WASHINGTON STATE UNIVERSITY

Board of Regents

March 6, 2020

BOARD OF REGENTS MEETING NOTICE

March 12-13, 2020

The Washington State University Board of Regents will hold its next official meetings on Thursday and Friday, March 12-13, 2020, in Richland, Washington, pursuant to the schedule below.

All meetings will take place at WSU Tri-Cities, Consolidated Information Center in the room locations outlined in the schedule below except as otherwise noted.

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

Thursday, March 12, 2020		**Location**
9:15 am	Executive and Governance Committee	CIC, Room 212-214
11:00 am	Concurrent Meetings	
	Research and Academic Affairs Committee	CIC, Room 212-214
	Student Affairs and Student Life Committee	CIC, Room 125T
	Institutional Infrastructure Committee	CIC, Room 210
12:00 pm	Board of Regents Lunch	CIC, Room 223
1:15 pm	Finance and Compliance Committee	CIC, Room 212-214
3:30 pm*	Strategic and Operational Excellence Committee	CIC, Room 212-214
6:30 pm	Board of Regents Dinner	Budd's Broiler 450 Columbia Point Drive Richland, WA

Friday, March 13, 2020		**Location**
8:00 am	Board of Regents Breakfast	CIC, Room 223
9:00 am	Board of Regents Meeting	CIC, Rooms 210-214

In addition, Thursday, March 12, at 5:00 p.m., the Regents will attend a groundbreaking celebration of the WSU Tri-Cities new Academic Building (vacant lot across from the Consolidated Information Center (CIC) and reception on the WSU Tri Cities campus.

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, Executive Assistant to the Board of Regents, 509-335-4200.

**or upon conclusion of previous session*

French Administration 422, PO Box 641048, Pullman, WA 99164-1048
509-335-6666 • Fax: 509-335-6201 • www.regents.wsu.edu

BOARD OF REGENTS
WASHINGTON STATE UNIVERSITY

Agenda

Executive and Governance Committee
Thursday, March 12, 2020
9:15 am – 10:45 am

Location: WSU Tri Cities, Consolidated Information Center (CIC), Room 212-214

Committee Members: Brett Blankenship (Chair), Marty Dickinson, and Ron Sims

Information Item		**Section**
1.	Board of Regents Election of Officers *(Blankenship)*	E-1

Future Action Items

1.	Proposed Bylaws Modification – Article 1: Officers of the Board and Faculty Representative *(Schulz)*	E-2
2.	WSU System-Wide Strategic Plan *(Schulz/Hoyt/Parks)*	E-3

INFORMATION ITEM #1

Election of Officers
(Brett Blankenship)

Election of Officers

Election of officers will take place at the May 8, 2020 Board of Regents meeting in Spokane, WA.

FUTURE ACTION ITEM #1

Bylaws Modification – Article I: Officers of the Board and Faculty Representative
(Kirk Schulz)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Bylaws Modification – Article I: Officers of the Board and Faculty Representative

PROPOSED: That the Board of Regents modify its Bylaws to reflect the practice and procedure for selection of a Faculty Representative to the Board.

SUBMITTED BY: Kirk Schulz, President

SUPPORTING INFORMATION:

Background

In Fall 2018, Faculty Senate requested that a non-voting faculty member be appointed to the Board of Regents. At that time, the goal was to improve decision-making on behalf of both governing bodies by facilitating the exchange of ideas and perspectives as well as meeting shared challenges and opportunities cooperatively. During the trial period since Fall 2018, Faculty Senate representation on the Board of Regents has fostered significant improvements in dialog and transparency between the two organizations. The Faculty Senate requests that the Board of Regents adopt a proposed amendment to their bylaws, continuing and formalizing this relationship.

Bylaws

Following is an excerpt from the Board of Regents Bylaws with draft modifications:

Article 1: Officers of the Board and Faculty Representative

1. **Membership**. The governance of Washington State University (University) shall be vested in a Board of

Regents (Board) consisting of ten (10) members (Regents), one (1) of whom shall be a student.

2. **Designation**. The Officers of the Board shall consist of a President, who shall also be known as the Chair of the Board (Chair), and a Vice Chair, Secretary, and Treasurer.
3. **Election and Appointment Process**. At its regular meeting held after the first Wednesday in April of each year, the Board shall hold elections to fill the offices of Chair and Vice Chair. The Board shall elect a Vice Chair, as nominated by the Executive Committee, based upon the advice of the Board and in consultation with the President of the University. The Vice Chair shall hold office for a one-year (1-year) term, commencing on July 1. Except in the case of resignation or removal, or other exigent circumstances, the Vice Chair shall then automatically succeed as Chair of the Board the following year and shall hold the office of Chair for one-year (1-year), commencing on July 1.

   The President of the University shall serve as Secretary of the Board as prescribed by RCW 28B.30.135. Secretary of the Board, where used in these Bylaws hereinafter, shall refer to the President of the University.

   The Treasurer of the Board shall be the Vice President for Finance and Administration of the University, unless the Board in its discretion appoints another individual to this office.

4. **Chair**. The Chair of the Board shall preside at all meetings of the Board and shall sign all written

instruments on behalf of the Board that are necessary to implement programs and policies which have been approved by the Board. The Chair of the Board shall have the authority and responsibility to perform the duties customarily attached to the office and shall have such other authority and duties as prescribed by these Bylaws, Board of Regents Policies (Board Policies), and the Board.

5. **Vice Chair**. The Vice Chair of the Board shall have the authority to perform the duties of the Chair of the Board in the event of the Chair's absence or incapacity. The Vice Chair may have such other authority and duties as prescribed by these Bylaws, Board Policies, and the Board.
6. **Secretary.** The Secretary of the Board shall not have the right to vote. The Secretary shall be responsible for giving notice of all meetings of the Board, and recording and keeping of the minutes of the proceedings of the Board; shall be the custodian of all official records of the Board; shall attest all instruments required to be signed by the Chair of the Board; and shall perform all the duties pertaining to the office and do all other things required by the Board.
7. **Treasurer**. The Treasurer shall not have the right to vote. The Treasurer shall be the financial officer of the Board and shall render a true and faithful account of all moneys received and paid out.
8. **Vacancies in Office and Removal.** In the event of a vacancy in the office of Chair, the Vice Chair shall assume the office of the Chair, serving both the unexpired term of the Chair and the full term as Chair as provided in Article 1, Section 3, of these Bylaws. In the

event of a vacancy in the office of Vice Chair, the Board shall elect a Vice Chair to complete the unexpired term of the Vice Chair. A new election is then required as provided in Article 1, Section 3.

The Chair and Vice Chair of the Board may be removed from their respective positions as an officer of the Board by a majority vote at a regular or special meeting of the Board. Removal under this paragraph shall not affect the officer's continued service as a Regent.

9. **Faculty Representative**. The Faculty Representative shall not have the right to vote but is authorized to attend all regular and special meetings of the Board and its Committees, unless requested otherwise in specific instances by the Board or Committee, and is authorized to bring matters before the Board or any of its committees for discussion. The Faculty Representative serves a one (1) year term, commencing on July 1. The outgoing chair of the University's Faculty Senate is the presumptive nominee to serve as Faculty Representative, subject to approval by majority vote of the Faculty Senate. If the outgoing chair is not approved by the Faculty Senate or chooses not to serve all or any part of their term, the Faculty Senate shall nominate another member of the Faculty Senate Executive Committee by majority vote. In the event that legislation is passed authorizing a faculty member to serve as a member of the Board, such legislation shall supersede and replace this section.

Attachment: Attachment A: Bylaws of the Board of Regents of Washington State University – Redline Copy

Attachment A

Bylaws of the Board of Regents of Washington State University

Article I: Officers of the Board and Faculty Representative

1. Membership. The governance of Washington State University (University) shall be vested in a Board of Regents (Board) consisting of ten (10) members (Regents), one (1) of whom shall be a student.

2. Designation. The Officers of the Board shall consist of a President, who shall also be known as the Chair of the Board (Chair), and a Vice Chair, Secretary, and Treasurer.

3. Election and Appointment Process. At its regular meeting held after the first Wednesday in April of each year, the Board shall hold elections to fill the offices of Chair and Vice Chair. The Board shall elect a Vice Chair, as nominated by the Executive Committee, based upon the advice of the Board and in consultation with the President of the University. The Vice Chair shall hold office for a one-year (1-year) term, commencing on July 1. Except in the case of resignation or removal, or other exigent circumstances, the Vice Chair shall then automatically succeed as Chair of the Board the following year and shall hold the office of Chair for one-year (1-year), commencing on July 1.

The President of the University shall serve as Secretary of the Board as prescribed by RCW 28B.30.135. Secretary of the Board, where used in these Bylaws hereinafter, shall refer to the President of the University.

The Treasurer of the Board shall be the Vice President for Finance and Administration of the University, unless the Board in its discretion appoints another individual to this office.

4. Chair. The Chair of the Board shall preside at all meetings of the Board and shall sign all written instruments on behalf of the Board that are necessary to implement programs and policies which have been approved by the Board. The Chair of the Board shall have the authority and responsibility to perform the duties customarily attached to the office and shall have such other authority and duties as prescribed by these Bylaws, Board of Regents Policies (Board Policies), and the Board.

5. Vice Chair. The Vice Chair of the Board shall have the authority to perform the duties of the Chair of the Board in the event of the Chair's absence or incapacity. The Vice Chair may have such other authority and duties as prescribed by these Bylaws, Board Policies, and the Board.

6. Secretary. The Secretary of the Board shall not have the right to vote. The Secretary shall be responsible for giving notice of all meetings of the Board, and recording and keeping of the minutes of the proceedings of the Board; shall be the custodian of all official records of the Board; shall attest all instruments required to be signed by the Chair of the Board; and shall perform all the duties pertaining to the office and do all other things required by the Board.

