both in-person and virtual services. During COVID, the Library continues to provide a full-range of services virtually with limited in-person services.

In addition, the Library has active programs with the Center for Intercultural Learning and Affirmation (CILA), Veteran's Center and others to support students from traditionally under-represented groups and so can be of assistance to all departments in their enrollment and retention goals.

List of Major Resources which provide full-text access:

SciFinder Scholar which provides access to ChemAbs, CAS REACT and other materials.

American Chemical Society Publications from 1879-present.

American Mathematical Society Journals

Science Citation Index through Web of Science

IEEE Xplore

Wiley Interscience Journals

Science Direct

Blackwell Science Journals

Academic Search Complete

There are no gaps at this time. As the degree grows and if new tenure-track, research faculty are hired, the Library will work with them on any potential gaps in their research needs.

Karen R. Diller, PhD

Library Director

Faculty:

List the anticipated sources or plans to secure qualified faculty and staff.

To secure qualified faculty, a search committee will be formed. The committee will be made of diverse faculty and staff to ensure good representation. Committee members will complete the BaCE training workshop in Advancing Equity in the Search for Faculty and Staff. The committee will be tasked with putting together the job announcement for the position. The notice of vacancy will be advertised on the WSUV HR page, Chronicle of Higher Education, Workplace Diversity, HigherEdJobs, National Registry of Diverse & Strategic Faculty, and other advertising sites in order to reach a diverse poll of candidates. Phone and in-person interviews will be conducted to identify the qualified candidates.

Impact on Other Locations/Programs:

Briefly describe any impacts on other WSU programs and locations, and how you came to these conclusions (who was consulted?). If there are potential adverse impacts, describe how these will be addressed. Consider such things as: reallocation of faculty time, reallocation of AMS courses, impact of blended courses, internal competition, “cannibalization” of other programs, curricular effects for other degrees, and effects on recruitment markets for other campuses. Indicate how such problems will be addressed for each campus or department affected.

The B.A. in chemistry will not adversely impact other WSU programs and locations. As stated earlier, this degree was identified in the 2014 detailed report from Penson Associate consulting, using a national survey and local survey data, as one of the most in-demand majors not offered in Vancouver. It was determined that offering of this degree will attract students in the SW Washington area. These students have traditionally had to enroll at out of state institutions or at institutions farther from home in order to get a degree in chemistry. The program will also seek students regionally and nationally. The proposed B.A. in Chemistry degree allows a student to gain a secondary area of expertise outside of chemistry. In addition, if aligned with other departments, it may lead to a second baccalaureate.

Two additional teaching faculty will be hired to teach the new courses that would be offered.

With strategic recruitment of students and hiring of new faculty into the program, there will be no “cannibalization” of other programs, faculty time will not be reallocated, and there will be no need to reallocate or deliver AMS courses.

Sustainability

What are the plans for continuing the program past 5 years if the goals for enrollment are not met, or other circumstances prevent the execution of the plan described here?

Given the success with the CHEM minor program, we don't envision circumstances that will prevent the execution of the plan in this proposal. Significant efforts will be made to continuously advertise and recruit students into the program.

Attachments:

- Financial Worksheet
- Four-Year Degree Plan (undergraduate); curriculum overview (graduate and professional)
- Curriculum Map (undergraduate)
- Assessment Plan
- Letters of financial commitment
- Contracts or MOUs if applicable

Send in Word format to: provost.deg.changes@wsu.edu

Appendix A: Curriculum – Four-Year Degree Plan

Bachelor of Arts in Chemistry – Standard Option (120 Hours)

First Year

<i>First Term</i>	<i>Hours</i>
Arts [ARTS]	3
CHEM 105 [PSCI]	4
ENGLISH 101 [WRTG]	3
Humanities [HUM]	3
MATH 106 ¹	3

<i>Second Term</i>	<i>Hours</i>
BIOLOGY 106 [BSCI] or 107 [BSCI]	4
CHEM 106	4
HISTORY 105 [ROOT]	3
MATH 108 ¹	2
Social Sciences [SSCI]	3

Second Year

<i>First Term</i>	<i>Hours</i>
CHEM 220	3
CHEM 222	1
Diversity [DIVR]	3
MATH 140 [QUAN] ¹	4
PHYSICS 101 ²	4

<i>Second Term</i>	<i>Hours</i>
BIOLOGY 106 or 107	4
CHEM 301	3
PHYSICS 102 ²	4
Electives ³	3
Complete Writing Portfolio	

Third Year

<i>First Term</i>	<i>Hours</i>
CHEM 338 or 331 ⁴	3
CHEM 345	4
CHEM 398	1
STAT 212	4
Electives ³	3

<i>Second Term</i>	<i>Hours</i>
Arts [ARTS], Humanities [HUM], or Social Sciences [SSCI]	3
CHEM 348	4
CHEM 370 or MBIOS 303	3 or 4
ENGLISH 402 [WRTG] [M]	3
Electives ³	2

Fourth Year

<i>First Term</i>	<i>Hours</i>
Advanced Chemistry Electives ⁵	2
Foreign Language, if needed, and/or Electives ^{3,6}	12
<i>Second Term</i>	<i>Hours</i>
Advanced Chemistry Electives ⁵	3
CHEM 485 [CAPS] [M]	3
Foreign Language, if needed, and/or Electives ^{3,6}	9
Exit Interview	

Footnotes

- ¹ The minimum math requirement is MATH 140. Students who place into MATH 140 or higher are not required to take MATH 106 or 108 but must take an additional 5 credits of electives. MATH 171 may be substituted for MATH 140. Students who place into MATH 140 should take it during their first year, and may delay one of the UCORE courses [ARTS], [HUM], or [SSCI].
- ² PHYSICS 201 and 202 may be substituted for PHYSICS 101 and 102.
- ³ At least 11 credits in addition to those specified must be at the 300-400-level, for a total of at least 40 upper division credits.
- ⁴ CHEM 331 has prerequisites of PHYSICS 202 and MATH 273, each with a C or better.
- ⁵ Advanced Chemistry Electives (minimum 5 credits): Approved courses include CHEM 347, 425, 426, 490, 499 (maximum 2 credits), any 500-level CHEM course, or STAT 412. Other electives may be used with permission.
- ⁶ The Foreign Language requirement is that of the College of Arts and Sciences and may be fulfilled with two years of a foreign language in high school. Students are encouraged to pursue a minor while fulfilling the electives requirement.

Appendix B: Assessment of Student Learning Outcomes and Student Achievement by Chemistry department

The B.S. in Chemistry degree is certified through the American Chemical Society (ACS) and will continue to be the model for the non-certified B.A. pathway. In addition to the program assessment described below, the Assistant Dean in charge of Assessment for the College of Arts and Sciences, will continue to work with chemistry to develop various assessment metrics, including a program rubric that, along with the CAPSTONE course, will provide a program-level assessment by evaluating mastery at the senior level (This applies to both the existing B.S. and B.A.). This work is ongoing and will be evaluated by a college-level advisory board. These new metrics will add to our current assessment practices that include:

1. Final exam scores in selected courses will be used for first-year students in Chem 105 and Chem 106. These exams will either be used in their entirety or contain selections from the American Chemical Society semester one and two standardized instruments. All instructor-authored exams will undergo peer evaluation to verify the appropriateness of the exam in terms of assessing identified student learning outcomes.
2. Core writing components in Chem 105 and 106 are assessed according to an established critical thinking rubric. Chem 222 involves formal laboratory report and writing assessment.
3. Chemistry 485 (CAPS) will be required for both the B.A. and B.S. degree pathway and serve as a senior-level assessment SLO assessment. The following assessment matrix illustrates how curriculum and the B.A. learning goals map to outcomes in CHEM 485.

Capstone Course Learning Goal	Course Topics that Advance this Learning Goal	Method of Evaluation	Maps to SLO
LG1: To locate, read, comprehend, and critique primary scientific literature	Thesis development starting with topic selection to outline to finished presentation. Use of online search engines. Preparation of citations and use of EndNote.	Appropriate citations based on thesis topic, Iterative editing in stages throughout the semester with the culmination of a thesis document	4
LG2: Integrate and synthesize information from peer reviewed sources into a coherent thesis	Written thesis	Grading of thesis for breadth of content, logical coherence, and writing quality.	1,3 4
LG3: Prepare group evaluation rubric	Develop rubric to be used to evaluate PowerPoint Presentation OR poster	Rubric will be used by audience members during the presentations and posters. Audience members will be asked to judge the completeness of the rubric.	2
LG4: Prepare and present a PowerPoint or poster presentation of a research thesis	PowerPoint Presentation <i>OR</i> poster	1. Evaluation of PowerPoint or Poster 2. Responses to questions	2
LG5: Write summary in language appropriate for the general public	Written assignments	1. Group discussion 2. Evaluation of written summary.	1, 2, 3, 4
LG6: Identify the fundamental concepts behind publication and research ethics, peer review, responsible conduct of research, and the rules for scientists serving on government review panels.	In class activities related to ethics, misconduct, and research regulations	Participation in discussions about case studies and other provided materials.	4
LG7: Effectively communicate science to peers in both written and oral formats	1. PowerPoint <i>OR</i> poster presentation in public arena. 2. Thesis summary paper 3. Critiques	1. Evaluation of ability to answer questions following presentation. 2. Thesis summary evaluation. 3. Evaluation of presentation using rubric.	2

4. Effective communication (SLO 2) is a key goal of CHEM 485 (for both B.S. and B.A. students).
5. Student surveys are used extensively in Chemistry to assess student satisfaction and help guide course development.
6. Formative assessment technology: Bring Your Own Device (BYOD, in Pullman) and i>Clicker (in Vancouver) are used to access conceptual bottlenecks during course delivery and necessary clarifications are made before exams. Additionally, in Vancouver, courses are designed to help students gain significant problem-solving skills. Workshop problems have been designed and students work in groups to solve the problems, after which feedback is then provided by the instructor.
7. Senior exit interviews as currently implemented for B.S. students will be expanded to encompass students in the B.A. pathway.

Appendix C: Curriculum Map for B.A in Chemistry Showing Courses and Alignment with Learning Outcomes

Objectives	Course Numbers (CHEM)										
	105	106/116	220	222	301	338	345	348	370	398	485
1. A thorough knowledge of the basic principles of chemistry, including atomic and molecular structure, chemical dynamics and the chemical and physical properties of substances.	I	I	D	D	I	D	I	D	D		M
2. The ability to communicate about chemistry effectively both verbally and in writing.	I	I		D			D	D		D	M
3. A thorough knowledge of the subfields of chemistry, including analytical, inorganic, organic, biochemistry, and physical chemistry.	I	I	I	I	I	D	I	D	D		M
4. The ability to read, critically evaluate and interpret numerical, chemical and general scientific information.	I	I	I	D	D	D		D	D	D	M
5. The ability to design experiments and to use appropriate experimental apparatus effectively.				I			I	D			

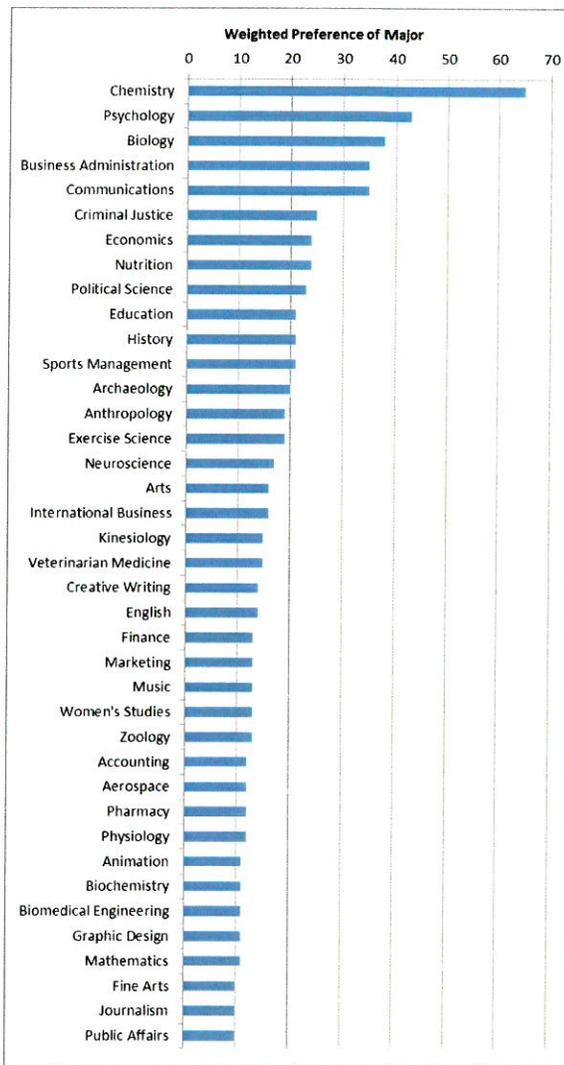
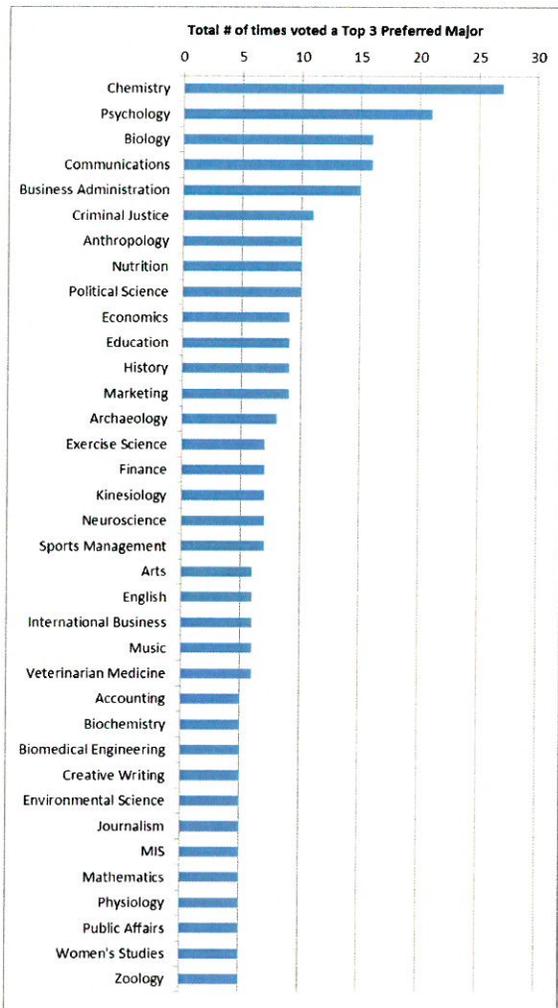
I = Introduced, D = Developed, M = Mastery

Appendix D: Student Interest Survey, from 2014 Academic Planning

**Top Preferred Majors
(from students not currently in their preferred major)**

If students indicated they were not currently in their preferred major, they were asked to specify their top 3 preferred majors (regardless of whether they were currently offered at WSU Vancouver). Therefore, this does not necessarily represent the top preferred majors among all students.

A total of 135 unique majors were suggested. In order to save space, the graph on the left shows the 64 programs that received 5 or more endorsements. The graph on the right is weighted by preference (e.g., 3 points assigned to the #1 choice, 2 points to a #2 choice, and 1 point to a #3 choice).



Merrill, Angela Lori

From: Parks, Craig
Sent: Tuesday, October 5, 2021 12:39 PM
To: Otoikhian, Adenike Ajoke
Cc: Narayanan, Pavithra; Peterson, Kirk; Merrill, Angela Lori
Subject: RE: Extend BA in Chem to Vancouver

Hi Nike. Thank you for your quick response. This all looks good. We will forward the proposal to Faculty Senate. You'll be able to track its progress via the Senate website. Matt Hudelson, Executive Secretary of the Senate, will be able to answer any questions you might have about their process.

Regards,
Craig

From: Otoikhian, Adenike Ajoke
Sent: Friday, September 24, 2021 9:30 AM
To: Parks, Craig <parksd@wsu.edu>
Cc: Narayanan, Pavithra <pavitraa@wsu.edu>; Peterson, Kirk <kipeters@wsu.edu>
Subject: RE: Extend BA in Chem to Vancouver

Hi Craig,

Thank you for your feedback on the BA in Chemistry proposal. I have reviewed your comments and in consultation with the CAS director in Vancouver (Dr. Pavithra Narayanan), we have addressed the issues that the Faculty Senate might raise. Below are our responses to those potential issues.

- (1) For the most part your proposal looks good, but we have concerns about your expected demand for the degree. Your analysis is based on a 2014 planning report. While those results could still be valid, we are collectively skeptical that they are. We recommend you bring in newer data.