7. Treasurer. The Treasurer shall not have the right to vote. The Treasurer shall be the financial officer of the Board and shall render a true and faithful account of all moneys received and paid out.

8. Vacancies in Office and Removal. In the event of a vacancy in the office of Chair, the Vice Chair shall assume the office of the Chair, serving both the unexpired term of the Chair and the full term as Chair as provided in Article 1, Section 3, of these Bylaws. In the event of a vacancy in the office of the Vice Chair, the Board shall elect a Vice Chair to complete the unexpired term of the Vice Chair. A new election is then required as provided in Article 1, Section 3.

The Chair and Vice Chair of the Board may be removed from their respective positions as an officer of the Board by a majority vote at a regular or special meeting of the Board. Removal under this paragraph shall not affect the officer's continued service as a Regent.

9. Faculty Representative. The Faculty Representative shall not have the right to vote but is authorized to attend all regular and special meetings of the Board and its Committees, unless requested otherwise in specific instances by the Board or Committee, and is authorized to bring matters before the Board or any of its committees for discussion. The Faculty Representative serves a one (1) year term, commencing on July 1. The outgoing chair of the University's Faculty Senate is the presumptive nominee to serve as Faculty Representative, subject to approval by majority vote of the Faculty Senate. If the outgoing chair is not approved by the Faculty Senate or chooses not to serve all or any part of their term, the Faculty Senate shall nominate another member of the Faculty Senate Executive Committee by majority vote. In the event that legislation is passed authorizing a faculty member to serve as a member of the Board, such legislation shall supersede and replace this section.

Article II: Meetings of the Board

1. Regular Meetings. Regular meetings of the Board shall be held pursuant to a schedule adopted yearly by resolution of the Board. There shall be no fewer than six (6) meetings scheduled on a yearly basis. Regular meetings include Board of Regents retreats scheduled in accordance with the regular meeting process. The Secretary of the Board, with the concurrence of the Chair of the Board, may cancel or change the date of any regular meeting. All such regular meetings will be conducted in conformance with the laws of the state of Washington governing such meetings.

2. Special Meetings. The Secretary or the Chair of the Board, or a majority of the members of the Board of Regents, may call a special meeting at any time. Not less than twenty-four (24) hours before any special meeting, the Secretary of the Board shall have notified each member of the Board by written notice of the time, location, and the business to be transacted at the meeting. Such notice shall be distributed and posted, and such meeting shall be conducted in accordance with the laws of the state of Washington governing such meetings.

3. Committee Meetings. Meetings of Board committees, as provided for in these Bylaws and in Board Policies, may be held before regular or special meetings, or at such time and such place as the Committee Chair may direct from time to time. All committee meetings shall be held in conformance with the laws of the state of Washington governing such meetings.

4. Notice and Agenda for Regular Meetings. Not less than seven (7) calendar days before any regular meeting, the Secretary of the Board shall transmit a meeting agenda to each member of the Board.

5. Addenda to the Agenda of Board Meetings. Those University officials who are authorized to bring agenda items to the Board may propose addenda to a regular meeting agenda in exceptional circumstances, such as when prompt Board attention is required and the need to place the matter on the agenda was unforeseen, with the concurrence of the Secretary of the Board. Items added to the agenda by University officials must be submitted to the Board not less than twenty-four (24) hours prior to a regular meeting. Material must be submitted through the Secretary of the Board and must be in accordance with guidelines and procedures established for the submittal of items for the agenda.

The Board may add items to the agenda of a regular meeting, and take final action upon such additions, at any time prior to the conclusion of the meeting.

The Board may add items to the agenda of a special meeting at any time prior to the conclusion of the meeting, except that final disposition may not be taken on any matter added to the agenda unless timely notice to the addition has been given as required by law.

6. Quorum. Six (6) Regents shall constitute a quorum for the transaction of business at all regular and special meetings. A majority of the Regents present must approve all items requiring action by the Board.

7. Minutes. The Secretary of the Board shall keep the minutes of all regular and special meetings of the Board. Such minutes shall be distributed with the agenda in preparation for the subsequent meeting and, following approval shall be open to public inspection in the Office of the President during regular University business hours and shall also be posted on the University's Board of Regents web page.

8. Public Meetings. Regular and special meetings of the Board and Committees shall be open to the public in conformance with the laws of the state of Washington governing such meetings.

9. Executive Sessions. During any regular or special meeting of the Board, the Board may hold an executive session to discuss matters as permitted by applicable laws of the state of Washington.

10. Communications to the Board. Any person who wishes to bring a matter to the attention of the Board may do so by submitting written communication to the Board

at the following address: c/o Office of the President, Washington State University, P.O. Box 641048, Pullman, Washington 99164-1048.

11. Appearance Before the Board. The meetings of the Board are intended for presentation of agenda items by the Regents, President, Provost and Executive Vice President, Vice Presidents, Chancellors, Faculty Representative, other University officials, as requested by the President, and the Senior Assistant Attorney General for discussion and action by members of the Board. Appearance via videoconferencing or telephone is acceptable, rather than appearing in person. Additionally, time shall be provided for public comment at each Board meeting.

A. Request to Provide Public Comment. Individuals who wish to provide public comment during a meeting of the Board must provide their name and any relevant title(s) or affiliation(s) on the sign-up sheet. The request should also set out clearly the topic to be presented.

B. Time Allocation. The chair of the Board may reasonably limit the amount of time allocated for the public comment period for each speaker and for each issue. Public comments will take place during the scheduled public comment period. Unless otherwise indicated on the agenda or by the chair, the public comment period will be for ten (10) minutes, with a two-minute (2-minute) limit per speaker, and will occur at the end of the Board meeting.

C. Scheduling of Speakers. Speakers who sign up in advance and who are commenting on matters before the Board will be given priority during the public comment period. Should a large number of speakers wish to speak on the same issue or topical area, the Chair of the Board may ask representatives of the group to summarize their colleagues' statements, or limit the number of speakers on a given topic. If, by virtue of time or other constraints, a speaker is not able to present his/her comments, said comments may be distributed in writing to the Office of the President for distribution to the Regents.

No University officer, faculty, staff, or other employee or student of the University shall submit any matter to the Board for official consideration except as provided by the guidelines and procedures established for the submittal of items for the agenda.

12. Guidelines and Procedures for Submittal of Agenda Items to the Board. The topics of business to be introduced at a regular or special meeting shall be included on the Agenda by observing the following guidelines.

A. Agenda items may be submitted only by an appropriate University official as follows: *Regents, President, Provost and Executive Vice President, Vice Presidents, Chancellors, Faculty Representative, other University officials as requested by the President, and the Senior Assistant Attorney General.*

B. All items submitted to the Board for action must first be submitted to and discussed by the appropriate Committee, as provided in Article III of these

Bylaws, at least one (1) Committee meeting prior to the meeting at which action will be requested, except:

(1) Items of a routine nature may be discussed by the appropriate Committee and brought before the Board at the same meeting in which action will be requested; and

(2) The Board Chair may suspend the requirement outlined in this Subsection as to any action item brought before the Board.

C. The Board may make use of a consent agenda for any item that the Board has determine to be "routine" or matters about which the Board commonly concurs. Items on the consent agenda will not be discussed prior to action. However, if any Board member believes that any item on the consent agenda requires discussion, that Board member may remove the item from the consent agenda merely by requesting the same.

D. All items to be included in the agenda must be submitted in writing no later than ten (10) days prior to the Board meeting to the Secretary of the Board, who shall be responsible for preparation and distribution of the Agenda, except as otherwise allowed by Article II, Section 5 of these Bylaws.

13. Rules of Procedure. *Robert's Rules of Order*, latest revised edition, shall govern all meetings of the Board, except where such rules of order are superseded by these Bylaws, Board Policies, or applicable statutes or regulations.

Article III: Committees of the Board

1. Standing Committees of the Board. In addition to an Executive and Governance Committee, the Board will have standing committees to consider matters and address issues in the following areas, including but not limited to: Research, Academic Affairs, Student Affairs, Finance and Administration, Compliance and Audit, Athletics, Infrastructure, Strategic Planning, Government Affairs, and Institutional Advancement. Through the Committees, Board members explore critical governance issues and communicate with University administration and others who share in the governance of the University. Detailed committee charters are set forth in Board Policies.

No Committee may act on behalf of the Board on matters requiring Board action, except for the Executive and Governance Committee in emergency situations as noted in the Executive and Governance Committee Charter. All Committees shall refer such matters to the Board for appropriate action in a regular or special meeting.

Following Board elections, as outlined in Article I, Section 3, the Chair of the Board shall make Committee appointments, including an appointment of a chairperson to each of the Committees. Each Committee shall consist of at least three (3) members, including the Committee chairperson and a member of the Executive Committee. The student Regent shall serve on the Student Affairs and Student Life Committee, and may serve on any other committee, as appropriate. The President shall appoint ex officio members from among the officers of the University who, in consultation with the Committee chairs, shall

be responsible for development of Committee agendas and for making recommendations to the Board.

2. Ad Hoc Committees of the Board. Ad hoc committees may be established by the Chair, from time to time, as he or she may deem necessary or advisable to handle specific tasks or objectives in fulfillment of duties and responsibilities of the Board. However, such ad hoc committees shall refer all matters for action to the full Board, unless such authority has been expressly delegated to the ad hoc committee.

Article IV: Officers of the University

1. University President. The University President shall be appointed by the Board (excluding the student Regent) and shall serve at the pleasure of the Board. The University President shall be the chief executive officer of the University and shall be responsible directly to the Board for the management and conduct of all the affairs of the University except those which have been reserved by the Board or which by law, these Bylaws, or other policies or orders of the Board are the specific responsibility of other persons or bodies. The University President is authorized to attend all regular and special meetings of the Board and its Committees, unless requested otherwise in specific instances by the Board or Committee, and is authorized to bring matters before the Board or any of its Committees for discussion.

2. Other Officers. The University President is the delegated authority to appoint the University's Provost and Executive Vice President, Vice Presidents, Deans, Chancellors, and other officers as may be necessary for assistance in efficiently carrying out the responsibilities of the chief executive officer of the University. All such officers of the University shall be under the general supervision of and shall exercise such powers and duties as may be prescribed by the University President.

Article V: Faculty Senate, Staff, Student, Alumni, and Foundation Representatives

1. The Chair of the Faculty Senate, the Chair of the Administrative Professional Advisory Council, the President of the Graduate and Professional Student Association, the President of the Associated Students of Washington State University for a particular campus (as determined by the Board Chair), the President of the Alumni Association, and the Chair of the WSU Foundation Board of Governors shall periodically report, as a representative of their respective organizations, to the Board of Regents at its public meetings.

2. The President or Chair of each of these organizations may designate the Vice President or Vice Chair, or the University Vice President responsible for that area, to represent him or her at the meetings of the Board, but may not designate any other person.

3. Participation is at the expense of the organizations of the aforementioned representatives and not an expense obligation of the Board. Appearance via videoconferencing or telephone is acceptable, rather than appearing in person.

4. Notice of public meetings shall be given to such representatives in the same manner as notice is given to members of the Board.

5. Not less than five (5) days before any regular meeting, the Secretary of the Board shall transmit to each representative a final Agenda setting forth the matters that are to be considered at the meeting.

6. Such representatives shall be entitled to speak during the public meeting through scheduled presentations to the Board as set forth in the Board of Regents meeting Agenda. The representatives shall not be entitled to vote on matters brought before the Board.

7. Prior to any meeting at which a representative is scheduled to speak, the representative of each group shall submit a one-page (1-page) report to the Board to be included in the Agenda in accordance with the guidelines for submittal of Agenda material as outlined in Article II, Section 12, of these Bylaws.

Article VI: Exercise of Powers

1. Suspension of the Bylaws. Any provision of the Bylaws may be suspended in connection with the consideration of a matter before the Board by a majority vote of the members of the Board.

2. Student Regent. The student regent shall excuse himself or herself from participating in or voting on matters relating to the hiring, discipline, or tenure of faculty members and personnel per RCW 28B.30.100.

Article VII: Board of Regents Policies.

1. Policies. The Board may adopt Board Policies, not inconsistent with these Bylaws, for the governance of the University and the regulation of the business of the Board. Except as otherwise specified in a particular Board Policy, the Board may amend or repeal any Board Policy in whole or in part at any meeting of the Board.

Article VIII: Amendments

1. Procedure. These Bylaws may be amended at any regular or special meeting of the Board by the affirmative vote of a majority of the Regents, as defined in Article II, Section 6, of these Bylaws.

Article IX: Special Provisions Relating to Regents

1. Compensation and Expenses. No Regent shall receive a salary or compensation for services as a Regent. Regents shall be reimbursed for actual expenses

incurred by reason of attendance at any meeting of the Board or in the performance of other official business of the University in accordance with RCW 43.03.050 and 43.03.060 and any Board Policy addressing the same.

WSU SYSTEM STRATEGIC PLAN, 2020-2025

DRAFT II

March 6, 2020

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ACKNOWLEDGEMENT OF AMERICA'S FIRST PEOPLES

Washington State University acknowledges that its locations statewide are on the ancestral homelands of the Native peoples, who have lived in these lands from time immemorial. As such, the University expresses its deepest respect and gratitude to the original inhabitants of the area that is now Washington, for their ever-lasting care and protection of our shared lands and waterways. We pledge as a University community to recognize, respect, and honor this history in perpetuity as we seek to achieve a more equitable society for all.

The 29 federally recognized indigenous tribes of Washington

Chehalis
Colville
Cowlitz
Hoh
Jamestown S'Klallam
Kalispel
Lower Elwha Klallam
Lummi
Makah
Muckleshoot
Nisqually
Nooksack
Port Gamble S'Klallam
Puyallup
Quileute
Quinault
Samish
Sauk-Suiattle
Shoalwater Bay
Skokomish
Snoqualmie
Spokane
Squaxin Island
Stillaguamish
Suquamish
Swinomish
Tulalip
Upper Skagit
Yakama

Tribes not federally recognized which have a long history in present-day Washington

Duwamish
Wanapum
Chinook

FROM THE PRESIDENT

Charting a Course for the Washington State University System

The world that has shaped Washington State University the past 130 years is changing more rapidly than ever. Societal, technological, economic, and cultural upheaval is constant.

As we chart the future course of our statewide system in the midst of this dynamic environment, we must evolve and adapt on a constant basis to maintain the University's relevancy and value to society. We must expand on our ability to meet the future needs of the state of Washington, the Pacific Northwest, our nation, and beyond. We must serve the public good in new and innovative ways.

Our 2020–2025 system strategic plan sets out the framework for us to do exactly that. The plan builds on our overarching institutional goal as defined by the Drive to 25 (D25):

> By 2030, Washington State University will be recognized as one of the nation's top 25 public research universities—creating positive outcomes for all.

Already, we have made much progress the past few years in key areas that support the Drive to 25 vision. The number of faculty receiving prestigious national awards is growing. Our research and development funding is at record levels. We are enrolling the highest number of students in our history. We continue to build new relationships and partnerships with communities and stakeholders across the state that advance the public good.

In creating this first-ever strategic plan focused on the WSU system, we have articulated the purpose, values, vision, and goals that connect all of our functions; all of our campuses, colleges, and units; and all of our stakeholders to the Drive to 25. We still have much work to do in this regard, but I am convinced this plan will enable us to leverage our statewide resources and apply them in powerful new ways to benefit the state.

Notably, as well, this plan expands the original desired outcomes and metrics of the D25 to make them more relevant and applicable to the entire University community as well as to our stakeholders. Among the questions the strategic plan answers: *Who will benefit from the D25, and in what ways? What outcomes will be achieved, and for whom?*

Among the key points that are important to understanding this broadened view of the D25:

- One of our institutional strengths is providing access to higher education for students who have not yet had the opportunity to reach their full potential. We will expand our commitment in this regard in the future.
- Rankings in themselves may imply a danger that we are seeking to become elite, thus jeopardizing our focus on people or our sense of self. The Drive to 25 is not a drive toward elite status and a university that is more exclusionary. The D25 is about doing what we do now better than ever, so that we can improve upon the ways in which we serve our stakeholders and, by extension, the greater good.
- We may achieve additional prestige and higher rankings as we implement this plan, but that would be an ancillary benefit. Most important, we will remain focused on our foundational commitment: to transform lives. We will not chase rankings at the expense of this commitment.
- In determining the success of this plan, we will measure progress using metrics that matter most to the fulfillment of our mission, such as the social mobility of students and our institutional impact on communities. We will measure the quality, not simply the quantity, of our actions.

As we proceed, this strategic plan also will guide us in making key institutional decisions and allocating resources. We will revisit the plan annually by engaging in conversations with our community, review the checkpoints we establish to measure progress, and adjust our objectives and strategies as the needs of the University evolve and the environment in which we operate as a system change.

My sincere thanks to the entire WSU community, which participated at an unprecedented level, in crafting this plan. I hope you feel as energized about the future of the WSU system as I do. It's a great time to be a Coug!

Kirk Schulz
President
Washington State University System

INTRODUCTION

When the Northwest Commission on Colleges and Universities (NWCCU) reaffirmed Washington State University's accreditation in August 2018, the accrediting organization recognized the University's institutional accomplishments during the review period by including several commendations in its final report. The commendations praised WSU for its:

- transparency and inclusiveness in decision-making;
- sense of loyalty within the WSU community;
- efforts to improve student access and success, especially among underrepresented groups;
- assessment of student learning outcomes;
- commitment to cutting-edge instructional approaches; and
- thematic approach to scholarship.

The 2020–2025 WSU system strategic plan capitalizes on these strengths and builds on the momentum that produced these commendations. Most notably, this plan is the result of a collaborative effort by the University community to generate a collective vision of the "future WSU" and articulate goals and strategies that will move the WSU system toward that vision. It represents a synthesis of the most ambitious, challenging, and impactful ideas generated by the University's statewide community during an 18-month-long planning process. It is a truly collectively written roadmap for the future.

This plan also emphasizes WSU's commitment to its land-grant mission:

- education for all regardless of means or background;
- scholarly activity that benefits the public and especially Washingtonians; and
- outreach to the residents of the state to share the institution's expertise and positively impact people and communities.

WSU is the land-grant institution within the state of Washington and alone is responsible for delivering a statewide impact. The University system embraces this responsibility, and it is central to everything the institution does. The framework for this plan is thus WSU's commitment to the wellbeing of Washington residents and the commerce of the state, and a long-term goal around which this plan is oriented is for the University to be recognized as among the best land-grant institutions in the nation.

Some might question why WSU, or any institution of higher learning, needs a strategic plan when the institution's responsibilities are so clearly laid out: educate students, engage in scholarly inquiry, and share expertise with the public. In fact, the strategic plan serves as a guide to help the University make informed decisions about resource allocation and program development. It is also the University's primary means of tracking and demonstrating performance to stakeholders and legislators. It is not sufficient to conclude that WSU is meeting its responsibilities simply because students graduate and residents enroll in outreach programs and faculty produce scholarly works. The quality of the institution's performance must also be considered. This plan includes a web link to a set of outcome metrics that are calibrated to specific aspects of WSU's responsibilities to help the institution determine what it is doing well and in which areas it can improve. These metrics will be analyzed yearly and the analyses will be published in an annual public report that is made widely available. A strategic plan is, then, necessary as WSU continues to grow and improve.