Yes, my analysis for the need to extend B.A. in Chemistry to Vancouver is mainly based on a 2014 planning report and I believe the data is still accurate based on the number of students we have enrolled in the CHEM minor (table 4). Also, this proposal has been in the works for quite some time now. The hold up as been the budget freeze that happened over the last couple of years at WSU. We do not have the ability to generate new data at this time but our academic advisors mention that they still have students who ask about the degree option. That said, based on what is known and also affirmed by Vice Chancellor, Renny Christopher, the offering of BA in Chemistry in Vancouver will be an addition to degrees offered at WSU Vancouver and will be the only option for students seeking a Bachelor's degree in Chemistry the SW Washington area (included on page 7).

- (2) Along these lines, your projected FTE in Table 5 may be overly optimistic given the actual demand in Pullman for the degree. Over the last four years, the number of Pullman students majoring in Chem (BA) has been 12, 20, 23, and 41 students. This is at a campus 5x the size of Vancouver. It is certainly possible that the student demographic at Vancouver will be more attracted to this degree than Pullman students are proving to be, but the Faculty Senate is going to want justification of your projections.

The projected FTE is based on the number of students that are currently enrolled in our CHEM minor. As noted by the Chair of the Chemistry department in Pullman (Dr. Kirk Peterson), there are two Chemistry degree options (B.Sc. and B.A. in Chemistry) in Pullman that also compete heavily with the BS in chemical engineering

but that would not be the case in Vancouver. I feel the degree will be attractive to prospective students given the wide range of career options that are possible with a degree in Chemistry, and the latest data from the Bureau of Labor Statistics (included on page 8) projects that there will be a 6 percent employment growth for Chemistry based occupation from 2020 to 2030.

- (3) Finally, we recommend you delete the “Scenario 3” bullet on page 12. The funding memo from campus admin covers the total of all items in the table plus the AA spectrophotometer, so Scenario 2 is clearly what will come to pass.

I have deleted “Scenario 3” from the proposal.

I have attached the updated copy of the proposal here. Please let me know what you think of the responses.

Best,
Nike

Adenike A. Otoikhian, Ph. D.
Assistant Professor of Chemistry, Career Track
Program leader: Physical Sciences
2020-2021 Provost’s Featured Faculty – WSU Vancouver
College of Arts and Sciences, VLIB 210 H
Washington State University Vancouver
14204 NE Salmon Creek Avenue
Vancouver, WA 98686
adenike.otoikhian@wsu.edu
360-546-9626

From: Parks, Craig
Sent: Tuesday, September 7, 2021 1:59 PM
To: Otoikhian, Adenike Ajoke <adenike.otoikhian@wsu.edu>
Cc: Merrill, Angela Lori <awight@wsu.edu>
Subject: Extend BA in Chem to Vancouver

Adenike,

The provost’s review committee has completed work on your proposal to extend the BA in Chemistry to Vancouver. Note that we do not approve or reject degree proposals. Our job is to anticipate issues that the Faculty Senate might raise and suggest how you might address them.

For the most part your proposal looks good, but we have concerns about your expected demand for the degree. Your analysis is based on a 2014 planning report. While those results could still be valid, we are collectively skeptical that they are. We recommend you bring in newer data.

Along these lines, your projected FTE in Table 5 may be overly optimistic given the actual demand in Pullman for the degree. Over the last four years, the number of Pullman students majoring in Chem (BA) has been 12, 20, 23, and 41 students. This is at a campus 5x the size of Vancouver. It is certainly possible that the student demographic at Vancouver will be more attracted to this degree than Pullman students are proving to be, but the Faculty Senate is going to want justification of your projections.

Finally, we recommend you delete the “Scenario 3” bullet on page 12. The funding memo from campus admin covers the total of all items in the table plus the AA spectrophotometer, so Scenario 2 is clearly what will come to pass.

Please revise the proposal as you see fit and return directly to me. We will then submit the proposal to the Faculty Senate on your behalf. Let me know if I can answer any questions you might have.

Regards,
Craig

Craig D. Parks
Vice Provost for System Innovation and Policy
Washington State University
French Ad 436, ph. 509-335-5581
parksd@wsu.edu

Once, I rose above the noise and confusion.



WASHINGTON STATE
UNIVERSITY

Research Security at WSU

**Presented to: WSU Regents Research and Academic Affairs Committee
January 20, 2022**

Dr. Christopher J. Keane, Vice President for Research, WSU
Vice Chancellor for Research, WSU Pullman

Dan Nordquist
Associate Vice President for Research
Deputy Vice President for Research, Operations



What is Research Security?



Guiding Principles

- WSU recognizes interaction with international universities and other institutions is vital to the success of its education, research, and outreach missions.
- WSU will protect its institutional values when interacting with foreign collaborators and governments. These include global citizenship, freedom of expression, inclusion and diversity, and integrity.
- WSU will appropriately protect all non-public research material and information.
- WSU will be transparent and accountable in conducting research with foreign collaborators, including informing researchers regarding risks of international collaboration and providing appropriate guidance and information.



Metrics/Scope of the Issue

Grant Metrics – excludes stimulus funding

	FY12-16	FY17-21	Difference
Total Grants - Count	8,773	8,233	-6.2%
Total Grants - Amount	\$1,027,570,915	\$1,168,238,852	+13.7%
International Sponsored Grants – Count	340	245	-27.9%
International Sponsored Grants – Amount	\$16,329,018	\$10,783,334	-34.0%
Total NIH Lead Investigators	143	162	+13.3%
Pullman	102	99	-2.9%
Spokane	35	53	+51.4%
Other	6	10	+66.7%
Total NSF Lead Investigators	198	185	-6.6%
Pullman	172	156	-9.3%
Spokane	1	0	-100%
Other	25	29	+16.0%



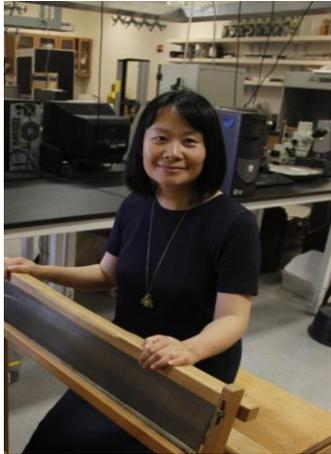
Metrics/Scope of the Issue

	Fall 19	Fall 21	2 Year Difference
Total Students	31,607	29,843	-5.6%
International Students	2,267	1,701	-25.0%
Total Graduate Students	4,262	4,303	+1.0%
International Graduate Students	1,134	841	-25.8%

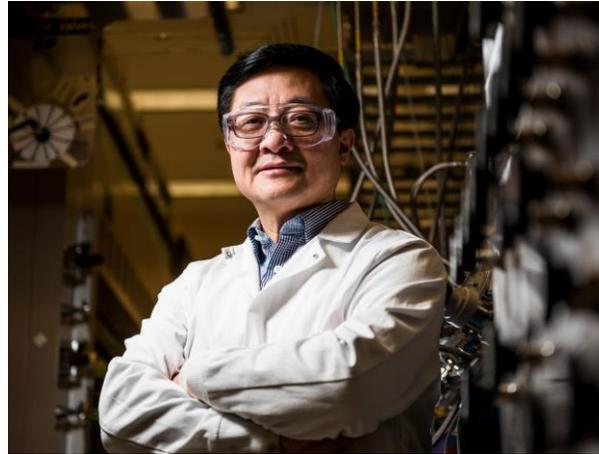
- In the 2019-20 academic year, WSU welcomed more than 2,260 international scholars and faculty members from more than 115 countries
- In FY20, WSU reported 7 foreign contracts over \$250K to the US Department of Education from Argentina, France, Italy, Oman and Switzerland (Section 117 Reporting)



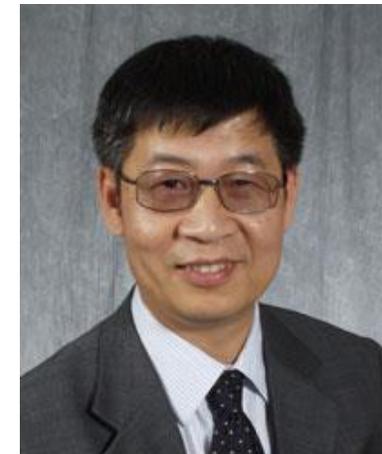
Select International WSU Researchers



Hang Liu
Apparel, Merchandising, Design and Textiles



Yong Wang
Chemical Engineering and Bioengineering



Qin Zhang
Center for Precision and Automated Ag. Systems



M. Kariuki Njenga
Paul G. Allen School for Global Health



Mechthild Tegeder
School of Biological Sciences



Bhagwat Prasad
Pharmaceutical Sciences

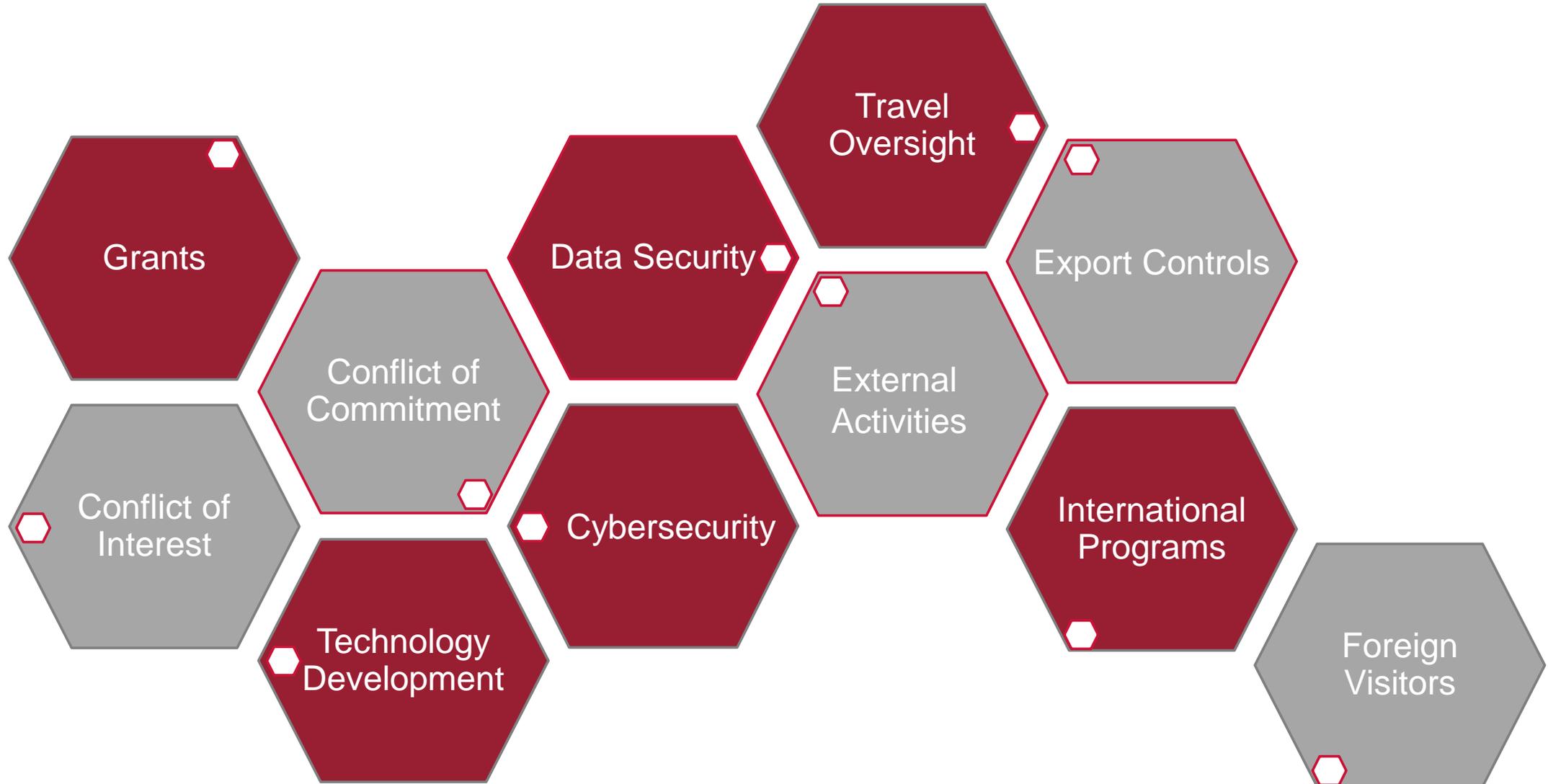


Recent WSU Grant Funding from Chinese Identified Sponsors

- Large FY16 Award: \$5.2M Shandong Chambroad Holding Group award for “Chambroad Distinguished Graduate Fellows” Program (Yong Wang)
- WSU has three Chinese sponsors since FY17
 - Huawei Technologies Company, LTD, \$60K since FY17
 - Note: WSU suspended all interactions with Huawei effective June 11, 2019
 - Jiangsu Citic Century New Materials, Ltd., \$350K since FY17
 - Many agreements with Syngenta, 55 totaling \$553K since FY17
 - A leading provider of ag. science and tech. (headquartered in Switzerland but Chinese owned since 2015).



Connecting the Pieces



Background

- How this all started:
 - December 22, 2017 “Assuring the Integrity of Peer Review” blog by NIH’s Mike Lauer
- Followed by:
 - February 2018 Senate hearings - FBI
 - August 2018 NIH Statement on the “Protection of the Integrity of Biomedical Research in the United States”
 - November 2018 DOJ initiative to “Combat Chinese Economic Espionage”





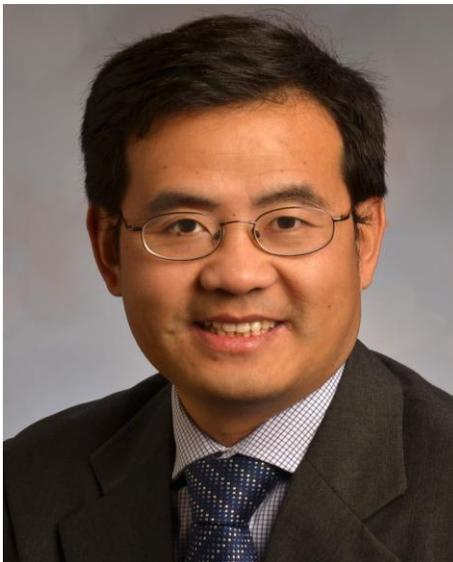
National Headlines



The New York Times

U.S. Accuses Harvard Scientist of Concealing Chinese Funding

Prosecutors say Charles M. Lieber, the chair of Harvard's chemistry department, lied about contacts with a Chinese state-run initiative that seeks to draw foreign-educated talent.



The Washington Times

Anming Hu, University of Tennessee-Knoxville professor, indicted in concealed China work

US Government Guidance

- **Presidential and Congressional actions**
 - National Defense Authorization Act (NDAA- FY2019): Section-889
 - NDAA-FY 2021: Section-223
 - January 14, 2020, President Trump issued the National Security Presidential Memorandum – 33 (NSPM-33)
- **The National Science and Technology Council (NSTC)**
 - January 2021 Subcommittee on Research Security Joint Committee on The Research Environment (JCORE)



Federal Sponsor Actions

- NIH and NSF are amongst the first to fully incorporate the new disclosure and certification requirements mandated by NDAA Section-223 and NSPM-33
- Others are starting to follow suit (Energy, Defense, Commerce)
- Focus is on disclosure, risk assessment, best practices, communication, policies/procedures, etc.





WSU Response



- C** Continued outreach, reminders, and presentations to WSU faculty/staff
- O** Ongoing compliance and internal/external document reviews
- U** Updated and new websites
- G** Grant proposal certifications updated to ensure compliance
- S** Strengthened relationship with the FBI

Note: WSU suspended all interactions with Huawei Technologies Company, LTD, effective June 11, 2019

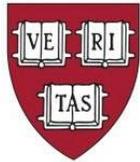
What's Next?

- Re-building disclosure process for all Conflict of Interest and Conflict of Commitment disclosures
- Creating Research Security Program Guideline in response to NSPM-33
- Compliance Policy review and restructuring
- Central IT to create Info Security Program Guidance



Compared to our Colleagues and Neighbors?

HARVARD
UNIVERSITY



UNIVERSITY *of* WASHINGTON

M UNIVERSITY OF
MICHIGAN



ILLINOIS
UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN



UCIRVINE





Closing Comments

Agenda
Student Affairs and Student Life Committee
Thursday, January 20, 2022
1:00 p.m. – 2:30 p.m.