This plan also articulates goals and strategies for growth and excellence in education, scholarly work, and outreach. For the first time, it also specifies a goal to fully integrate and take advantage of the expertise that resides across the entire University system, as well as a number of strategies to accomplish this goal. The WSU system is one of distributed expertise and the University's larger goals can only be realized by taking full advantage of this expertise. The goals in all four areas of this plan are ambitious. Some may seem overly so. If some indeed prove to be too ambitious, falling short in those areas will still lead to meaningful improvements that can be built upon in the next strategic plan.

WSU HISTORY AND EVOLUTION TO A STATEWIDE SYSTEM

Washington State University: The People's University, 1890-2020

Who could have imagined the bright future that awaited Washingtonians in 1890 when Governor Elisha P. Ferry signed legislation creating an agricultural college and science school on a wind-swept hilltop in Pullman, Washington?

From those early days, when the Washington Agricultural College and School of Science consisted of a one story, thirty-six by sixty-foot structure, Washington State University has evolved to become one of the nation's premier land-grant universities, a statewide enterprise of more than 31,000 students, 6,000-plus employees, and a nearly $400 million annual research operation. The University's ten degree-granting academic colleges offer almost 250 undergraduate and graduate degrees, with many academic programs top-ranked nationally.

That the University has evolved from its humble roots to become a valued partner in growing the state's economy and improving the quality of life for its residents is testimony to the achievements of the faculty, researchers, staff, and administrators who have worked to make the dream established 130 years ago an ongoing reality.

Along the path to achieving a remarkable record of public service, WSU has demonstrated an ongoing commitment to the land-grant principle of providing access to higher education—often acting in advance of its peers in this regard. For example, the first student of color attended WSU in 1906, when Ihei Yamauchi enrolled to study civil engineering. The College of Veterinary Medicine graduated its first African-American student in 1920—a time during which few African-Americans attended colleges in the U.S., let alone a veterinary college. Similarly, the first woman graduated from the veterinary college in 1933, an era in which less than four percent of women in the country completed four years of college or more.

Looking back, the University's progress can perhaps best be summarized by reviewing its major achievements on the basis of four major stages of development.

The Early Days

The fledging school opened its doors in 1892 to 59 students who reflected the egalitarian principles set out in the Morrill Act that created the nation's land-grant institutions. The students were not from wealthy families. Instead, they were the sons and daughters of farmers, laborers, and shopkeepers, representatives of America's working and middle classes.

WSU's third president, Enoch A. Bryan, who served as president from 1893 to 1915, set the direction for the new college to become a higher education institution with a comprehensive curriculum, expanding its academic breadth beyond agriculture and science to include disciplines such as pharmacy, veterinary medicine, and the liberal arts. The effort culminated in the renaming of the school to the State College of Washington, or WSC, in 1905.

A Period of Growth

The period between 1915 and 1945 can best be characterized as a period of growth for the college, both in academics and student life.

In 1917, under the direction of President Ernest O. Holland, five colleges (agriculture, home economics, mechanic arts and engineering, sciences and arts, and veterinary science) and four schools (education, mines, music and applied design, and pharmacy) were created, key steps toward eventual designation as a university. Similar growth occurred in campus facilities, as modern laboratories, classrooms, and dining facilities were constructed.

The college obtained a chapter of Phi Beta Kappa, the nation's oldest and best known national honorary society, in 1929, recognition of WSC's commitment to the liberal arts as well as to practical education.

Enrollment during the 30-year period rose and fell in tandem with the country's economic fortunes, reaching a record of 4,035 students in 1940, only to fall steadily as World War II engulfed the nation, eventually dropping to 1,530 students in September 1945.

Achieving University Status

With the end of World War II and the return of military veterans from overseas, enrollment ballooned to more than 6,000 students beginning in the late 1940s. The increase in students spurred a period of substantial growth on the Pullman campus that included construction of a new library, expanded faculty research, and the establishment of general education requirements in the humanities, social sciences, and natural sciences.

The maturation of the college was formally recognized on September 1, 1959, when WSC was renamed Washington State University. The new name recognized the reality that WSC featured multiple colleges offering both undergraduate and graduate studies, increasingly notable research, and a growing role in addressing the needs of the state.

The growth curve accelerated from the mid-60s to the mid-80s. Enrollment increased by more than 50 percent from 1967 to 1985, to 16,500 students. Research grants mushroomed from $11 million to $68.5 million during the same period, a reflection of the priority placed on faculty research and scholarship. Areas of academic emphasis ranged from veterinary medicine to the biological sciences, nursing, the humanities, and social sciences.

Expanding Access to Education Statewide

The reach of WSU's mission expanded significantly in 1989, when the University's statewide campus system was established under former WSU President Samuel Smith in response to a request from the state government for Washington State University and the University of Washington to offer education at multiple locations around the state to serve place-bound and job-bound students. WSU located campuses in Vancouver, the Tri-Cities (Richland), and Spokane, with Spokane being a cooperative venture with Eastern Washington University. Creation of new WSU learning centers located statewide and the extended degree programs further expanded access to the University.

The three regional campuses originally offered upper-division classes only and thus began as destinations for transfer students, which necessitated establishing strong relations with local community colleges. As enrollment grew throughout the 1990s, the campuses gained greater flexibility to serve the needs of the communities in which they were located. As an example, responding to community wishes, WSU Vancouver welcomed its first freshman class in fall 2006. WSU Tri-Cities followed suit in fall 2007. In 2011 the Spokane campus was designated by the University's Board of Regents as WSU Health Sciences Spokane, and the campus now is predominately focused on professional education and health research.

A campus in Everett was added in 2014 to meet the higher education needs of the north Puget Sound area. WSU Everett remains a transfer campus. Instructional sites now also exist in Bremerton, Yakima, and Walla Walla.

In parallel with the development of these campuses, in the 1990s WSU created a distance degree program through which students anywhere could earn a University degree by enrolling in courses for which lectures had been videotaped and were mailed to the student. This program evolved into the internet-based Global Campus, which is the sixth campus in the WSU system. The WSU Global Campus, through its online programs, extends the University's land-grant mission worldwide to those who increasingly require a high level of flexibility while pursuing a quality education.

During the past decade, WSU's impact has reached unprecedented levels. Records have been set in enrollment, fundraising, and research expenditures. The University completed 30 major construction projects from 2007 to 2015, including one of the world's most technologically advanced wine science centers at WSU Tri-Cities and the Paul G. Allen School for Global Animal Health at WSU Pullman.

In one of the most historic achievements in WSU's history, the Washington state legislature in 2015 granted approval for the University to establish a medical school on the WSU Spokane Health Sciences campus. The Elson S. Floyd College of Medicine seeks to expand access to health care in under-served communities across Washington and increase the ability of Washingtonians to earn a medical degree without leaving the state.

Planning for the Future

Shortly after beginning his tenure as WSU's 11th president on June 13, 2016, current WSU President Kirk Schulz announced the Drive to 25, a system-wide initiative designed to elevate WSU to recognized status as one of the nation's top 25 public research universities by 2030. The objectives of the Drive to 25 are guiding decisions about institutional goals, priorities, and resource allocations affecting the University's teaching, research, and service mission. As such, the Drive to 25 served as a roadmap for the creation of the 2020-2025 WSU system plan.

The 2020-2025 WSU System Strategic Plan

President Schulz and then Provost Daniel Bernardo appointed a 24-member task force made up of faculty, staff, and students from throughout the system to lead the planning process. The president and provost co-chaired the group, the Strategic Planning and Institutional Effectiveness Council (SPIEC), which met monthly to guide development of the plan and to ensure ongoing input from the entire University community and WSU stakeholders.

The process of creating the first comprehensive strategic plan that encompasses the WSU system has included significant interactive involvement by WSU faculty, staff, and students system-wide as well as alumni, community partners, and other University stakeholders. Input gathering occurred through participation in open listening sessions, online postings, mass digital communications, and two major University events attended by a total of more than 1,200 participants.

THE WSU SYSTEM TODAY

Guided by Our Land-grant Identity

Washington State University is the land-grant institution for the state of Washington. Land-grant schools are uniquely charged by the federal government with educating students from a broad range of backgrounds, conducting scholarly inquiry in the "practical arts," and actively sharing their expertise and knowledge with the state's residents.

Today WSU functions as a statewide system. The land-grant identity remains core to the University's functioning, and the institution's achievements in this regard are significant. WSU has a decades-long reputation for development of wheat strains that can grow under a variety of challenging conditions. More recently, among other accomplishments, University researchers have developed a method to create 3D-printed bone implants; established a nationally recognized bread research facility that helps wheat farmers make informed decisions about which varieties to grow; created and refined a measure designed to reduce the potential of school truancies that has been adopted statewide; and created a web-based pesticide education resource accessible to the public. On a yearly basis about one-third of WSU's freshman class consists of first generation college students, and the University provides extensive and all-encompassing support to help students adjust to college life. The University maintains Extension offices in each of the state's 39 counties, and more than 1 million people participate annually in the programs offered through these offices. WSU research centers also are located in Mount Vernon, Prosser, Puyallup, and Wenatchee, all key agricultural areas.

Importantly, while developing the multi-campus system WSU retained its college-based academic structure under which a single department chair or school director is responsible for all faculty in the unit regardless of where they reside, and a single dean is responsible for all units in the college. This means that all faculty, regardless of work location, must meet the same standards for tenure and promotion. Deans share responsibility and authority for departments, schools, or academic programs offered jointly across two or more colleges. Deans share responsibility with chancellors for the success of components of departments, programs, or schools residing on another campus.

The institution operates as an integrated university system, with all campuses adhering to the same set of goals, practices, and policies—known as One WSU. For example:

- degree requirements are similar across campuses;
- all instructors and researchers, regardless of their location, are considered part of one faculty; and,
- the offices of student affairs and finance and administration are regarded as distinct but highly integrated components of the same administrative divisions.

The University has been redefining its administrative and operational structures to ensure delivery of an integrated set of services, while allowing each campus autonomy via the leadership of the chancellor and a clearly defined identity.

Growth in the Twenty-first Century

In the wake of the 2008-09 recession, WSU experienced rapid growth in enrollment and now has a record-large student body, with 31,607 students enrolled across the six campuses for fall semester 2019. As well, the University embarked on an ambitious expansion campaign during the past decade that expanded its statewide footprint, establishing a world-renowned center for the study of animal-to-human disease transmission, launching a medical school in Spokane in response to critical statewide shortages in primary care physicians, creating the Everett campus, initiating construction of a five-building life sciences complex in Pullman, and opening a wine science center at the Tri-Cities campus. WSU thus has made some notable strides in establishing itself as a top-tier public university that remains true to its land-grant mission.

The state of Washington has one of the more robust economies in the nation, and since 2014 has yearly experienced a positive net migration in excess of 50,000 people. The state Office of Financial Management expects the state's population to increase by 1.6 million people by 2040. The educational consulting firm of Ruffalo Noel Levitz predicts Washington to have the fourth-largest increase among all states in high school graduates between 2020 and 2030. For this rapidly growing population the state provides only six public universities to accommodate the educational needs of its residents, and only two of those, the University of Washington and Washington State University, are charged with active engagement in scholarly productivity. Further, WSU alone is directed to employ its expertise in the service of the economic and lifestyle needs of state residents, through its research and outreach programs. Demand for educational access by Washingtonians will, then, continue to grow through at least 2040. WSU must anticipate continual and unbroken growth in enrollment.

As a system, the University has extensive resources to sustain and develop the state of Washington. Each campus offers a distinctive learning environment to equip students with knowledge and life-long skills, while the resources of a globally-engaged research university provide a wealth of opportunities across the system to advance and translate knowledge and model creativity, and many units work with the broader community to address critical issues in Washington and throughout the world. To build the collective future of the WSU system, this strategic plan highlights and connects the distinctive strengths and forms of excellence that exist across the University.

Excellence takes many forms that merit the University's shared investment. The WSU system provides Washingtonians with access to outstanding liberal arts education, hands-on learning experiences in fields, labs, and community centers, and research and educational experiences. Through preparing educators and health care providers, providing opportunities that expand cultural understanding and enrich lives, and fueling economic development, WSU shapes future leaders and strengthens communities. This plan highlights the institution's strategic intentions related to educational development, scholarly research and creative work, and partnering with Washington communities. It also outlines next steps that will allow the University to be even more responsive to the challenges facing Washington's towns and cities, the state and nation, and the world.

ONE WSU—WSU SYSTEM OPERATING PRINCIPLES

In a world defined equally by tremendous opportunities and rapid change, the vision of the Washington State University system is built on the foundational purposes of the land-grant university: to provide education to all, to conduct scholarly inquiry that benefits society, and to share expertise that boosts the lives of individuals and communities.

The WSU system's focus on academic excellence for the public good goes hand-in-hand with the University's commitment to diversity, equity, and inclusion. It is central to the institution's mission that each member of the community has full opportunity to thrive.

The principles that follow establish an overarching philosophy that unites the WSU system and provides clarity and consistency for guiding the institution's day-to-day actions. Some of the principles currently are operative while others are aspirational. The principles are specific enough to be meaningful, yet broad enough to remain relevant in an evolving environment. Adopted and practiced consistently across the WSU system, the principles will enable the University to act on its core ideology and progress toward its envisioned future.

One WSU

WSU delivers its educational, research, and outreach benefits statewide through its campuses and other locations statewide, including Pullman, Everett, Seattle, Spokane, Tri-Cities, Vancouver, Yakima, and Bremerton. In addition, the WSU Global Campus delivers academic programming worldwide in a virtual environment. The University focuses firstly on critical problems and issues affecting the state of Washington, partnering with stakeholders to discuss and develop solutions. WSU sustains and enhances community-campus relationships in all locations.

One Degree

The quality of a Washington State University degree will be the same at all campuses throughout the statewide system. All graduates earn a WSU diploma with no campus designation.

One Faculty

All faculty, regardless of rank or appointment, are committed to the same standard of academic excellence across the system. The standards for faculty career advancement are fundamentally shared at all WSU campuses, ensuring a consistent level of educational experience and interdisciplinary scholarly quality and productivity system-wide.

Shared Accountability

WSU vice presidents, chancellors, and deans and their leadership teams each have unique and connected leadership roles that may encompass campus, college, unit responsibilities, as well as WSU system responsibilities, and are collectively accountable for the success of the institution and the system.

Operational Excellence

WSU operates an efficient and effective organizational structure, characterized by system-wide operational and management processes that support and promote innovation, stewardship, entrepreneurship, and responsible risk taking. WSU core services, compliance, educational, executive, and business policies ensure organizational efficiency and effectiveness across the system.

Fiscal Stewardship

WSU's system-wide budget model supports student success and academic excellence in alignment with the University's system strategic plan and the institution's shared mission and purpose. All WSU campuses, colleges, and other units operate within their authorized budgets, and are responsible for achieving fiscal, enrollment, and operating goals, as well as developing new sources of revenue that will fund future investments.

Data-informed Decision-making

WSU proactively uses data in decision-making to enhance administrative efficiency and strategic leadership across the system. Strategic priorities, environmental sustainability, financial sustainability, resource allocations, transparency, and predictability are all based on data-informed performance indicators and metrics.

Community Partnerships

WSU seeks out and embraces opportunities to partner with external stakeholders in an effort to solve the critical problems and issues that face the state of Washington and its residents. The University also encourages the development of entrepreneurial activities that lead to creative, solutions-oriented partnerships. WSU sustains and enhances community-university relations statewide.

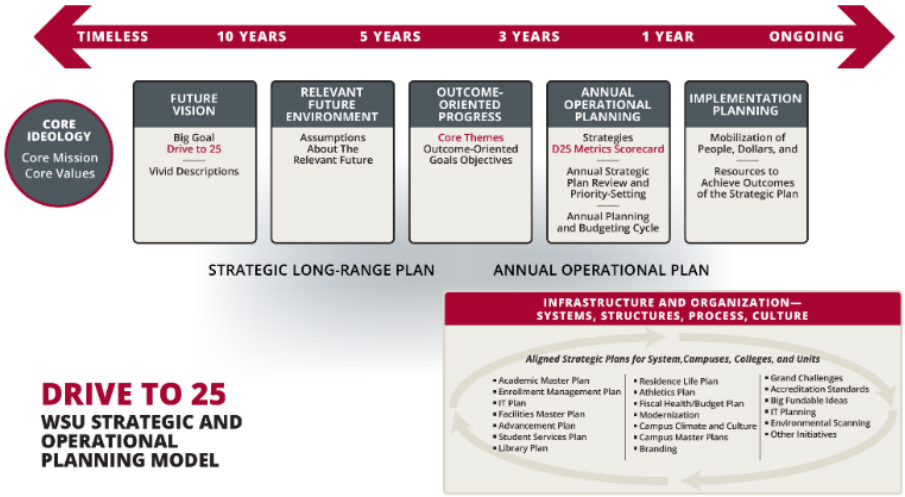
THE STRATEGIC PLANNING PROCESS

A Model for Planning and Thinking Strategically

The Washington State University 2020-2025 system strategic plan describes a desired vision and the elements essential to achieving that vision. The plan is grounded in core ideology and driven by an envisioned future that realizes the full potential of WSU's ability to support its faculty, staff, and students. The University's commitment is articulated in goals that declare the outcomes or attributes the organization intends to achieve. Objectives represent key metrics affecting WSU's ability to achieve a goal and articulate the direction in which these issues must be moved.

The University system must continue to evolve to meet the needs of the constantly changing environment in which it operates. Therefore, underlying this plan is the adoption of an ongoing process of planning and thinking strategically, designed to ensure relevance of direction and action over time.

This strategic plan reflects a model that organizes conversations about the future into four distinct planning "horizons." This helps organizations in setting and implementing priorities as well as in ensuring relevance of long-range direction over time.



Core Ideology and Envisioned Future

The four planning "horizons" framework consists of crafting a comprehensive strategic direction based on the balance between what doesn't change—the timeless principles of the organization's core purpose and core values (core ideology)—and what the organization seeks to become within a ten-year horizon—what would be possible beyond the restraints of the current environment. The ten-year horizon is characterized by the articulation of an envisioned future—an aspirational goal—and a vivid description—what it will be like to achieve the goal.

Assumptions About the Future

The articulation of the envisioned future guides the organization as it considers the factors that will affect its ability to achieve its goals. Building foresight about the five-to ten-year horizon—assumptions, opportunities, and critical uncertainties in the likely relevant future as well as emerging strategic mega-issues—suggests critical choices about the potential barriers the organization will face. This foresight also suggests the responses the organization will need to consider in navigating its way toward achievement of its aspirational goal.

Strategic and Operational Planning

The linkage continues into the three-to five-year horizon through the development of a formal long-range strategic plan, in which WSU articulates the outcomes it seeks to achieve for its faculty, staff, students, alumni, and other stakeholders. How will the world be different as a result of what the organization does? Who will benefit and what will the likely results be? Further, the articulation of strategies will bring focus to the organization's annual operational allocation of

discretionary resources. Action plans, checkpoints, and milestones will be developed through a process of operational planning, indicating progress toward each goal in every planning year.