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

Information Item

Section

1. Student-Athlete Mental Health Services (*Henry/Kraska*) S-1

Future Action Item

1. Proposed Changes to WAC 504-26-045 Evidence – Standards of Conduct for Students (*Taylor*) S-2



WSU Athletics

Student-Athlete Mental Health Services

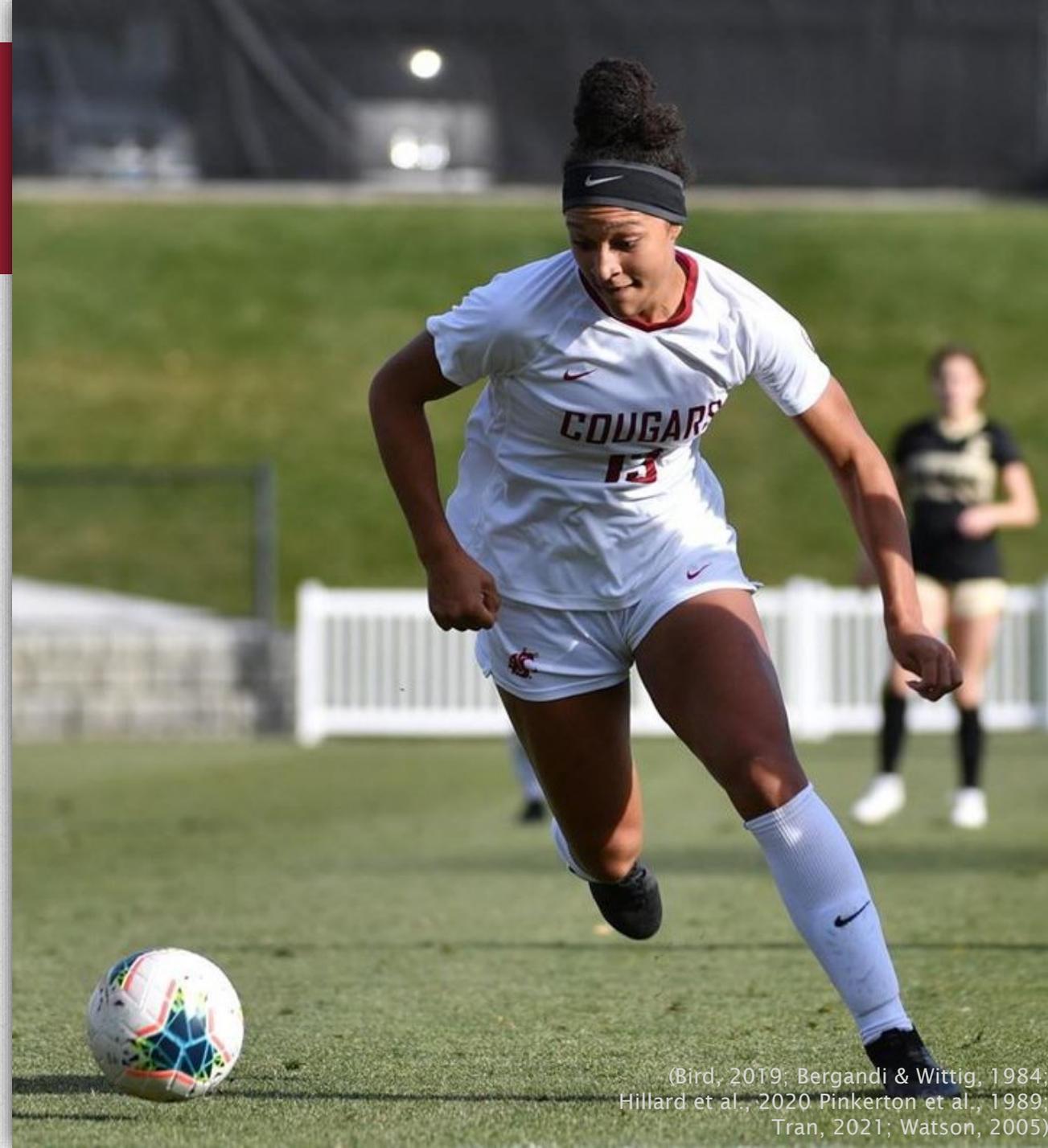
Overview of Mental Health Services for Student-Athletes

- History of the department
- Current Staff
 - Jenny Kraska, Psy.D. - Athletics Postdoctoral Psychology Fellow
 - Sunday Henry, M.D. - Director of Athletic Medicine, Director of Cougar Health Services
 - Doctoral Practicum Trainees



Mental Health STIGMA in Sports

- Student-athletes have shown to underutilize mental health services as compared to non-student-athletes
- Public stigma, social network stigma, and personal stigma have been linked to help seeking and psychotherapy utilization in student-athletes
- Beliefs that help seeking is a sign of weakness, may decrease their coaches and teammates confidence in them, and/or affect their overall image
- “Suck it up”, “Man up”, “If you are performing well, you must have it all together”





Student-Athlete Mental Health

- College student-athletes have reported higher levels of mental health concerns, including anxiety and depression, than the general student population
- Mental health concerns reported in Spring/Fall 2020 were average 1.5-2x higher than pre-pandemic studies
- Mental health concerns are highest among demographic subgroups (e.g., women, student-athletes of color, LGBTQIA+, economic hardship)

Reducing Stigma

- Professional Organizations
 - NFL, NBA, WNBA, MLB, NHL, MLS, NWSL, Team USA
- Professional Athletes
 - Simone Biles, Naomi Osaka, DJ Chark, Kevin Love, Michael Phelps
- College athletes around the nation
 - The Hidden Opponent
- How can we contribute at WSU?
 - Talk about it
 - Seek support
 - Provide support



Mental Health Services for Student-Athletes

- Confidential individual counseling for student-athletes
- Jenny Kraska, Psy.D., Athletics Postdoctoral Psychology Fellow
 - Email: Jennifer.kraska@wsu.edu
 - Phone: 509-335-4139
- Additional Scheduling Options: Tell trainer, team physician, or coach
- Counseling & Psychological Services (CAPS)



Student-Athlete Resources

- **WSU Crisis Line: 509-335-2159**
 - *24/7 Mental Health and Crisis Support*
- National Suicide Prevention Lifeline: 1-800-273-8255
- TEXT “@STRESS” TO 844-486-0046
 - *For support and to get personalized stress management techniques sent to your phone*
- BetterHelp: <https://www.betterhelp.com/united/>
 - *Counseling services for students who have WSU’s graduate or international student health insurance*
- WSU Cougar Health Services: 509-335-3575
 - *Confidential Medical Care*
- Office of the Dean of Students: 509-336-5180 (call or text)
 - *Crisis or Campus Emergencies, Weekdays 5pm-8am, and 24 hours on weekends*
 - *Academic support*



Student-Athlete Resources



- KINES 496: New Student-Athlete Orientation
- 2 Week Behind Happy Faces Training
- Led by the Student-Athlete Advisory Committee



Pac-12 Collaboration

- Mental Health Coordinating Group
- Summit Information
- Pac-12 Mental Health Week



Pac-12 Mental Health Week



Black Student-Athlete
Mental Health



Mindfulness
Workshop



Coaches' Corner



Football vs Oregon
State

Future Opportunities

- Increased demand in services
- Staff expansion
- Additional mental health programming and outreach





QUESTIONS?



FUTURE ACTION ITEM #1

Proposed Revision to WAC 504-26 Standards for Conduct for
Students
(Ellen Taylor)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU System, Proposed Revisions to WAC 504-26-045
Standards for Conduct for Students

PROPOSED: That the Board of Regents adopt revisions to WAC 504-26
Standards for Conduct of Students

SUBMITTED BY: Ellen Taylor, Interim Vice President for Student Affairs

SUPPORTING
INFORMATION: On August 24, 2021 the United States Department of
Education (the Department) [published a letter](#) clarifying its
regulations for implementing Title IX of the Education
Amendments of 1972 (Title IX). The Department clarified that
due to the decision in *Victim Rights Law Center et al. v. Cardona*,
no. 1:20-cv-11104, 2021 WL 3185743 (D. Mass. July, 28, 2021),
the Department immediately ceased enforcement of the cross-
examination requirement of parties and witnesses in live
hearings. This is a welcome change from the department as
this provision had negatively impacted WSU students.

This revision to WAC 504-26-045 specifically strikes the cross-
examination requirement. It then re-serializes the subsequent
provisions of the section to align numerically.

We will present this as an action item at the March, 2022
Board of Regents meeting.

ATTACHMENT: Attachment A – WAC 504-26-045 Redline Copy

Attachment A

WAC 504-26-045

Evidence.

(1) Except as provided in subsection (2) of this section, evidence, including hearsay evidence, is admissible in student conduct proceedings if, in the judgment of the conduct officer or presiding officer, it is the kind of evidence that reasonably prudent persons are accustomed to rely on in the conduct of their affairs. The conduct officer or presiding officer determines the admissibility and relevance of all information and evidence.

~~(2) In conduct board hearings to resolve allegations that, if proven, would constitute Title IX sexual harassment within the university's Title IX jurisdiction, witnesses, including parties, must submit to cross-examination for their written or verbal statements to be considered by the university conduct board.~~

(3) The sexual history of a complainant is not relevant and not admissible in a student conduct proceeding unless such evidence about the complainant's sexual predisposition or prior sexual behavior is offered to prove that someone other than the respondent committed the conduct alleged by the complainant, or if the questions and evidence concern specific incidents of the complainant's prior sexual behavior with respect to the respondent and are offered to prove consent.

(4) Students may choose to remain silent during conduct proceedings, recognizing that they give up the opportunity to explain their version of events and that the decision is made based on the information presented at the hearing. No student must be compelled to give self-incriminating evidence, and no negative inference will be drawn from a student's refusal to participate in any stage of the conduct proceeding. If either party does not attend or participate in a hearing, the conduct officer or conduct board may resolve the matter based on the information available at the time of the hearing.

Agenda
Finance and Compliance Committee
Thursday, January 20, 2022
2:45 p.m. – 4:00 p.m.

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

<u>Information Items</u>	<u>Section</u>
1. Athletics Budget Update <i>(Pearson/Chun)</i>	F-1
2. WSU Budget Model Project Update <i>(Chilton/Pearson)</i>	F-2
3. 2010B Housing and Dining Revenue Bonds Rate Covenant <i>(Pearson/Skinner)</i>	F-3
4. Academic Year 2022-2023 Tuition Rates <i>(Pearson)</i>	F-4

<u>Action Items</u>	
1. WSU Vancouver, Life Sciences Building – Request for Increase in Project Budget <i>(Pearson/Yang)</i>	F-5
2. WSU System Parking Rates and Fines <i>(Pearson/Gardner)</i>	F-6

INFORMATION ITEM #1

Athletics Budget Update
(Stacy Pearson/Pat Chun)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Athletics Budget Update

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO
Pat Chun, Director of Athletics

BACKGROUND INFORMATION:

As of January 2022, Athletics continues work closely with University Accounting to progress through the year end close process and the final financial audit for FY2021. Once the audit has been finalized, Athletics will present the Board with final numbers and analysis on FY2021 results.

Currently, there are no substantial changes to report to FY2022 projections since reported to the Board in November 2021. However, ticket revenue has continued to improve through the course of the fall. As noted to the Board of Regents in May, spectator attendance continues to be the largest opportunity for improvement to the FY2022 budget. Athletics remains proactive in forecasting and anticipating potential impacts to current and future year budgets and will update the Board as new information is available.

ATTACHMENT: FY22 Athletics Budget January 2022

Attachment A:

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

INFORMATION ITEM #2

**WSU Budget Model Project Update
(Elizabeth Chilton/Stacy Pearson)**

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Budget Model Project Update

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO
Elizabeth Chilton, Provost and Executive Vice President

**BACKGROUND
INFORMATION:**

Following the creation of the Washington State University (WSU) [System Strategic Plan](#), the Executive Budget Council (EBC) was appointed to develop a budget model to better align resource allocation to the achievement of the strategic goals. The charge of the EBC is to lead this effort to support the new WSU System Strategic Plan and the One WSU system.

The objective of the EBC is to create a more transparent and effective means of budgeting and to build a comprehensive budget model to provide a framework for the allocation of resources to achieve the system's strategic goals.

Budget Model Redesign Update

**Board of Regents
January 21, 2022**

Elizabeth Chilton and Stacy Pearson, co-chairs

Executive Budget Council

- Engage the WSU system community in understanding our current practices in both allocating resources and assessing costs.
- Explore national best practices in resource allocation in higher education.
- Establish guiding principles for desired changes to the management of cost structures and resource allocation.
- Propose specific changes to our resource allocation methodology to support the system strategic plan and priorities.
- Propose a holistic budget model that incentivizes revenue growth and promotes accountability by utilizing success metrics.
- Facilitate transparent and informative budget communications with the WSU community.
- Recommend budget policies to support our strategic priorities, fiscal accountability and inclusive of all university funds.

<https://provost.wsu.edu/ebc/>

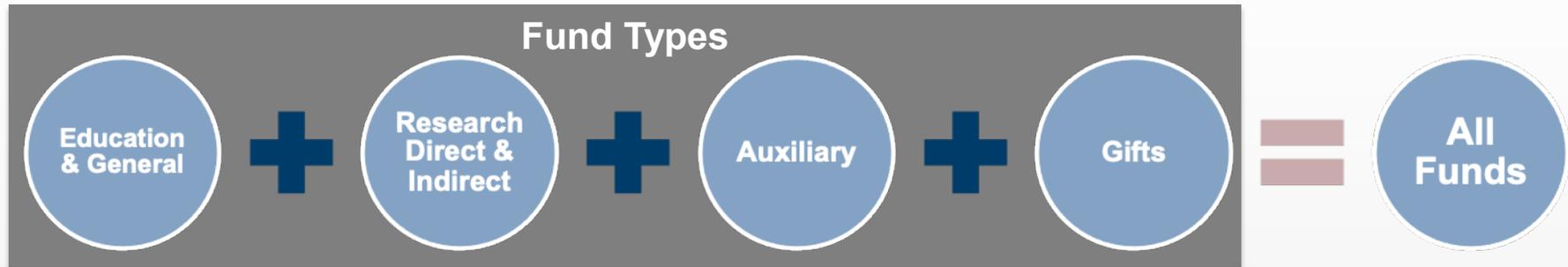
EBC Members:

- Elizabeth Chilton and Stacy Pearson (Co-Chairs)
- Marwa Aly, Vice President, Graduate and Professional Student Association
- Celestina Barbosa-Leiker, Associate Professor, College of Nursing and Vice Chancellor for Research, WSU Health Sciences Spokane
- Bryan Blair, Chief Operating Officer, WSU Athletics
- Dave Cillay, Vice President for Academic Outreach and Innovation and Chancellor, Global Campus
- Sandra Haynes, Chancellor, WSU Tri-Cities
- Chip Hunter, Dean, Carson College of Business
- Linda McDermott, Assistant Vice President for Finance, Division of Student Affairs
- Brian Patrick, Student Government Council Representative and President, Associated Students of Washington State University
- Margaret Singbeil, Program Administrative Manager, WSU Seattle
- Don Holbrook, Budget Director, Academic Affairs (Ex-officio)
- Kristina Peterson-Wilson, Chief of Staff, Provost's Office (Ex-officio)
- Kelley Westhoff, Executive Director for Budget and Planning (Ex-officio)

Clearly articulate budget values and model guiding principles

Budgeting Values	Budget Model Guiding Principles
<ul style="list-style-type: none"> ▪ Predictable basis for planning and introducing new programs ▪ Disciplined, analytics-oriented approach to understanding program investments ▪ Recognition units are at different stages of development and have varied resource needs ▪ Increased transparency and sustainability ▪ Alignment of resource allocation, accountability, and responsibility ▪ Revenue growth, and increased resources to recruit, retain, and develop faculty, balanced with collaboration 	<ul style="list-style-type: none"> ▪ Ensure a culture that promotes a balance among research, educational opportunity and public service. ▪ Incentivize activities that align with the strategic plan and focus on campus success areas including quality, student success and innovation. ▪ Enhance visibility, forecasting and planning to promote a culture of evidence, fiscal responsibility, and accountability. ▪ Reinforce the common good in immediate and future University goals by balancing local and central roles and responsibilities when evaluating competing values, needs and resources. ▪ Be transparent and use simple, consistent and fair methodologies to allocate resources to facilitate effective decision making at all appropriate levels. ▪ Demonstrate a deep commitment to inclusiveness through constituent engagement and promote collaboration and a holistic view of the University.

All-funds approach



Advantages

- Shifts focus of budgeting conversations from expenses to both expenses and revenues
- Enhances transparency by showing all sources of revenue and expense
- Aligns best with our guiding principles budgeting
- Eases budget process in down years
- Enables joint program investment

Considerations

- Transition to adjust to both new model and new approach to reporting funds
- Need for additional assumptions for previously non-budgeted fund types
- Additional reporting and administrative efforts

An “all-funds” approach enhances to the current model because of the added transparency and ability to align with revenues and incentives to support the strategic plan.

Typical Model for Budgeting in Higher Education

More Centralized Models			More Decentralized Models	
Incremental	Formula	Incentive-Based	RCB	ETOB
<ul style="list-style-type: none"> ➤ Current budget acts as “base;” annual budget increments adjust base. ➤ Alignment of revenues and costs is not clear. ➤ Encourages “use-it or lose-it” spending ➤ Not responsive to change in activity. 	<ul style="list-style-type: none"> ➤ Unit-based model focused on providing equitable funding. ➤ Unit rates are input-based and commonly agreed upon. ➤ Majority of revenues are not aligned with costs. 	<ul style="list-style-type: none"> ➤ Unit-based model focused on rewarding mission delivery. ➤ Unit rates are output-based and commonly agree upon. ➤ May sacrifice quality of outputs (gaming). ➤ Time-lag between decisions and results. 	<ul style="list-style-type: none"> ➤ Incentives tailored to emphasize strategic needs and promote entrepreneurship. ➤ Tax rate on all unrestricted revenues. ➤ Incentives are more “hard-wired” and may inhibit collaboration and/or impede success of institutional priorities. ➤ Aligns revenues with costs. 	<ul style="list-style-type: none"> ➤ Extremely de-centralized model. ➤ Academic units effectively operate as their own financial entities. ➤ Very little strategic control held by the central administration.

While RCM budgeting is commonly perceived as an entirely de-centralized budget model, several incentive-based iterations exist.

Responsibility Centered Management (RCM) Budget Model Iterations

Customized RCM Budgeting

- A higher degree of central authority
- Local units keep a majority of their revenue but give up more through a higher subvention “tax” paid
- Through increased tax revenue, central administration has greater ability to subsidize colleges, fund strategic initiatives, and support mission-related programs
- This iteration has been the most commonly implemented since 2005

Traditional RCM Budgeting

- Some centralized authority
- Local units keep most of the revenue they generate, but give up some to a central pool through a subvention “tax” paid
- Taxes generated can be used by the central administration to subsidize colleges, fund strategic initiatives, and support mission-related programs
- Generally low tax rate applied to all unrestricted revenues (in addition to indirect cost recoveries)
- These models were most frequently implemented from 1990 to 2004

Each Tub on its Own Bottom (ETOB)

- Extremely de-centralized model
- Academic units essentially operate as their own financial entities
- Very little strategic control held by the central administration
- No ability to smooth schools market forces impacts differentially
- Under-performing units must cut costs or generate more revenue to cover any losses incurred
- Only three U.S. institutions use this extreme iteration, one of which is shifting away

More centralized ←

Less centralized →

All RCB models are generally include four elements

Benefit	Description of Benefits
<p>Devolution of Revenue</p>	<ul style="list-style-type: none"> ▪ Models define ownership of revenues between central administration and the centers which generate them ▪ In particular: Tuition and fee revenues, direct research revenue, indirect (F&A) research revenues, and endowment and gift revenues ▪ Models also define “ownership” of state appropriations based-on agreed upon methodologies
<p>Allocation of Costs</p>	<ul style="list-style-type: none"> ▪ Optimal decision-making requires that the full costs of activities be understood, not just direct costs, but also those associated with facilities usage and central services provided and used ▪ An understanding of how indirect costs are allocated enables planners to estimate full marginal costs of proposed initiatives ▪ Each center pays for its total costs, direct plus indirect
<p>Use of Subvention Pools</p>	<ul style="list-style-type: none"> ▪ The provision of direct resources for strategic initiatives benefits the whole of the institution ▪ Allocations from central sources to responsibility centers called “subventions” can be used to offset mission-critical units with high operating costs ▪ In part, this can help addresses the economic problem of the commons
<p>Financial Accountability</p>	<ul style="list-style-type: none"> ▪ As units move down the spectrum of revenue ownership, the system requires increased bottom-line responsibility and rewards for strong fiscal performance: <ul style="list-style-type: none"> – i.e., Centers begin to retain more and more of the positive operating margins and are responsible for repaying negative ones ▪ Financial accountability is a means, not an end in universities, and annual budget plans must still be reviewed and approved by university leaders

Current state and next steps

- EBC has worked through a general methodology for allocating revenues and for assessing costs, plus a subvention process
- Huron team has been meeting with Deans, Chancellors and AFOs to validate data and create the general framework for system and campus level budget modeling
- Early in 2022 we will put this together in general model for system level input using 2020 actuals
- While we continue to update the model itself based on stakeholder feedback, we begin focus on governance for decisions that are informed by the data from the model
- Hope to implement in shadow-system form in July 2022, while running current process in parallel

Questions?

INFORMATION ITEM #3

2010B Housing and Dining Revenue Bonds Rate Covenant (Stacy Pearson/Matt Skinner)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: 2010B Housing and Dining Revenue Bonds Rate Covenant

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO
Matt Skinner, Senior Associate Vice President for Finance & Administration/ Deputy CFO

BACKGROUND INFORMATION:

Prior to the adoption of the University General Revenue Bond financing program (GRBs), Housing and Dining issued debt that was secured exclusively by their revenue sources. This approach resulted in a lower credit rating for those bonds and more restrictive external bond covenants. Over the last few years, WSU has refunded most of these legacy bonds to capture interest rate savings and also convert them into GRBs. GRBs generally have a higher rating and fewer external bond covenants.

The 2010B Housing and Dining bonds remain as non-GRB debt and are not refundable. Per historical files, these bonds were issued to support the renovation of Community/Duncan Dunn Residence Halls.

2010B Housing and Dining Bonds Rate Covenant:

The 2010B bonds are subject to a Rate Covenant that requires that the H&D System “produce Net Revenues in each fiscal year at least equal to the greater of (i) 125 percent of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) or (ii) amounts required to be deposited during such fiscal year from Net Revenues into bond funds and reserve funds established for Outstanding Bonds, but excluding from each of the foregoing, payments made from refunding debt and capitalized debt service (the “Rate Covenant”).”

If the Net Revenues fail to cover 125% of the debt service in the fiscal year, then the University must retain a consultant to make recommendations to the Board regarding rate, occupancy, etc. After

“the Board has taken the steps set forth in the Bond Resolution and the Net Revenues in the fiscal year in which adjustments are made nevertheless are not sufficient to meet the Rate Covenant, there shall be no default under the Bond Resolution during such fiscal year, unless the University fails to meet the Rate Covenant for two consecutive fiscal years.”

Given the lost revenue incurred attributable to COVID-19 and the move to remote instruction during FY2021, the Housing and Dining System will not meet the net revenue coverage portion of the Rate Covenant associated with the 2010B financing for FY2021.

WSU has engaged an external consultant to review the Housing and Dining system and present to the Board regarding rates, occupancy, etc. The consultant report will be provided to the Board. This action will also be detailed in the notes for the Housing and Dining financial statements and posted to the appropriate bond investor. In so doing, the Rate Covenant will be met for FY2021.

WSU and Housing and Dining Financial Staff are monitoring fiscal results for FY2022 closely to ensure that the net revenue coverage portion of the Rate Covenant is met for FY2022.

INFORMATION ITEM #4

Academic Year 2022-2023 Tuition Rates (Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Academic Year 2022-2023 Tuition Rates

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO

**SUPPORTING
INFORMATION:**

The COVID-19 pandemic has created significant challenges for students and for higher education institutions. There is an ongoing need to provide additional support services for students in a fiscally challenging environment. Early indications are that the University will see a drop in enrollment for the third straight year next year. These enrollment declines continue to constrain tuition revenues and the University has imposed budget cuts to offset these revenue declines. In addition, inflation rates have nearly doubled in recent years, and these cost increases are not covered by state appropriations.

A tuition rate increase is one means to lessen the need for deeper budget cuts next year due to continued declines in tuition revenue combined with cost increases.

State law authorizes the governing boards of the four-year higher education institutions to establish tuition and 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. The maximum increase for AY2022-2023 will be released by OFM later in the spring of 2022 and is expected to be 2.5% or greater.

WSU is planning to propose a 2.5% tuition increase for the 2022-2023 academic year for undergraduate, graduate and nonresident students for approval at the May 2022 Board of Regents meeting.

We recognize the impacts of tuition increases on students and their families. The Washington College Grant Program guarantees financial assistance for eligible resident undergraduate students.

While award amounts vary based on income and family size, the maximum award amount covers the full tuition amount, including these proposed increases if approved.

The presentation attached provides information on the trend of tuition increases over the past fifteen years. There is some benefit to communicating with students and their families regarding the tuition rates that they are likely to pay over the course of their education for planning purposes. More institutions are messaging that the tuition rates are likely to increase at a consistent rate to help families plan for the future.



WASHINGTON STATE
UNIVERSITY

Tuition Proposal Presentation



Stacy Pearson

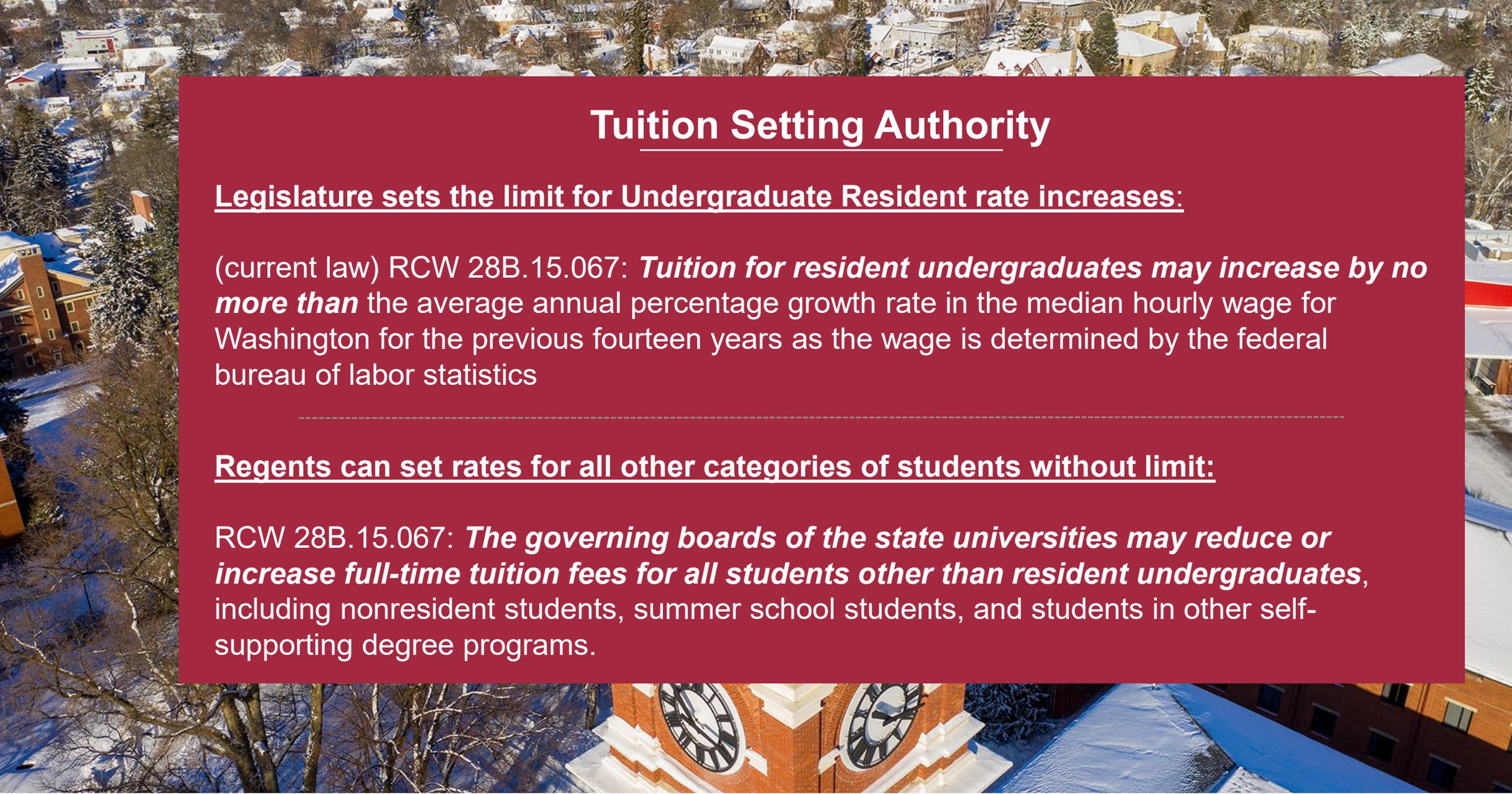
Vice President for Finance and Administration

January 20, 2021



Sections

- **Tuition Setting Authority**
- **Resident Undergraduate Rates**
- **Non-Resident Undergraduate Rates**
- **Graduate Resident Rates**
- **Non-Resident Graduate Rates**
- **Student FTE Data**
- **Justification for Increases**



Tuition Setting Authority

Legislature sets the limit for Undergraduate Resident rate increases:

(current law) RCW 28B.15.067: ***Tuition for resident undergraduates may increase by no more than*** the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics

Regents can set rates for all other categories of students without limit:

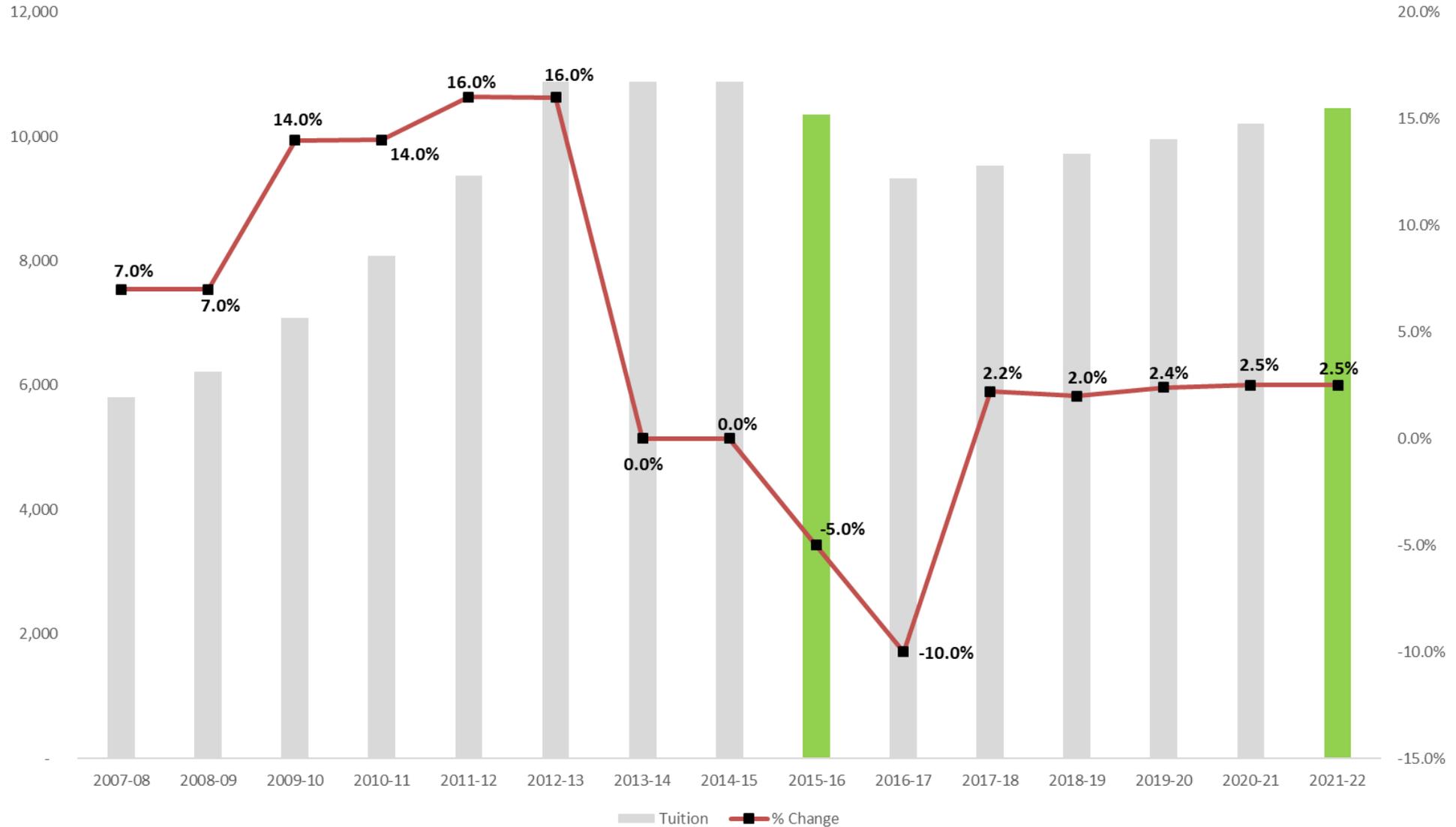
RCW 28B.15.067: ***The governing boards of the state universities may reduce or increase full-time tuition fees for all students other than resident undergraduates,*** including nonresident students, summer school students, and students in other self-supporting degree programs.