A strategic long-range plan is not intended as a substitute for an annual operating plan. A strategic plan does not detail all the initiatives, programs, and activities the organization will undertake in the course of serving its members, stakeholders, and the industry, nor can it foresee changes to the underlying assumptions on which key strategic choices were based. Instead, the system strategic plan focuses on the future and outlines—in broad strokes—how WSU will need to evolve to succeed. Consequently, the strategic plan implies change—doing new things or doing more or less of current activities to ensure successful outcomes. The University's campuses, colleges, and units will further define the operational aspects that support the framework of this plan, and they will also create or revise existing plans to complement and build on the direction established by the system plan.

Ongoing Re-evaluation

Strategic planning for WSU should become the methodology for the organization's operations. If it is successful, this process will not have yielded a plan to be placed on the shelf but will have served as a catalyst for the process of planning strategically at all times and at all levels throughout the WSU system. In order to achieve its vision, the University must not look at strategic long-range planning as a one-time project that produces a milestone document of its best thinking at the moment. Instead, the entire WSU system must adopt strategic planning as an operational philosophy of ongoing re-evaluation of the critical knowledge bases that form the framework of its world, including:

- sensitivity to the needs of its constituencies;
- insight into the future environment;
- understanding of the capacity and strategic position of the organization; and
- effective analysis of the ethical implications of policy, program, and service choices.

Environmental Scanning

Conducting an Environmental Scan

Environmental scanning is the ongoing tracking of trends and occurrences in an institution's internal and external environment that bear on its success, currently and in the future. The results are useful in shaping goals and strategies and selecting annual priorities. Effective environmental scanning examines both quantitative and qualitative changes. Ultimately, an institution should create a set of key environmental indicators—internal, external, qualitative, and quantitative—that have the most important potential impact on the work the institution does.

Considering Internal and External Factors

These indicators may include internal issues and trends that are inherent to the institution, such as budget issues, enrollment fluctuations, fundraising opportunities, and changes in leadership. They may also include external factors in the environment outside of the institution that are out of the University's control such as:

- **Demographics**—locally, regionally, nationally, and increasingly internationally (e.g., population, racial/ethnic mix, immigration status, education levels, etc.)
- **Politics and public policy**—changes in governmental regulation, federal financial aid policies, and public attitudes toward institutions of higher education
- **Economies**—local, regional, national, and international
- **Labor market**—the demand in relevant fields and the associated skills desired by employers
- **Academic interests**—popular fields and the employment interests of prospective students and their families
- **Technology**—the increasingly rapid changes that impact nearly every aspect of higher education
- **Research**—changes in interests and funding from governmental, private, and foundation sources
- **Philanthropy**—changes in available funding and in the attitudes, interests, and approaches of donors

Environmental scanning will be conducted throughout the WSU system on an ongoing basis but an environmental scan document will be created annually, which will serve as a knowledge base. Strategic plan assumptions about the future support annual environmental scanning to inform the development of new initiatives, updates to the strategic plan, and SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis conversations system-wide.

Annual Strategic Plan Review and Update

The WSU system's strategic long-range plan represents a compass the organization will use to guide its work over the next five years. Each year of its life, the plan will be updated based on experience or new circumstances or as new opportunities or challenges emerge. By 2024 or sooner, WSU should author a new strategic long-range plan based upon the new environment expected to exist in the latter half of the decade.

WSU System-wide Strategic Planning Process—Campuses, Colleges, and Units

The system strategic plan will serve as the foundational document that guides the evolution of WSU's statewide enterprise from 2020 to 2025. The plan reflects the vision identified in the Drive to 25, and it also aligns with, and incorporates, other recent institutional planning efforts, including initiatives focused on modernization, campus culture, student success, and strategic research priorities. WSU's campuses, colleges, and other administrative units will develop or update their unit plans in the coming months. Those plans will complement and flesh out the big-picture goals, objectives, and strategies established by the framing of the system-wide plan.

WSU'S CORE IDEOLOGY

Core ideology describes an organization's consistent identity that transcends all changes related to its relevant environment. Core ideology consists of two notions: **core mission**—the organization's reason for being, and **core beliefs and values**—essential and enduring principles that drive the institution.

Core Mission

Washington State University is a public land-grant research university that is committed to the principles of education for all, scholarly inquiry that benefits society, and the sharing of expertise to positively impact the state and communities.

- **WSU's educational mission** is to help students become more informed, aware, engaged, and creative—a process through which the University's graduates achieve upward social mobility. WSU strives to make its expertise available to anyone who seeks to benefit from it, regardless of where they live, where they come from, what they believe, or what their life experiences have been.
- **WSU's scholarly mission** is directed toward the betterment of human existence through the uncovering of new information, the discovery of how to use that information to solve problems, and the creative expression of human experience. The University especially seeks to address issues that impact Washingtonians, and the institution works with residents, commerce, and lawmakers to identify those issues.
- **WSU's outreach mission** is to serve the needs of Washingtonians by sharing its expertise and helping residents integrate that knowledge into their daily lives.

Core Beliefs

- **The University strives to improve lives through education.** It welcomes students from all racial and ethnic backgrounds, gender identities and sexual orientations, economic backgrounds, students with disabilities, veterans, and first-generation students. Students with widely differing interests as well as varying levels of college preparation are welcome and encouraged to pursue a WSU education. Many transform their lives as a result of their University experience. The University seeks greater diversity in its student body. Keeping college affordable is implicit in WSU's focus. The University judges its success by its ability to help students become more informed, aware, engaged, creative, and socially mobile.
- **WSU focuses on improving the human condition through research, scholarship, and artistic activities.** To address the vast and complex problems confronting the world, the University balances the twin needs of continuing the basic research that leads to fundamental discoveries with efforts focused on delivering practical solutions to everyday problems faced by communities in the state and beyond. As WSU strives to be a force for societal transformation, the University embraces entrepreneurial activities and seeks out partnerships that bring together the bold ideas and multidisciplinary expertise required to maximize the benefit to stakeholders and residents.
- **WSU accepts responsibility for enriching the social, economic, and cultural vitality of the region through service and outreach.** The University delivers its educational, research, and outreach benefits statewide, with a particular emphasis on major population centers including Everett, Seattle, Spokane, Tri-Cities, Vancouver, Yakima, and Bremerton. WSU focuses on critical problems and issues affecting the state of Washington, partnering with stakeholders to develop solutions to a variety of challenges and spur economic prosperity. The University sustains and enhances community-campus relations statewide.
- **WSU engages globally for the future of the planet.** Every aspect of the University's teaching, research, and service mission has global implications—it is inherent in the mission of a Tier 1 national research university. All WSU faculty are part of an international community of scholars, so their endeavors potentially address a global audience. In serving local communities, WSU develops innovative approaches and solutions that can deliver benefits worldwide. Advancing the institution's global engagement is a critical component of future success.
- **WSU is committed to achieving an ethically and socially just society for all.** Instituting social change on a large scale begins at home. The University is committed to diversity, equity, and inclusion throughout every aspect of its statewide system. In the process a climate will created that enables underrepresented students, faculty, and staff to not only survive, but thrive in communities that foster a sense of belonging in a culture of inclusion. The ultimate goal? Creation of an institutional culture in which inclusion and equity are the norms, a model that helps move the world toward a place in which all people are treated with dignity and respect.

Core Values

- Land-grant ideals. Land-grant ideals of access to education for all regardless of background, the teaching of skills and knowledge necessary to be an engaged community member, scholarly inquiry for the betterment of society, and the sharing of institutional expertise with state residents.
- Community. A "Cougar Spirit" in WSU graduates that emphasizes community: both the community in which university faculty, staff, and students live and in the one made up of the family of Cougs worldwide.
- Integrity, trust, and respect. Trust and respect for all persons in an environment that cultivates individual and institutional integrity in all that the University does.
- Equity, diversity, inclusion, and belonging. Promotion of an ethical and socially just society through an intentional commitment to equity, diversity, and inclusion.
- Global citizenship. Stewardship of the planet's resources to ensure its vitality, as well as actions focused on social responsibility and cultural empathy in the context of an interconnected world.
- Freedom of expression. Free exchange of ideas in a constructive and civil environment, including the canons of academic freedom in teaching, research, and outreach.
- Wellbeing. Whole-person wellness for all members of the institution and a belief it is WSU's responsibility to contribute to the overall wellness of our communities and the broader society in which individuals reside.

ENVISIONED FUTURE

The envisioned future conveys a concrete, but as yet unrealized, vision for the organization. It consists of **an aspirational goal**—a clear and compelling catalyst that serves as a focal point for effort—and **vivid descriptions**—vibrant and engaging descriptions of what it will be like to achieve the aspirational goal.

Vision (aspirational goal)

- By 2030, Washington State University will be recognized as one of the nation's top 25 public research universities—**creating positive outcomes for all.**

Vivid Descriptions

- **WSU will be a leading land-grant institution, as measured by accessibility, graduation rates, and public service.** Land-grant universities were created to change the world, and WSU will model the core principles upon which these institutions were founded. In the process the University will become a national leader in all three areas of its mission, setting an example for others to emulate.
- **WSU will be the university of choice for student success.** The University will provide an educational experience through which students transform their view of themselves and the difference they can make in the world. The University will have robust resources system-wide to provide an accessible, affordable, life-changing education to a diverse student body—highlighted by experiences, internships, and opportunities that will prepare students to be contributors and leaders in their communities, the state, the nation, and the world. Additional resources will better support first-time and under-served populations, both urban and rural. Innovative teaching will foster a community in which students expect to be challenged to learn, and to succeed. More students will graduate, ready to make a difference in the world. They will experience reduced time to degree completion, achieve higher graduation and placement rates, and earn greater numbers of advanced degrees. As a result, interest in WSU from prospective students will increase substantially.
- **The University will be a magnet for students seeking to overcome equity gaps in their journey to complete a degree, as WSU will be well known for the upward social mobility its graduates experience after they begin their post-University life.** The WSU system will offer a well-developed suite of resources to assist students who have no history of college attendance within their family, have significant financial need, or have gaps in their preparation for higher education.
- **The people of the state of Washington will benefit to an even greater degree from the benefits the WSU system delivers through scientific innovation, research-based program delivery, and University-led practical problem solving.** WSU will increase the resources and improve the internal infrastructure required to enrich its ability to serve as a key player in solving the problems of the state, the nation, and the world. By advancing the Drive to 25, the University will boost its ability to contribute to accessibility, social mobility, and community well-being.
- **WSU truly will become the state's university, enhancing opportunities for the state's residents to gain access to its expertise.** The caliber of the University's faculty will continue to grow, and students will receive a superlative education. WSU's endowment will increase. Local economies will improve due to the high value human capital the University provides. Industry will look with greater frequency to WSU as a partner in creating programming that supports workforce development. The University will strengthen its capabilities in workforce development, innovative research, heath care (throughout the state), and development opportunities for residents.
- **WSU's stature as a university will be dramatically elevated.** The University will be viewed as one of the top places in the United States to learn, teach, and study as it grows its reputation for transforming lives and bettering society. The institution will receive new opportunities for external research funding, including enhanced public and private partnerships, and most importantly—create richer educational experiences for students.
- **WSU's research will continue to change the state, nation, and world.** System-wide, University researchers will be highly visible in their communities. World-changing innovations developed throughout the WSU system will address the challenges of the state, the nation, and the world. The impact of WSU's efforts will lead to more community engagement as industry and other external stakeholders seek to partner with the University. The WSU system will have an enhanced ability to assess state economic needs and to adapt and provide research and education to address those needs. Research won't be only the purview of researchers. Every student—undergraduate, graduate, or professional, not just those in fields labeled "scientific"—will receive the opportunity to be involved in research to

some degree. In addition, as WSU better demonstrates the benefits of its research in service to society, the University's contributions will play an important role in enhancing the reputation of higher education as a whole from a national perspective. An improved reputation for impactful research also will assist the recruitment of faculty, staff, and students, and research dollars will flow to the University at unprecedented levels. In becoming a top 25 university, doors will be opened to greater collaboration with higher educational institutions across the United States and beyond. WSU students will benefit from international partnerships and exchanges that allow them to learn from people worldwide, enriching their education and providing insights that can be applied in their future careers. Both partnerships with corporations and endowments will increase, and the WSU system's structure will create greater links between campuses for research partnerships.

- **The WSU system will be a vibrant, diverse, and thriving community of scholars, students, and staff, known for its integrated and informed campus communities.** WSU's collaborative, integrated multi-campus system will leverage its strengths to enable each component to respond more fully to those they serve and to the evolving environment. The WSU system will recognize and celebrate the uniqueness of each campus, college, and unit, as well as the role each plays in the success of the system. Campuses, colleges, and units may become known for specific areas of excellence, yet all disciplines will play a part in creating a transformative student experience. The sum of WSU will be stronger because of the way each of the parts will complement the system. All components of the system will benefit from the institution's enhanced and sustainable fiscal health, which will provide increased resources to meet needs and support growth. WSU will fully embrace and pursue a culture of philanthropy, further reducing its dependence on state funds. A dramatic increase in the endowment will occur. Improved and new facilities, labs, personnel, and equipment will create an infrastructure that will allow WSU to enhance the benefits of research that serves the public good.
- **WSU system-wide will achieve a deeper sense of responsiveness to communities statewide, built in part on increased dialogue between communities and the University focused on identifying top local concerns. As a result,** the campuses will become more integrated into their communities. Increased funding of outreach, education, and service activities will benefit local communities and broaden the institution's impact statewide. These connections will become an institutional strength.
- **Faculty and staff at all locations across the WSU system will feel inspired, engaged, and supported by the institution as a whole and by each other.** New faculty and staff looking for employment will seek to join the University, and the satisfaction level of existing faculty and staff will reach unprecedented levels due to improved salaries and additional opportunities for professional development and training. An emphasis on shared governance throughout the system will more fully incorporate the input of faculty and staff in decisions affecting the strategic direction of the institution.
- **The pride that faculty, staff, students, alumni, and communities feel about the University will grow to unprecedented levels as they become even more engaged in helping WSU grow.** One of the University's biggest strengths is the sense of Cougar Pride. "Cougness" exists system-wide—at every college, campus, and unit. It lifts the WSU community when challenges arise. It drives fierce loyalty among members of the Cougar family—to each other and to serving the greater good. Cougar Pride inspires the WSU community to fearlessly pursue human advancement. It manifests itself when students and alumni rally to raise money for hurricane victims or volunteer to do home repairs for the elderly. It's evident when nursing students care for the homeless. WSU Athletics magnifies Cougar Pride, serving as the front door to WSU and introducing thousands of stakeholders to the rest of the University and its academic mission. WSU Athletics thus is an integral part of the University—nurturing a community mindset that is a unique blend of family, pride, and work ethic. Cougness provides the fertile soil that allows the WSU community to believe that it can make positive change in the world. It is at the heart of WSU's institutional ethos. Cougar Pride will drive the WSU community to achieve even more in the future.
- **All members of the WSU community will feel connected to the Drive to 25 and clearly understand their ability to contribute to the collective vision.** Community members will understand that each individual can play a significant goal in the University's vision, regardless of rank or position at WSU. The goals and metrics of the Drive to 25 are focused equally on raising WSU's accomplishments in all three phases of the University's land-grant mission: teaching, research, and service. The Drive to 25 will create the culture for operational excellence system-wide. It will be an outcome of living institutional values, not just a slogan, and the initiative will not focus solely on competition with other institutions Each college, campus, and unit will be empowered to find ways to achieve excellence toward the collective vision.

- **The Drive to 25 will be not just a static goal.** Every year, the WSU community system-wide will engage in conversations focused on institutional actions, progress, and the path forward in fulfilling the strategic plan. "We have always done it that way" will not be a philosophy that guides future actions. Checkpoints for accountability will be established. Students, staff, and faculty from each campus, college, and unit will be encouraged to provide input on a regular basis. Individual units will be able to point to WSU's mission and vision as a guide for strategic decision making and resource allocation. The institutional commitment to continuous improvement will allow for flexibility and change as the needs of the University and students evolve, and as the environment in which the system operates changes. Throughout, the bottom line focus will remain unwavering: to serve the public good.

ASSUMPTIONS ABOUT THE RELEVANT FUTURE

Assumption statements will help the WSU system purposefully update the strategic plan on an annual basis. When conditions change, strategy needs to be adjusted. An annual review of these assumptions will help the system ensure the ongoing relevance of its strategy.

Demographics

- The population of college-aged people nationally will continue to decline. Unless college-going patterns change, many institutions will experience large enrollment declines in the mid-2020s in line with predictions for the number of high school graduates. Washington likely will be an outlier in this regard, at least in the short-term future.
- The number of traditional college-aged students will continue to decline nationally, and students over 25 who are working fulltime (non-traditional students) may eventually become the majority of the student population in higher education.
- The diversity of the population will increase, and students will continue to come from more diverse economic, cultural, and educational backgrounds. Nearly half of Generation Zers (48 percent) are racial or ethnic minorities representing African American, Latinx, Native American, Pacific Islander, and Asian American students, among other groups. Institutions of all types can expect a student body consisting of more students of color, but the specifics will differ by institution type and geographic location.
- Students increasingly will enter four-year institutions with at least some of their lower-level requirements met through dual enrollment or possession of an AA degree, which will require the four-year school to concentrate resources on upper-division education.
- Funding challenges will continue to affect the student population. Millennials have more income but less wealth than older Americans had at the same age, due in part to student loan debt, and this will be a challenge in terms of funding their education.

Social, Cultural, and Consumer Trends

- The current political climate which has emerged not only on university and college campuses but also in communities across the country will continue to put university administrators in a difficult place. One major challenge? They will need to strike a balance between allowing free speech and maintaining a secure and safe environment for students, faculty, and staff.
- The public will continue to scrutinize higher education policy and public skepticism about the value of higher education may place more emphasis on ROI (Return on Investment), micro-credentials, “mini-masters” academic programs, and non-academic careers.
- If the elimination of funding for the arts and humanities continues in federal budgets, societal relief in terms of access to arts and culture will diminish, thus increasing stress and increasing disparity in access.
- Students increasingly will view themselves as customers and consumers, expecting high-quality facilities and services.
- Society will expect students to be able to immediately apply their knowledge, which will place a burden on institutions to broaden and diversify their experiential learning opportunities.

Economic Climate

- Economic inequality will continue to grow during the next ten years, with a larger segment of the population living on lower incomes and with less access to wealth.
- Business models of universities highly dependent upon tuition dollars and adjunct faculty will be tested more seriously than ever before.
- The reduction in state and federal funding of higher education and research will continue for the foreseeable future.
- The reliance on philanthropy to provide funding support for student scholarships, research, and education initiatives will continue to increase.
- Society will expect more of universities, but it may concurrently support reductions in public funding.

Legislative and Regulatory

- Population loss and economic shifts will continue to lead to the restructuring of major university systems. Structural changes in university systems, such as campus mergers, will be the subject of legislative activity in many states.
- The national focus on college affordability will continue, and state officials—from the capital to the campus—will likely feel more pressure to hold down the price of higher education.
- An increased focus on sustainability in all its forms will continue to reshape policies and procedures at all levels of universities across the nation. Responding adequately to many of the issues will require additional funding.
- Increased policy and political pressure from the federal government may negatively impact an institution's ability to recruit and retain qualified international students.
- The continuing uncertainty about the future of the Deferred Action for Childhood Arrivals (DACA) immigration policy will continue. If DACA expires without a resolution, the impact on public higher education institutions, particularly in states with substantial populations of DACA students, will be consequential.