WSU Resident Undergraduate Tuition Rate Changes Compared to Maximum Allowed

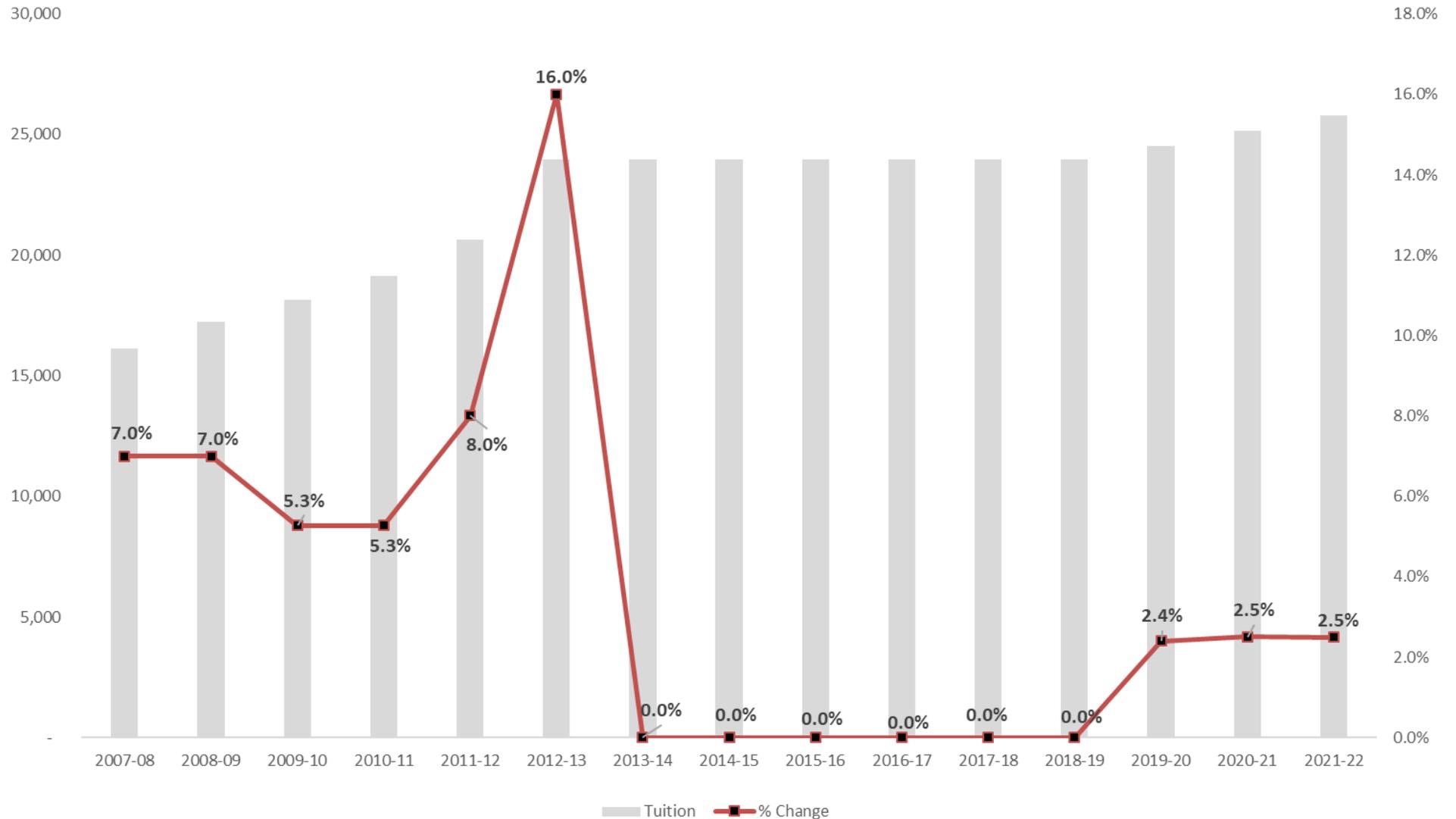
	Max Rate Allowed	WSU Increase
2017-18	2.2%	2.2%
2018-19	2.2%	2.0%
2019-20	2.4%	2.4%
2020-21	2.5%	2.5%
2021-22	2.8%	2.5%



Resident Undergrad Rates Academic Years 2007/08 – 2021/22

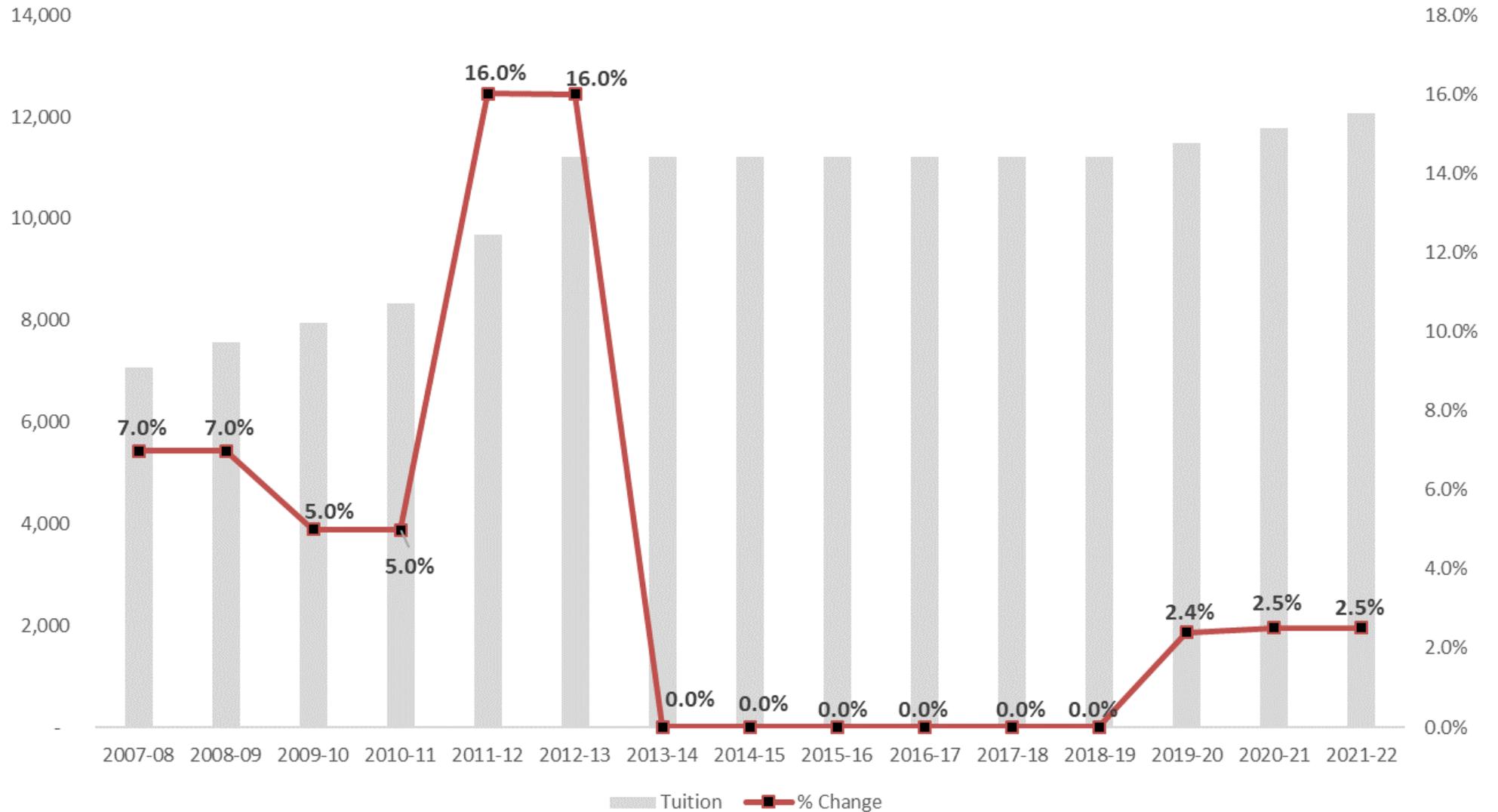


Non-Resident Undergrad Rates Academic Years 2007/08 – 2021/22



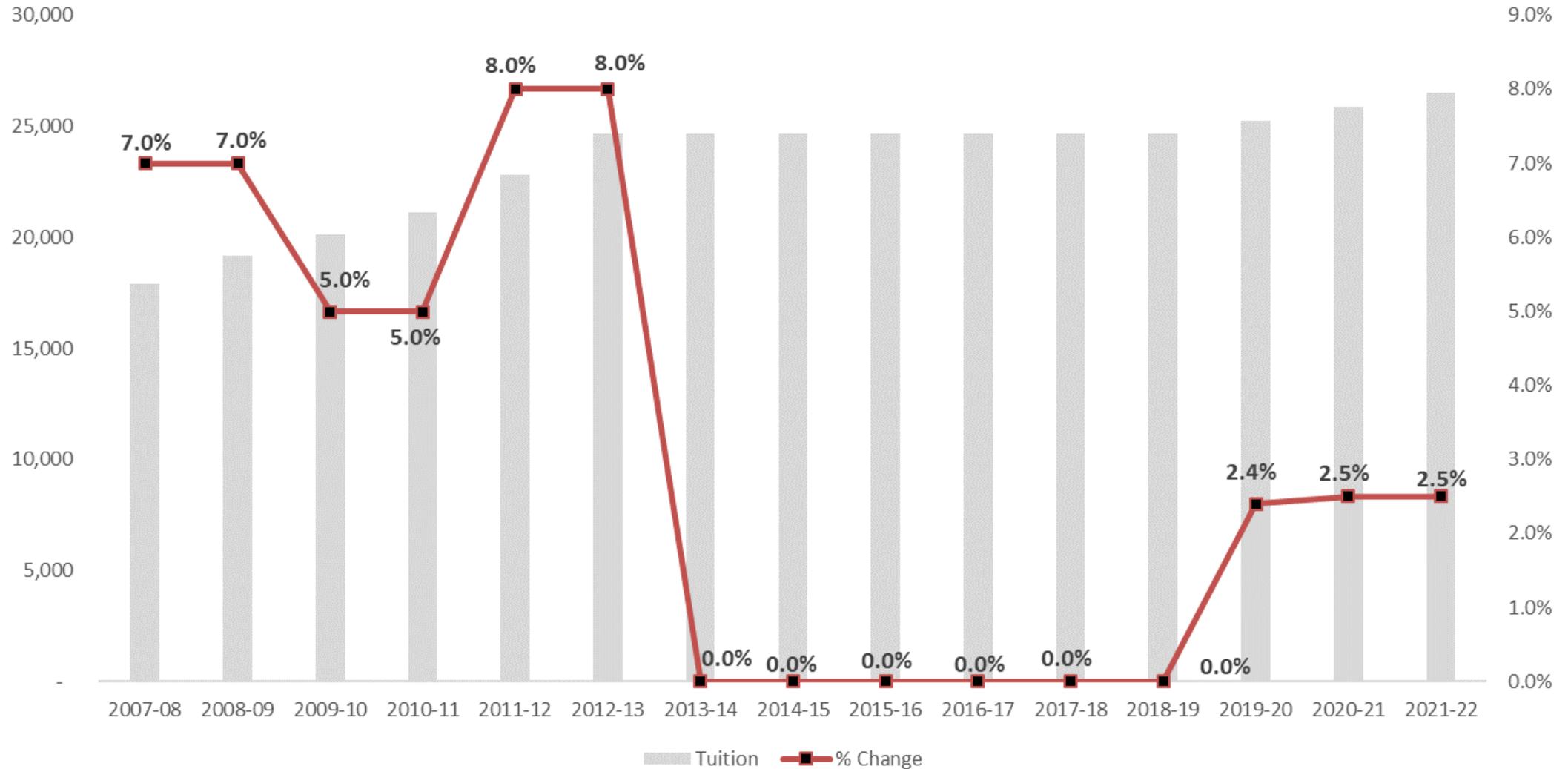
NR UGRD and GRAD tuition are about 25% of total tuition revenue

Resident Graduate Rates Academic Years 2007/08 – 2021/22



NR UGRD and GRAD tuition are about 25% of total tuition revenue

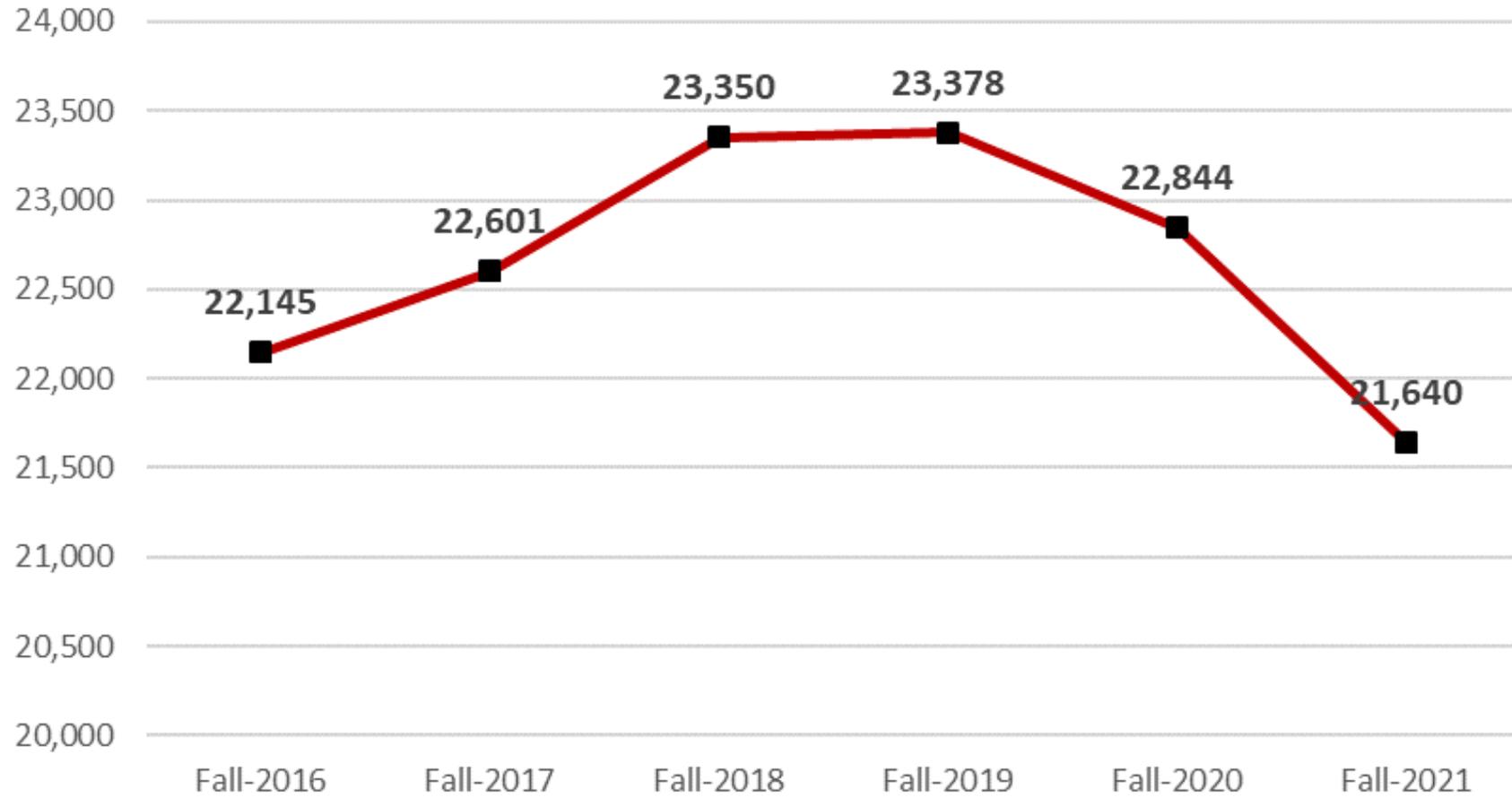
Non-Resident Graduate Rates Academic Years 2007/08 – 2021/22



NR UGRD and GRAD tuition are about 25% of total tuition revenue



Total Undergraduate FTE as of Fall Census



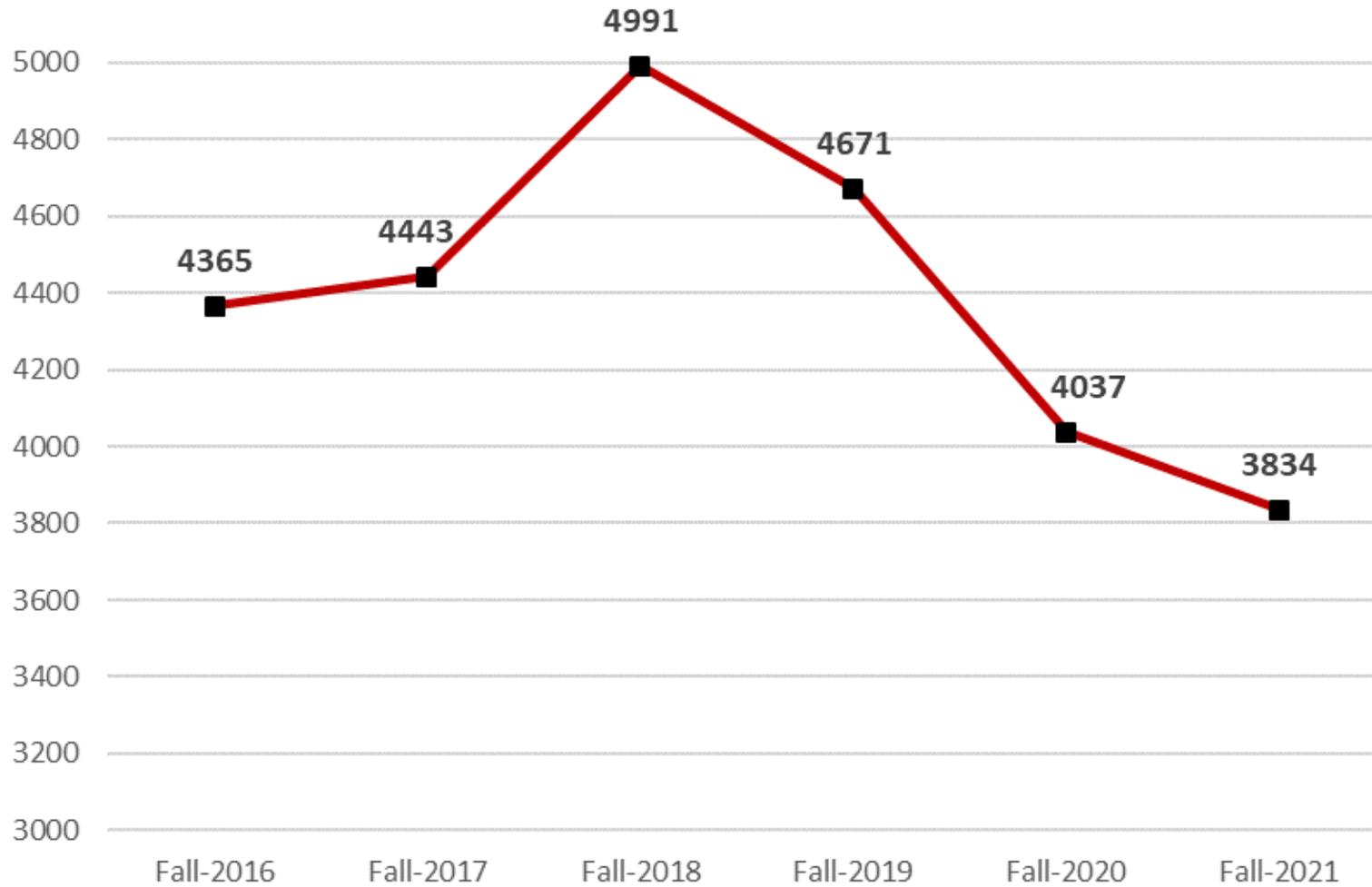
FY-2022 is the second straight year of decline in total UG FTE

Tuition rates for AY21-22 with proposed changes for AY22-23

Annual Tuition Rates	Current	Proposed	\$ Change	% Change
Undergraduate Resident	\$10,457	\$10,718	\$261	2.5%
Undergraduate Non-Resident	\$25,773	\$26,417	\$644	2.5%
Undergraduate Resident Global Campus	\$10,457	\$10,718	\$261	2.5%
Undergraduate Non-Resident Global Campus	\$11,699	\$11,991	\$292	2.5%
Graduate Resident	\$12,076	\$12,378	\$302	2.5%
Graduate Non-Resident	\$26,526	\$27,189	\$663	2.5%
Graduate Resident Global Campus	\$12,076	\$12,378	\$302	2.5%
Graduate Non-Resident Global Campus	\$12,076	\$12,378	\$302	2.5%



Freshmen FTE as of Fall Census



Freshman FTE show a steeper decline than total Undergraduate enrollment





Why Increase Tuition?

- Washington College Grant program guarantees financial assistance for eligible undergraduate resident students. Award amounts vary based on income and family size, the maximum award covers full tuition.
- State appropriations and tuition are the two primary funding sources for the operating budget. The state does not provide inflationary increases in appropriations, therefore increased costs for everything from minimum wage to maintenance and utility costs must be absorbed through other reductions or new tuition.
- In recent years the state budget assumes that new funding for incremental cost increases like benefit rates and wage increases are funded in part through tuition increases.



Discussion



ACTION ITEM #1

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

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Vancouver, Life Sciences Building, Request for Increase in Project Budget

PROPOSED: That the WSU Board of Regents approve an increase of \$2.7M in the project budget for the WSU Vancouver, Life Sciences Building and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project within the budgeted amount of \$59.8M.

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO

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

The University received \$500,000 for pre-design in 2017-19 state capital budget, \$4,000,000 for the design in the 2020 supplemental capital budget, and \$52,600,000 construction funding in 2021-23 state capital budget for a total project budget of \$57.1M. The original capital project request was approved by the Regents in May 2018.

Additionally, WSU has set a \$10 million fundraising goal as a top priority for the Life Sciences Building to add a greenhouse and to purchase specialized equipment for a vivarium and labs and nursing

classroom equipment. The project initially included a greenhouse, however, it had to be removed due to budget considerations. This fundraising effort will be achieved through system-wide partnerships with WSU Vancouver, the WSU Foundation, and the President and Provost offices. The greenhouse portion of the project is estimated to cost \$5.4M, with a shared commitment to raise the needed funding for the facility.

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

The project is currently scheduled for completion October 2023.

ATTACHMENT: Attachment A - Aerial Site

Attachment A



Board of Regents

WSU Vancouver, Life Sciences Building - Request for Increase in Project Budget and Delegation of Authority to the President

Resolution # 220121-649

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 an increase of \$2.7M in the project budget for the WSU Vancouver, Life Sciences Building and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project within the budgeted amount of \$59.8M.

Dated 21st day of January, 2022.

Chair, Board of Regents

Secretary, Board of Regents

ACTION ITEM #
WSU System Parking Rates and Fines
(Stacy Pearson/Bill Gardner/Chris Boyan)

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU System Parking Rates and Fines

PROPOSED: That the Board of Regents delegate authority to the President or designee to approve increases in parking rates and fines for all WSU campuses for each of one or more fiscal years up to certain limits defined in the table below:

Term Permit Rates

Annual, Semester, Qtr: May be increased up to an average of 10% across parking permit types.

Other Rates

Daily Permit Rates: May be increased up to \$2.00

Hourly Rates: May be increased up to \$.50

Eve/Weekend Rate: May be increased up to \$1.00

Event Rates: May be increased up to \$10.00

Recreational Vehicle Rate: May be increased up to \$50.00 per day

Parking Fines/Sanctions: May be increased up to \$50.00 or as defined by law, e.g., RCW

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO

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

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

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

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

Term Permit Rates

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

Board of Regents

WSU Parking System Rates and Fines

Resolution #220121-650

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 delegate authority to the President or designee to approve increases in parking rates and fines for all WSU campuses for each of one or more fiscal years up to certain limits as defined in the table below.

Term Permit Rates

Annual, Semester, Qtr: May be increased up to an average of 10% across parking permit types.

Other Rates

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Dated 21st day of January, 2022.

Chair, Board of Regents

Secretary, Board of Regents

WSU Pullman Five Year Parking Rate History

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

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

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

WSU Spokane Five Year Parking Rate History

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

Daily Parking Permit Rate History					
Permit Type	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Orange/Day	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00
Green	4.00	4.00	5.00	5.00	5.00
Pink/Visitor	6.00	6.00	7.00	7.00	7.00
Pink/Department	4.00	4.00	5.00	5.00	5.00
Pink/Code	4.00	4.00	5.00	5.00	5.00

Hourly Parking Rate History					
Location	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Orange	\$ 1.00	\$ 1.00	\$ 2.00	\$ 2.00	\$ 2.00
Green	1.00	1.00	2.00	2.00	2.00
Pink/Visitor	1.00	1.00	2.00	2.00	2.00
Pink/Department	1.00	1.00	2.00	2.00	2.00

WSU Vancouver Five Year Parking Rate History

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

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

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

AGENDA

BOARD OF REGENTS MEETING

Washington State University

Friday, January 21, 2022 – 8:00 am

- | | | |
|-------|--|----------------|
| I. | OPENING | <u>Section</u> |
| | <ul style="list-style-type: none"> A. Report from the Chair of the Board of Regents B. Report from the President C. Report from the Chancellor, WSU Everett | |
| II. | CONSENT AGENDA | |
| | <ul style="list-style-type: none"> A. Approval of Minutes – November 19, 2021 Board of Regents Meeting B. Discontinue the Bachelor of Arts in Interior Design at WSU Spokane | |
| III. | REPORTS FROM SHARED GOVERNANCE GROUPS | Reports |
| IV. | STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT | |
| | <ul style="list-style-type: none"> A. Action Items: <ul style="list-style-type: none"> 1. Proposed Update to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy SO-4 2. Facility Name Recommendation – Athletic Indoor Practice Facility Naming SO-5 | |
| V. | STUDENT AFFAIRS AND STUDENT LIFE COMMITTEE REPORT | |
| VI. | RESEARCH AND ACADEMIC AFFAIRS COMMITTEE REPORT | |
| VII. | FINANCE AND COMPLIANCE COMMITTEE REPORT | |
| | <ul style="list-style-type: none"> A. Action Items: <ul style="list-style-type: none"> 1. WSU Vancouver, Life Sciences Building – Request for Increase in Project Budget F-5 2. WSU System Parking Rates and Fines F-6 | |
| VIII. | OTHER BUSINESS | |
| IX. | PUBLIC COMMENT PERIOD | |
| X. | ADJOURN | |

MINUTES
Board of Regents
November 19, 2021

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 19, 2021, at WSU Vancouver, in Vancouver, Washington.

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

I. OPENING

A. Report from the Chair of the Board of Regents. Chair Dickinson called the meeting to order. Chair Dickinson acknowledged Regent Schoettler attending the meeting remotely via Zoom.

Chair Dickinson reported the Regents had very productive meetings the day before and thanked Chancellor Mel Netzhammer for hosting the Regents. She further reported the discussions during the Strategic and Operational Excellence Committee were outstanding and thanked Chancellor Mel Netzhammer, Associate Vice Chancellor for Equity, Diversity and Inclusion Obie Ford III, Vice Chancellor for Research and Graduate Education Christine Portfors, and Vice Chancellor Spokane Celestine Barbosa-Leiker for their presentations.

Chair Dickinson reported the Regents had participated the day before, November 18, in a groundbreaking ceremony for the new WSU Vancouver Sciences Building. She thanked Washington State Representative Sharon Wylie, Senator Dave Frockt, and the WSU Vancouver community for their support of the project and their attendance at the groundbreaking.

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

B. Report from the President of the University. President Schulz welcomed the audience and the Regents to Vancouver and provided the following updates:

WSU COVID-19 Vaccination Rates – President Schulz reported WSU System Employee and Student COVID-19 Vaccination rates continue to be excellent at 94% and 87.3%, respectively. He said he appreciated how seriously faculty, staff, and students had taken getting vaccinated and commented that this had allowed WSU to keep positive cases on campus extremely low throughout the semester.

WSU to Lead \$125 Million USAID Project – President Schulz reported that WSU was chosen to lead a \$125 million USAID research grant. He said WSU will partner with 12 countries in Africa, Asia, and Latin America to conduct large-scale animal surveillance programs to safely detect and

characterize unknown viruses. President Schulz said the grant represents the largest research grant in the University's history WSU will be taking the lead on predicting and preventing the next pandemic.

WSU Brand Evolution – President Schulz reported Vice President for Marketing and Communications Phil Weiler and his team have finished work and have begun rolling out a complete WSU brand refresh. President Schulz said the refresh brings consistency to the look and modernizes the brand. The refresh is not a radical change but rather a set of standards that will consistently be used across the system.

2021 Town Hall Meetings – President Schulz reported that he and Provost and Executive Vice President Elizabeth Chilton have been hosting the fall 2021 Town Hall meetings. He said this year, as the focus moves away from COVID-19, the majority of concerns addressed center around budget and staffing.

C. Report from the WSU Vancouver Chancellor. Chancellor Mel Netzhammer welcomed the Regents and the audience to Vancouver. He thanked his staff for all their efforts in hosting the Regents on campus and conducting the groundbreaking ceremony for the new WSU Vancouver Sciences Building the day before. Chancellor Netzhammer said yesterday during committee meetings Regents had an opportunity to discuss equity work being done at WSU and that he would like to share time during his report with his colleagues who are leading that work on the WSU Vancouver campus. He introduced Assistant Vice Chancellor for Strategic Partnerships Narek Danielyan and Associate Vice Chancellor for Equity, Diversity, and Inclusion Obie Ford III, who provided brief presentations to the Regents. Chancellor Netzhammer further provided updates on WSU Vancouver's COVID-19 efforts, enrollment, and strategic planning.

II. CONSENT AGENDA.

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

- A) Approval of Minutes – September 17, 2021 Board of Regents Meeting
- B) Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct

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

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

IV. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT. Regent Dickinson, filling in as chair of the Strategic and Operational Excellence Committee for Regent Schoettler, reported the Committee reviewed one Action Item and submitted the following for the Board's consideration:

2023 Board of Regents Meeting Schedule

It was moved and seconded that the Board of Regents adopt resolution #211119-647 and approve the 2023 Board of Regents Meeting Schedule as proposed. Carried. (*Exhibit B*)

VI. STUDENT AFFAIRS AND STUDENT LIFE COMMITTEE REPORT. Regent Cerna reported the Committee reviewed a presentation on System-wide Mental Health Support for Students and the Washington Student Achievement Council Grant provided by Interim Vice President for Student Affairs Ellen Taylor and Dean of Students and Associate Vice President for Campus Life Jill Craighton.

V. RESEARCH AND ACADEMIC AFFAIRS COMMITTEE REPORT. Regent Powell reported the Committee reviewed and discussed items approved by the President under delegated authority and an Academic Affairs Update presentation on high-impact practices for student success presented by Senior Vice Provost Laura Griner Hill. Regent Powell further reported the Committee reviewed and discussed an Office of Research Update provided by Vice President Chris Keane and the Director of the Paul G. Allen School for Global Health, Dr. Tom Kawula.

VII. INSTITUTIONAL INFRASTRUCTURE COMMITTEE REPORT. Regent Redman reported the Committee reviewed and discussed two presentations. She said the first presentation – Athletic Capital Projects was presented by Vice President for Finance and Administration & CFO Stacy Pearson and Athletic Director Pat Chun. She reported the second presentation was a focused discussion on WSU Digital Infrastructure presented by Vice President for Strategy, Planning, and Analysis and Chief of Staff Christine Hoyt, Vice President for Information Technology and CIO Sasi Pillay, and Executive Director of Institutional Research Fran Hermanson.

VIII. FINANCE AND COMPLIANCE COMMITTEE REPORT. Regent Schauer reported the Committee heard and discussed two Information Items: (1) Athletic Budget Update presented by Athletic Director Pat Chun and a Chief Compliance and Risk Officer Report presented by Associate Vice President, Chief Compliance and Risk Officer Sharyl Kammerzell and two Future Action Items; and (2) WSU Vancouver, Life Sciences Building – Request for Increase in Project Budget and Proposed Change to Delegation of Authority for Parking Rates and Fines Presented by Vice President for Finance and Administration & CFO Stacy Pearson. Regent Schauer further reported the Committee reviewed two Action Items: (1) Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct presented by Vice President for Finance and Administration & CFO Stacy Pearson; and (2) 2022 State Supplemental Operating Budget Request presented by Vice President Pearson and Vice President for External Affairs and Government Relations and Chief Legislative Officer Colleen Kerr. She said after committee discussion, this Action Item - Revision to WAC 504-31-020 Conduct on Campus Code – Prohibited Conduct was moved to the Consent Agenda for Regent approval and submitted the following for the Board’s consideration:

2022 State Supplemental Operating Budget Request

It was moved and seconded that the Board of Regents adopt Resolution #211119-648 and approve the 2022 Supplemental Operating Budget Request and further delegate authority to the President to approve changes or adjustments that may be needed before the final submission is presented to the Office of Financial Management as proposed. Carried. (*Exhibit C*)

X. OTHER BUSINESS. Chair Dickinson reported the Regents met in Executive Session on November 18 with legal counsel to discuss pending or potential litigation involving the University. Chair Dickinson reported the Board would not be taking any action related to those discussions.

XI. PUBLIC COMMENT PERIOD. WSU Students Ryan Culp and Mason Burns provided public comments regarding divestment in fossil fuels, and Brenda Alling provided public comments regarding the importance of financial literacy and student success.

XII. ADJOURNMENT. The meeting adjourned at 10:30 a.m.

Approved by the Board of Regents at its meeting held January 21, 2022.

Chair, Board of Regents

Secretary, Board of Regents

November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Foundation Regents Report

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

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

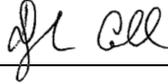
- As of November 5, 2021, generous alumni, friends, and corporate partners have made \$44,300,909 in total philanthropic commitments to the WSU Foundation during Fiscal Year 2022 (July 1, 2021—June 30, 2022) for the benefit of WSU campuses, colleges and programs. This represents a 6.62 percent increase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



DATE: November 19, 2021

TO: All Members of the Board of Regents

SUBJECT: Faculty Senate Report

SUBMITTED BY: Douglas Call, Chair 

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

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

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

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



STUDENT GOVERNMENT

DATE: November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: ASWSUV Report

SUBMITTED BY: Armando Antonino, President

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

Strategic Plan

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

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

Civic Engagement

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

Changing Community's around Washington State

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

Keeping Cougs Safe

Cougs help Cougs and ASWSUV has focused on supporting the health of our communities amid returning to campus. Our student leadership shared the concerns and needs of our students to campus administrators around health operations through memorandums detailing policy recommendations. ASWSUV supported the communication processes of timely information around COVID-19 and campus protocols such as vaccine mandates and exemption procedures to our students. ASWSUV has one goal: to better the lives of our students through advocacy, and as such, our student leadership will stop at nothing to accomplish this goal.



WSU Student Government Council Executive Summary

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

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

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

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

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

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

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



WSU Student Government Council 2021-2022 State Legislative Priorities

Rural Broadband

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

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

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

Anti-Hazing Bill on Legislative Agenda

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

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

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

Mental Health Resources on Legislative Agenda

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

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

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

Expanding the Washington College Grant

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

Undocumented Student Worker Compensation

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

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

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



WSU Student Government Council 2021-2022 Federal Legislative Priorities

Rural Broadband

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

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

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

Pell Grant Expansion

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

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

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

SNAP Expansion

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

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

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

American Dream and Promise Act + Student Compensation

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

We believe this bill should have a spot on the SGC legislative agenda, because our undocumented students on all WSU campuses across the system deserve to have leadership advocating for their permanent residency status. While undocumented students can apply for

WAFSA and are able to receive financial aid through the Washington College Grant, they are unable to apply for the Pell grant, be eligible for Federal Work Study, or receive Federal Direct Student Loans. In general, DACA students are also unable to receive Federal Student Aid at all. If students are able to claim permanent resident status, this would open the door for these students to be able to receive federal student aid and support their college experience. By advocating for our undocumented students, we take an equitable approach to serving our student body in an authentic and appropriate manner

DATE: November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Graduate Student Association at Vancouver Report

SUBMITTED BY: Samantha Bussan, President

History

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

Structure

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

Accomplishments

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

Goals and objectives

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



November 19, 2021

To: All members of the Board of Regents
Subject: Administrative Professional Advisory Council Report
Submitted by: Anna McLeod, APAC Chair
Presented by: Anna McLeod, APAC Chair

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

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

November 19, 2021

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Alumni Association Progress Report

SUBMITTED BY: Shelly Spangler, WSUAA President 2021-2022
Tim Pavish, WSUAA Executive Director

The Best of the Best Recognized Through WSUAA Awards Program

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

Top Ten Seniors Awards

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

Honorary Alumnus/a Award

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

Cougar Pride Award

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

Alumni Achievement Award

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

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

ACTION ITEM #1

2023 Board of Regents Meeting Schedule (Kirk Schulz)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Establishment of the 2023 Board of Regents Meeting Schedule

SUBMITTED BY: Kirk H. Schulz, President

PROPOSED: That the Board of Regents approve the schedule for the 2023 Board of Regents Meetings; and delegate authority to the President of the University or his designee to select and designate appropriate meetings places, establish meeting times, establish the agenda and prepare agenda items, dispatch all official notices to meet the state Open Public Meetings Act or other notice requirements, publish minutes and maintain records of meetings, and take other necessary action as required for the orderly conduct of Board Meetings.

SUPPORTING INFORMATION: Proposed meeting dates are as follows:

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

BOARD OF REGENTS
2023 Board of Regents Meeting Schedule

Resolution #211119-647

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

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

BE IT FURTHER RESOLVED that pursuant to RCW 28B.10.528, authority is hereby delegated to the President of the University or his designee to select and designate appropriate meeting places, establish meeting times, establish the agenda and prepare agenda items, dispatch all official notices to meet the state Open Public Meetings Act or other notice requirements, publish minutes and maintain records of meetings, and take other necessary action as required for the orderly conduct of Board meetings.

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

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

DATED this 19th day of November, 2021.

Chair of the Board of Regents

Secretary of the Board of Regents

ACTION ITEM #2

2022 State Supplemental Operating Budget Request (Stacy Pearson/Colleen Kerr)

November 19, 2021

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: 2022 State Supplemental Operating Budget Request

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

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

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

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

1. Compensation

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

Request amount: \$9,365,000 - FY23.

2. Cybersecurity Program

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

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

Request amount: \$4,448,000 – FY23

3. Pharmacy Residency Program

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

Request amount: \$341,000 - FY23

4. Collective Bargaining Agreements

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

Request amount: \$235,000 – FY23

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

Due to an oversight and timing, a 2022 Supplemental Operating Budget Request was submitted to the state Office of Financial Management in Spetember; however, Regents' approval of the

request is required. The request can be amended if there are changes or corrections recommended by the Regents.

BOARD OF REGENTS
2022 Supplemental Operating Budget Request

Resolution #211119-648

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

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

DATED this 19th day of November, 2021.

Chair, Board of Regents

Secretary, Board of Regents



WASHINGTON STATE UNIVERSITY
FOUNDATION

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Foundation Regents Report

SUBMITTED BY: Mike Connell, Vice President of WSU Advancement &
CEO, Washington State University Foundation

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

- As of December 31, 2021, generous alumni, friends, and corporate partners have made \$72,886,266 in total philanthropic commitments to the WSU Foundation during Fiscal Year 2022 (July 1, 2021—June 30, 2022) for the benefit of WSU campuses, colleges and programs. This represents a 30.4 percent increase over the same period one year ago.
- Of that total, outright gifts and new pledges university wide for FY2022-to-date topped \$44,294,189—an increase of 63.6 percent over the same period one year ago.
- This represents the strongest philanthropic activity over the first half of a fiscal year since the final year of *The Campaign for Washington State University: Because the World Needs Big Ideas* in FY2015.
- The WSU Foundation's endowment value continued to grow through the first five months of FY2022 to \$675.8 million as of November 30, 2021, representing a 12-month return of 20.2 percent.
- WSU Advancement has begun its strategic planning process to create a ten-year road map for WSU Advancement, which will include fundraising, engagement, and operational excellence pillars supported by measurable goals and tactics. This new roadmap, which we aim to be delivered by June 30, 2022, will define WSU Advancement and will move the organization to new levels of success in providing philanthropic support to and meaningful engagement across the WSU System. The Advancement Strategic Plan will be aligned with WSU's System Strategic Plan, which was approved by the Board of Regents in June 2020.
- The next meeting of the WSU Foundation Board of Directors will be February 16-18, 2022, in Scottsdale, Arizona. The WSU Foundation will host its Spring Meeting and Recognition Gala will be April 21-22, 2022, in Seattle, Washington.



January 21, 2021

TO: All members of the Board of Regents
SUBJECT: Faculty Senate Report
SUBMITTED BY: Douglas Call, Chair
PRESENTED BY: Douglas Call, Chair

The 2022 Faculty Senate is pleased to report the following:

1. During the December 9th meeting, the Faculty Senate approved a proposal to revise Academic Policy 38b during the 2021-2022 academic year. The proposed revision, which came from the Provost's Office and was reviewed in depth by the Academic Affairs Committee, was motivated by evidence that a number of Freshman students might have performed poorly during the fall semester owing to pandemic-related issues.

Regulation 38b states that "First-time, first-year undergraduate students are recessed from the University after their first term of enrollment if their semester grade point average is below 1.0. Individuals are recessed from the university for one full semester (Fall or Spring)." This policy serves as a useful time out for students who might need to sort out issues before continuing to move forward with their educational careers. In the context of the pandemic, however, it automatically locks at-risk students out of WSU after their first semester and cuts off access to critical academic and student support programs at times when they are needed most.

The approved proposal suspends the process of automatically recessing students who fall below a 1.0 first semester GPA. In lieu of recession, the Provost's Office will field a team of individuals from academic and student affairs offices to establish a high-touch approach to help retain these first-year students by helping them move past the barriers that are impeding their academic progress. This is essentially a full-court press to help these students succeed with their academic careers. The Faculty Senate urged the Provost's Office to carefully track the successes and failures of this effort, so we are better positioned to understand what may or may not work in the future.

2. On December 9th, Provost Elizabeth Chilton and Vice President for Finance and Administration, Stacy Pearson, presented a report from the Executive Budget Council. The presentation focused on the types of system-level budget models that have been evaluated and the rationale for focusing on a customized responsibility-centered management model. As this work continues in the spring semester, both the Provost and VP will return with a

second report for the Faculty Senate on March 3rd, and other meetings may be arranged for more in-depth discussions.

3. The Faculty Executive Committee met with President Schulz and Provost Chilton on December 14th to discuss several topics including the potential that some units are relying excessively on perennial one-year employment contracts for career-track faculty, concerns about administrative overhead, and follow up discussions about the report from the Executive Budget Committee. As always, these discussions are focused on identifying supporting data and solving problems with strong follow-up from the administrative staff in both the President's and Provost's offices.
4. Thanks to the efforts by Faculty Senate Chair Elect Christine Horne, Faculty Senate Executive Secretary Matt Hudelson, and Principal Assistant Anna Schilter, we are implementing a new system for soliciting and staffing Faculty Senate committees this spring. The goal is to provide a transparent mechanism that allows for the widest possible representation and participation across the WSU system. This replaces the traditional mostly *ad hoc* model that necessarily limited participation to network contacts.



DATE: January 6, 2022

TO ALL MEMEBERS OF THE BOARD OF REGENTS

SUBJECT: ASWSU Everett Report

SUBMITTED BY: Patrick Freiling, ASWSU Everett President

Greetings, Board of Regents members! I am very excited to share a report of ASWSU Everett with all of you. In this report, I will be discussing some of ASWSU Everett's proudest accomplishments, as well as some challenges that ASWSU Everett has encountered over the last semester.

ACCOMPLISHMENTS:

The Director of Legislative Affairs for WSU Everett has been accepted to work in Olympia as a Washington State Legislative Intern. This will be an excellent opportunity for her to demonstrate her skills as a leader, and everyone at WSU Everett is very proud of her achievement.

ASWSU Everett offers a program wherein students can acquire an ORCA card bus pass at no expense. This greatly assists students who typically arrive to campus each day via public transportation, of which there is quite a large population, since WSU Everett is a commuter campus. This program has been very popular this last semester as students have returned to campus after a long pause due to COVID-19 lockdown.

CHALLENGES:

Almost all students would like to see improvements in the state of student life at WSU Everett. Because of the limitations imposed by the size of the campus, there are no dedicated rooms or facilities for students to comfortably study or relax. Procurement of nearby land is something that has been discussed in the past as a solution to this issue, and it is actively being sought by administrators.

There is currently only one academic advisor that works at WSU Everett; however, there are many different programs being offered. This means that the majority of students at WSU Everett must contact advisors from other WSU campuses remotely in order to receive academic advising. Furthermore, the process of hiring new academic advisors is extremely cumbersome, as administrators in Pullman handle this on Everett's behalf.

ASWSU Everett would like to thank all members of the Board of Regents for supporting WSU Everett as it grows. With your assistance, we hope that we our challenges can be overcome!

Date: January 14, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: GPSA Report

SUBMITTED BY: Reanne Chilton, GPSA President

On behalf of GPSA, I would like to thank the Board of Regents for your continued support of WSU graduate and professional students. It is with great pleasure that I report the following:

Support & Representation: This semester has been an adjustment for all of us, but many students are eager for opportunities to connect with each other and engage in ways that have been more challenging the last two years. The GPSA has worked hard to get creative with our funding allocations in order to support our students in new and beneficial ways. We've continued to expand our presence across university and community groups, to make sure students voices are heard and concerns being addressed.

Key Efforts:

- **Programming:** We are finding that now, more than ever, students are in need of social connections. GPSA has focused this semester on trying to offer a mixture of in-person and virtual social programming events. The GPSA Programming Committee hosted 7 events in the fall with dozens of students participating and are planning another 5 events this spring including a new book club!
- **Professional Development Initiative (PDI):** The PDI had another outstanding year even in the new virtual world. This program put on 17 total events for this semester with over 200 people attending. Some key workshops included: "Women Don't Ask: Negotiation and the Gender Divide; alumni panel discussions on: academic careers, corporate careers, and diverse career paths; a teaching workshop entitled, "You're a Teaching Assistant: Congratulations! Now what?"; "How to Write Proposals that get Funded and Papers that get Cited"; and many more.
- **RSO Funding:** All students are currently struggling to find engagement opportunities during this isolation experience. GPSA has provided over \$24,000 this semester to helping fund 17 graduate student organizations which are aiming to improve the student experience.
- **Dissertation Grants:** Our Dissertations grants have continued to grow this year. We have received 15 applications this semester and have awarded over \$5,000 to help graduate students in their final year finish up their research. Already, we have received very positive feedback on this resource as many students struggle with last minute costs which may hinder their ability to graduate.
- **Awards and Scholarships:** There are so many students deserving of recognition and awards and it is our pleasure to be able to highlight students who exemplify the best of the Cougar community. Applications are open now for our GPSA Excellence awards in which we will recognize students nominated for their exemplary teaching, research, leadership, and service. Additionally, our GPSA Research Exposition is scheduled for this Spring, where students compete to be awarded for their research poster presentation.
- **Travel Grants:** A key part of the graduate student experience is attending conferences in order to present research, network, and receive feedback. Not only have we been able to return to offering travel grants for in-person travel, we retained our expanded program to help provide funds to graduate students who may no longer be able to travel but have opportunities for professional and academic development in other areas. This includes virtual conference registration, online certification programs, second-language programs, and many more, with GPSA already funding over \$15000 this semester to our students.



January 21, 2021

To: All members of the Board of Regents
Subject: Administrative Professional Advisory Council Report
Submitted by: Anna McLeod, APAC Chair
Presented by: Anna McLeod, APAC Chair 

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

1. Opportunity and Growth

The APAC focus for the remainder of the academic year will be resilience centered. We look forward to bringing our WSU community together to share ideas and strategies to support each other during this time of opportunity.

2. AP Survey Results and Data Request

The executive summary of the APAC Strategic Planning Survey is pending release. The survey's purpose was to inform APAC of how the council can support AP's across the system. A summary along with the strategic plan and action steps will be shared in mid-late January.

3. APAC Meeting Structure

Moving forward for the remainder of the academic year, APAC meetings will be shortened in length and include a variety of delivery modalities to increase constituent accessibility and engagement.

January 21, 2022

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Alumni Association Progress Report

SUBMITTED BY: Shelly Spangler, WSUAA President 2021-2022

Title IX at 50

On March 4, 2022, the WSUAA will host the second annual Women's Leadership Summit. The virtual event will focus on the 50th anniversary of Title IX, which prohibits sex-based discrimination in any federally funded education program. The summit will explore *How Far We've Come: A Reflection on the Impact of Title IX*. WSU First Lady Dr. Noel Schulz will join attorney and WSUAA Past President Jane Yung, legendary WSU women's basketball coach Dr. Sue Durrant, and other inspiring alumnae, faculty, and student panelists who will share their Title IX experience. Attendees will participate in a Q&A session with Dr. Schulz and the panelists.

15 Years of Causing Wine Club Envy

The Wine-By-Cougars Wine Club just celebrated its 15th year. Between 2006 and 2021, the official wine club for Cougs featured over 150 Cougar-connected wineries and has more than 725 members across the United States. WBC celebrates the impact WSU and WSU alumni have on the wine industry. The renowned Cougar Collectors' Series is another creative program of the WSUAA and a WBC sibling. We are pleased to announce that Basalt Cellars will create Cougar IX, the next installment in the series. Basalt Cellars, founded by Cougs Rick Wasem and Lynn DeVleming, produces bright, exceptional wines, so you can expect Cougar IX to wow Cougar Nation. The Cougar Collectors' Series generates funds to support WSUAA initiatives and Viticulture & Enology and Wine Business Management scholarships for deserving WSU students. WBC is also excited about its "Women in Wine" March shipment. March 4 is the WSUAA's Women's Leadership Summit, March 8 is International Women's Day, and March 28 is National Women in Wine Day. WBC is taking the opportunity to showcase wines from four outstanding WSU alumnae who are reshaping the wine industry. WBC is honored to support and promote their extraordinary work. Cheers to that!

Amazing What 18 Years of Hard Work Can Do

Speaking of cheers, please raise a (metaphorical) glass to Tim Pavish. He is retiring at the end of February 2022 after 18 years at the helm of the WSUAA. Under his direction, the WSUAA's accomplishments are nothing short of amazing. Tim's innovative and forward-looking leadership fueled the Association's many achievements. The WSUAA more than tripled the number of members (from 13,000 to over 43,000), increased alumni-engagement programming by 6X, doubled the number of Cougar plates on the road, the WSUAA was cited as the single largest source of new donors to the last campaign, launched myriad ground-breaking programs, awarded an impressive number of student scholarships, and achieved 18 years of balanced budgets and clean audits. Of course, Tim credits the WSUAA staff for the many astounding feats. Together, they firmly positioned the WSUAA as one of the university's most innovative, cost-effective, and productive units. The WSUAA that Cougs know and love today was built, in large part, under Tim's leadership. And yet, his extraordinary list of achievements says nothing of the hundreds of volunteers he has inspired, the staff he led, the academic units he supported, and the lives of countless Cougs that he touched during his time as executive director of the WSUAA. In addition to his WSUAA duties, Tim was tapped by WSU several times over the past 18 years to use his marketing experience to lead efforts for University Relations, WSU Foundation, and Athletics. Tim has always put WSU first. He truly personifies the WSU spirit and what it means to be a Cougar. Tim will be actively engaged in the transition and then continue his involvement with WSU as a volunteer, donor, fan, and proud alumnus.

ACTION #1

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

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed update to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy

PROPOSED: That the Board of Regents approve the proposed update to the WSU Foundation Consolidated Endowment Fund Investment Policy Statement and Spending Policy as adopted by the WSU Foundation Board of Directors on October 21, 2021 (Resolution 10-21-2021-03).

SUBMITTED BY: Mike Connell, Acting Vice President of WSU Advancement; CEO WSU Foundation

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

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

Revisions were made to the Investment Policy Statement to update fiduciary language associated with the governance restructure of the

WSU Foundation boards; updates to WSU and WSU Foundation staff titles; clarification of committee name(s); and general grammatical and/or formatting changes. The following sections include such revisions:

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

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

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

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

PURPOSE:

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

ESTABLISHMENT:

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

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

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

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

COMPOSITION:

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

COMMITTEE CHAIR:

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

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

STAFF:

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

QUORUM/VOTING:

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

MEETINGS:

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

EXECUTIVE SESSION:

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

CONSULTANTS:

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

RESPONSIBILITIES:

Investment Management and Investment Policy Oversight:

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

Reporting:

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

Risk Management:

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

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

Charter and Policy Review:

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

AUTHORITIES & LIMITATIONS:

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

Washington State University Foundation
Consolidated Endowment Fund

~~Charter &~~ Investment Policy Statement and Spending Policy

(Draft [11/1808/2021](#))

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1. Purpose and Background

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

BACKGROUND:

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

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

The Washington State University Foundation Consolidated Endowed Fund Investment ~~Charter and~~ Policy Statement and Spending Policy applies to WSU Foundation assets held as endowments as well as University endowed assets entrusted to the WSU Foundation for investment management under the Agreement. These endowed assets are managed by the WSU Foundation as part of the Washington State University Foundation Consolidated Endowment Fund

(Fund). The Fund is an institutional fund (as that term is defined in RCW 24.55.010(4)). There are two components to the Fund, reflecting the sources of the Fund's corpus:

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

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

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

COMPOSITION/APPOINTMENT/~~TERMS~~REPORTING:

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

~~Services~~ of the WSU Foundation or their designee are ex officio members of the Investment Committee. ~~The Chair can serve one additional two-year (2-year) term upon approval by the Chair of the Board of Directors. Members whose terms have expired, may serve until a successor is appointed.~~ The Committee Chair must be a Director. The Chief Financial Officer Sr. Associate Vice President of Finance, Operations and Services of the WSU Foundation or their designee serves as Secretary to the Committee. Investment policy and guidelines, as well as performance against benchmarks shall be reported by the Committee Chair, at least quarterly, to the Board of Directors, and the Board of Regents of the University and University administration.

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

2. Allocation of Responsibilities

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

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

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

2.1.1 Directors WSU Foundation

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

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

2.1.2 Regents WSU

The Regents' responsibilities are to:

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

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

2.2 WSU Foundation Investment Committee

2.2.1 Duties

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

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

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

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

2.3 Chair of the Committee

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

The Chair is responsible for the following duties:

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

2.4 WSU Foundation CFO ~~Snr. Associate Vice President of Finance, Operations and Services~~ or ~~Secretary of the Committee~~

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

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

2.5 Custodian Bank

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

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

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

2.6 Investment Managers

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

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

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

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

2.7 Investment Consultant

The Investment Consultant is responsible for the following:

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

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

3. Investment Objectives

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

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

3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

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

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

3.2 Investment Strategy Objectives

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

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

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

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

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

3.3 Domestic Equities

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

3.4 International Equities

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

3.5 Alternative Assets – Private Equity

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

3.6 Alternative Assets - Hedge Funds

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

3.7 Alternative Assets – Real Assets

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

3.8 Inflation Protected Fixed Income

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

3.9 Fixed Income

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

4. Policy Guidelines

4.1 Spending Policy/Rebalancing/Cash Flow Management

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

4.2 Spending Policy

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

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

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

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

4.3 Rebalancing/Cash Flow Management

Rebalancing and cash flow management will be made in amounts and proportions intended to preserve the asset allocation targets set forth in [attached Appendix A, below](#).

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

4.4 Usage of Derivatives

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

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

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

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

4.5 Proxy Voting

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

4.6 Securities Lending

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

4.7 Cougar Investment Fund

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

4.8 Conflicts of Interest

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

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

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

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

5. Monitoring of Objectives

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

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

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

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

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

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

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

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

6. Communications and Reporting

6.1 Chair of the Committee

Annually, the Chair will:

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

6.2 WSU Foundation Staff

Promptly after adoption or approval, Staff will:

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

6.3 Investment Managers

Immediately, each investment manager will report, in writing:

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

Quarterly, each investment manager will:

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

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

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

6.4 Investment Consultant

On a quarterly basis:

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

On an annual basis:

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

7. Evaluation and Review

7.1 Evaluation

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

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

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

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

~~7.2 Meetings~~

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

~~inspection at the registered office of the WSU Foundation for all members of the Board of Directors, promptly following any Investment Committee meeting.~~

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

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

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

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

7.3 Authorities & Limitations

~~11-18-18: Resolution AA-BB-CC-DD Updates the Committee Charter.~~

9-26-13: Resolution 9-26-13-03 Updates the Committee Charter.

10-20-11: Resolution 10-20-11-03 Updates the Committee Charter.

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

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

APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	50%	60%
U.S. Equity	12%	15%	18%
International Equity	16%	20%	24%
Private Equity	12%	15%	18%
Risk Reduction Assets	24%	30%	36%
U.S. / Global Fixed Income	8%	10%	12%
Hedge Funds	16%	20%	24%
Inflation Protected Assets	16%	20%	24%
U.S. TIPS	4%	5%	6%
Real Assets	12%	15%	18%
Total		100%	

APPENDIX B

ASSET CLASS

BENCHMARK

Growth Assets

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

Risk Reduction Assets

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

Inflation Protected Assets

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

Conflicts of Interest
Statement & Certification

Introduction

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

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

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

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

Duty to the WSU Foundation

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

Identifying a Conflict of Interest

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

Potential Conflicts of Interest

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

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

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

Confidentiality Policy

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

Definitions

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

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

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

APPENDIX C

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

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

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

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

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

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

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

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

APPENDIX C

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

Definitions

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

Disclosure

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

Approval of Conflicting Interest Transactions

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

**Washington State University Foundation
Consolidated Endowment Fund**

**Investment Policy Statement and Spending Policy
(October 2021)**

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1. Purpose and Background

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

BACKGROUND:

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

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

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

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

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

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

COMPOSITION/APPOINTMENT/REPORTING:

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

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

2. Allocation of Responsibilities

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

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

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

2.1.1 Directors WSU Foundation

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

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

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

2.1.2 Regents WSU

The Regents’ responsibilities are to:

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

2.2 WSU Foundation Investment Committee

2.2.1 Duties

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

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

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

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

2.3 Chair of the Committee

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

The Chair is responsible for the following duties:

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

2.4 WSU Foundation CFO

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

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

2.5 Custodian Bank

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

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

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

2.6 Investment Managers

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

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

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

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

2.7 Investment Consultant

The Investment Consultant is responsible for the following:

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

3. Investment Objectives

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

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

3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

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

3.2 Investment Strategy Objectives

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

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

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

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

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

3.3 Domestic Equities

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

3.4 International Equities

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

3.5 Alternative Assets – Private Equity

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

3.6 Alternative Assets - Hedge Funds

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

3.7 Alternative Assets – Real Assets

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

3.8 Inflation Protected Fixed Income

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

3.9 Fixed Income

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

4. Policy Guidelines

4.1 Spending Policy/Rebalancing/Cash Flow Management

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

4.2 Spending Policy

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

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

the quarter ended prior to the distribution date. (For example, the September 30, 2009, distribution was based on monthly market values for the period July 31, 2006, through June 30, 2009).

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

4.3 Rebalancing/Cash Flow Management

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

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

4.4 Usage of Derivatives

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

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

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

4.5 Proxy Voting

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

4.6 Securities Lending

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

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

4.7 Cougar Investment Fund

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

4.8 Conflicts of Interest

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

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

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

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

5. Monitoring of Objectives

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

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

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

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

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

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

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

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

6. Communications and Reporting

6.1 Chair of the Committee

Annually, the Chair will:

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

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

6.2 WSU Foundation Staff

Promptly after adoption or approval, Staff will:

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

6.3 Investment Managers

Immediately, each investment manager will report, in writing:

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

Quarterly, each investment manager will:

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

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

- a. A report on the various transaction charges incurred on behalf of the Fund. The report shall indicate the number of shares traded, brokerage firms used, total trading costs, and cost per share.

- b. Present a copy of proxy voting policies and report on the manner in which proxies were voted.

6.4 Investment Consultant

On a quarterly basis:

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

On an annual basis:

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

7. Evaluation and Review

7.1 Evaluation

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

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

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

division, each fund shall be managed in accordance with the new investment and spending policy for that fund by the entity (ties) so designated in the new policies.

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

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

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

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

7.3 Authorities & Limitations

9-26-13: Resolution 9-26-13-03 Updates the Committee Charter.

10-20-11: Resolution 10-20-11-03 Updates the Committee Charter.

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

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

APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	50%	60%
U.S. Equity	12%	15%	18%
International Equity	16%	20%	24%
Private Equity	12%	15%	18%
Risk Reduction Assets	24%	30%	36%
U.S. / Global Fixed Income	8%	10%	12%
Hedge Funds	16%	20%	24%
Inflation Protected Assets	16%	20%	24%
U.S. TIPS	4%	5%	6%
Real Assets	12%	15%	18%
Total		100%	

APPENDIX B

ASSET CLASS

BENCHMARK

Growth Assets

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

Risk Reduction Assets

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

Inflation Protected Assets

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

Conflicts of Interest
Statement & Certification

Introduction

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

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

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

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

Duty to the WSU Foundation

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

Identifying a Conflict of Interest

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

Potential Conflicts of Interest

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

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

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

Confidentiality Policy

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

Definitions

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

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

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

APPENDIX C

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

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

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

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

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

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

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

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

APPENDIX C

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

Definitions

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

Disclosure

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

Approval of Conflicting Interest Transactions

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

ACTION ITEM #2

Facility Name Recommendation Athletics Indoor Practice Facility Naming (Stacy Pearson/Pat Chun)

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Facility Name Recommendation for Athletics Indoor Practice Facility (IPF) as the Taylor Sports Complex

PROPOSED: That the Board of Regents approve the recommendation to name the new WSU Athletics Indoor Practice Facility (IPF) as the Taylor Sports Complex

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

SUPPORTING INFORMATION: WSU Athletics is requesting to name the new IPF the Taylor Sports Complex.

Athletics is seeking WSU Regents approval to name the new IPF the Taylor Sports Complex. The Taylor Family has now paid off a \$7M pledge to the project. At the time of their agreement, this gift was projected to cover over a third of the project cost. While the final project cost has not yet been determined, WSU wishes to honor the terms of this gift and name the facility for the family.

In accordance with policy, this facility naming request has been approved by the WSU Facilities Naming Committee and President Schulz.

ATTACHMENT: Attachment A – Supporting Documents



WASHINGTON STATE UNIVERSITY
Finance and Administration

MEMORANDUM

TO: Kirk Schulz, President

FROM: Stacy Pearson, Vice President, Finance & Administration/CFO
Chair, Facilities Names Committee

DATE: January 3, 2022

SUBJECT: Athletics' Indoor Playing Field Naming Request

Please see the below naming request for Athletics' Indoor Playing Field (IPF) to be named the Taylor Sports Complex.

Athletics is seeking formal acknowledgment that the IPF will be named the Taylor Sports Complex. The Taylor Family has now paid off a \$7M pledge to the project. At the time of their agreement, the IPF project was projected to cost \$20M, making their gift over 1/3 of the project cost.

The Facilities Naming committee concurs with the naming request. If you approve, please provide your acceptance at the bottom of this page.

Thank you.

I concur with the above request


Kirk H. Schulz, Ph.D.
President

1-4-2022
Date

ACTION ITEM #1

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

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Vancouver, Life Sciences Building, Request for Increase in Project Budget

PROPOSED: That the WSU Board of Regents approve an increase of \$2.7M in the project budget for the WSU Vancouver, Life Sciences Building and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project within the budgeted amount of \$59.8M.

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO

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

The University received \$500,000 for pre-design in 2017-19 state capital budget, \$4,000,000 for the design in the 2020 supplemental capital budget, and \$52,600,000 construction funding in 2021-23 state capital budget for a total project budget of \$57.1M. The original capital project request was approved by the Regents in May 2018.

Additionally, WSU has set a \$10 million fundraising goal as a top priority for the Life Sciences Building to add a greenhouse and to purchase specialized equipment for a vivarium and labs and nursing

classroom equipment. The project initially included a greenhouse, however, it had to be removed due to budget considerations. This fundraising effort will be achieved through system-wide partnerships with WSU Vancouver, the WSU Foundation, and the President and Provost offices. The greenhouse portion of the project is estimated to cost \$5.4M, with a shared commitment to raise the needed funding for the facility.

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

The project is currently scheduled for completion October 2023.

ATTACHMENT: Attachment A - Aerial Site

Attachment A



Board of Regents

WSU Vancouver, Life Sciences Building - Request for Increase in Project Budget and Delegation of Authority to the President

Resolution # 220121-649

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 an increase of \$2.7M in the project budget for the WSU Vancouver, Life Sciences Building and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the project within the budgeted amount of \$59.8M.

Dated 21st day of January, 2022.

Chair, Board of Regents

Secretary, Board of Regents

ACTION ITEM #
WSU System Parking Rates and Fines
(Stacy Pearson/Bill Gardner/Chris Boyan)

January 21, 2022

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU System Parking Rates and Fines

PROPOSED: That the Board of Regents delegate authority to the President or designee to approve increases in parking rates and fines for all WSU campuses for each of one or more fiscal years up to certain limits defined in the table below:

Term Permit Rates

Annual, Semester, Qtr: May be increased up to an average of 10% across parking permit types.

Other Rates

Daily Permit Rates: May be increased up to \$2.00

Hourly Rates: May be increased up to \$.50

Eve/Weekend Rate: May be increased up to \$1.00

Event Rates: May be increased up to \$10.00

Recreational Vehicle Rate: May be increased up to \$50.00 per day

Parking Fines/Sanctions: May be increased up to \$50.00 or as defined by law, e.g., RCW

SUBMITTED BY: Stacy Pearson, Vice President, Finance & Administration/CFO

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

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

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

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

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

Board of Regents

WSU Parking System Rates and Fines

Resolution #220121-650

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 delegate authority to the President or designee to approve increases in parking rates and fines for all WSU campuses for each of one or more fiscal years up to certain limits as defined in the table below.

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Dated 21st day of January, 2022.

Chair, Board of Regents

Secretary, Board of Regents

WSU Pullman Five Year Parking Rate History

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

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

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

WSU Spokane Five Year Parking Rate History

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

Daily Parking Permit Rate History					
Permit Type	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Orange/Day	\$ 6.00	\$ 6.00	\$ 7.00	\$ 7.00	\$ 7.00
Green	4.00	4.00	5.00	5.00	5.00
Pink/Visitor	6.00	6.00	7.00	7.00	7.00
Pink/Department	4.00	4.00	5.00	5.00	5.00
Pink/Code	4.00	4.00	5.00	5.00	5.00

Hourly Parking Rate History					
Location	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Orange	\$ 1.00	\$ 1.00	\$ 2.00	\$ 2.00	\$ 2.00
Green	1.00	1.00	2.00	2.00	2.00
Pink/Visitor	1.00	1.00	2.00	2.00	2.00
Pink/Department	1.00	1.00	2.00	2.00	2.00

WSU Vancouver Five Year Parking Rate History

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

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

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