Higher Education

- Higher education institutions will continue to diversify in form and access. More "elite" public institutions will become less accessible to lower-income students because of changes in educational funding programs such as federal grants and loans. Private higher education institutions may continue to make up for some of this differential access through endowments and private giving.
- As higher education is increasingly commodified, the role and purpose of the liberal arts and humanities will continue to be questioned. Current national-level discussions indicate the liberal arts are again likely to be more highly valued in the short-term future.
- Reformation of core financial and educational practices, and greater business complexity, will require colleges and universities to provide greater transparency and implement new accountability structures to sustain public trust.
- Occupations that require highly specific skillsets will more frequently emerge and disappear, requiring institutions to be able to quickly establish—and eliminate—degrees as dictated by the marketplace.
- A greater number of university administrative and service functions (e.g., financial management, housing, student services) will be privatized.
- In an era in which the value of higher education is being questioned at unprecedented levels, land-grant universities must recommit themselves to serving their local communities as part of the effort to demonstrate their value.

Scientific and Technological Advances

- Data privacy issues will impact higher education institutions. Among the top issues: the need to secure student data, guard against data breaches, and demonstrate responsible enforcement.
- Distance learning will be an increasingly common option in higher education. It will co-exist with but not threaten the traditional bricks-and-mortar model.
- Tech-savvy students will expect fast-paced, interactive technology, as well as new methods to be infused in their educational program and learning experience.
- Many students will have less developed communication skills due to their reliance on technology to communicate. As a result, many will enter college with diminished verbal and written skills.
- Students will continue to be challenged by their instructors to engage in more personal interactions, as more of them will have been raised with social media being their primary form of communication and connection.

3-5 YEAR OUTCOME-ORIENTED GOALS

Goals are outcome-oriented statements that represent what will constitute the organization's future success. The achievement of each goal will move WSU toward the realization of its vision. The goals below are not prioritized. Every goal will need to be accomplished if the organization is to fully achieve its vision. Each goal is accompanied by a set of objectives, which represent key issues affecting WSU's ability to achieve the goal and articulate milestones against which to measure progress. Possible strategies for reaching objectives are also identified. The prioritization of the goals, objectives, and strategies will be determined by the University community as part of the implementation of this plan.

Goal 1: Research, Innovation, and Creativity

Washington State University will be recognized for embracing risk and bold thinking to serve the needs of its communities through innovative research, scholarship, and creative activities.

Objectives

- Expand research, scholarship, and creative activities that cross disciplines and employ new methodologies to address community needs and twenty-first century global challenges.
- Increase WSU's ability to highlight its achievements and their societal impact.
- Maximize the ability to shape research, creative activity, and entrepreneurship in direct partnership with the communities the University serves.
- Enhance WSU's ability to pursue, retain, and reward exceptional talent committed to creativity and bold thinking.
- Promote sustainable external partnerships to accelerate innovation and maximize the impact of the University's discoveries.

Possible strategies

- Grow the global impact of WSU's research by building additional partnerships with leading universities, research institutes, and corporations in the United States and abroad.
- Create cross-disciplinary research teams that build on WSU's strengths in order to accelerate innovation and maximize impact.
- Establish community advisory groups in key research domains to allow researchers and stakeholders to propose ideas and get feedback. Leverage the WSU Extension network to partner with faculty, staff, and students to give University-led research greater impact.
- Invest in state-of-the art instruments, facilities, and administrative infrastructure to provide the necessary support for a modern research environment.
- Actively recruit and retain research-focused faculty, graduate students, and staff from under-represented backgrounds, and provide a pathway for the creation of tenure-track faculty positions for meritorious post-doctoral fellows and research faculty.
- Revise system-wide tenure and promotion policies to recognize and reward community-based research partnerships and entrepreneurial activities that include incentives for strategic risk-taking, bold thinking, and high-impact achievements.

Goal 2: Student Experience

Washington State University students will engage in scholarship, research, and experiential learning activities to prepare future leaders, scholars, and global citizens.

Objectives

- Increase educational affordability geared toward improving the completion and graduation rates of students.
- Increase career development resources for all students starting with their first year.
- Ensure every WSU student has the opportunity to participate in experiential learning and community engagement (e.g., service learning, internships, undergraduate research, creative discovery, study abroad, and/or leadership).
- Enhance the quality of the undergraduate academic experience with an eye toward greater mastery of learning goals along with increased student retention and graduation rates.
- Nurture and promote mental, physical, and social wellbeing among students.

Possible strategies

- Develop a need-based financial aid model that eliminates unmet need over $1,000.
- Establish a baseline of career services offered throughout the WSU system and significantly increase funding levels to ensure the career services provided align with industry standards.
- Ensure every degree program identifies or develops required experiential learning activities and that there is a system-wide ePortfolio solution that documents and showcases these experiences.
- Expand institutional support for pedagogical and curricular innovations along with faculty professional development in teaching.
- Establish baseline wellness services on all campuses and fund the proposal by the WSU Campus and Community Health Task Force to infuse an emotional wellbeing curriculum throughout the WSU experience, both in and out of the classroom.

Goal 3: Outreach, Extension, Service, and Engagement

Washington State University will be a national leader in advancing quality of life, economic development, sustainability, and equity through meaningful engagement in discovery, education, and service with partners throughout the state, nation, and world.

Objectives

- Improve and implement cohesive, system-wide mechanisms for assessing and communicating the impact and value of outreach, Extension, service, and engagement.
- Increase the alignment of WSU priorities with the needs, challenges, and opportunities in the state of Washington identified via outreach, Extension, service, and engagement activities.
- Increase outreach, Extension, service, and engagement activities across all colleges, all campuses, and throughout the state, as an essential element to achieving WSU's land-grant mission.
- Increase and enhance partnerships with under-represented communities.
- Increase University-wide resource investment in outreach, Extension, service, and engagement activities.
- Increase the impact of outreach, Extension, service, and engagement activities to improve human health.

Possible strategies

- Provide training for all WSU personnel to learn about the University's land-grant history and mission, to improve and coordinate communication, and embed in the WSU brand the importance/advantages of outreach, Extension, service, and engagement activities at a land-grant university.
- Implement University-wide systems to better incentivize and reward programs and individuals to engage in outreach, Extension, and service activities (e.g., tenure/promotion portfolios).
- Leverage Extension by creating programs and processes that forge linkages (e.g., faculty affiliations, joint grant and project work, and student engagement); increase participation in outreach, Extension, service, and engagement activities by academic units; and inform/benefit the University's teaching and research missions.

- Develop and implement a university requirement that WSU students learn about and participate in outreach, Extension, service, and engagement activities as an essential part of the student experience.
- Prioritize outreach, Extension, service, and engagement activities as a strategy for diversifying extramural resource acquisition.

Goal 4: Institutional Effectiveness and Infrastructure

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

Objectives

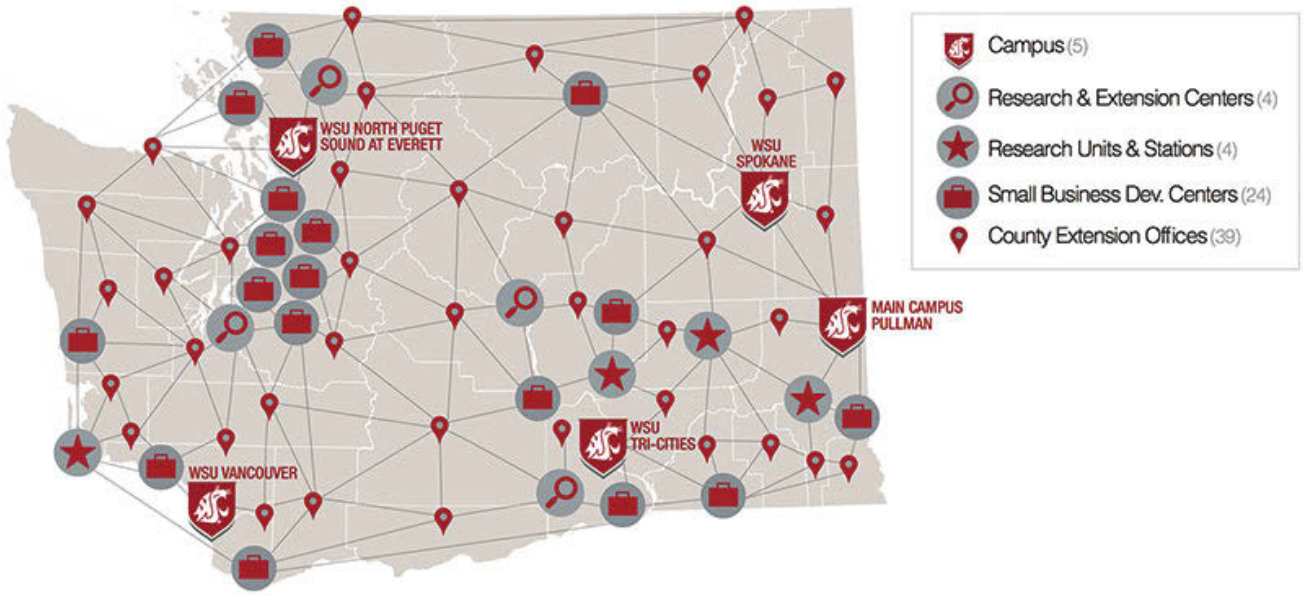
- **Budget and planning:** Align financial resources with strategic plan goals and engage in integrated planning of current educational programs and research efforts to maintain and strengthen their quality.
- **Modernization of infrastructure:** Modernize facilities, technology, business practices, and campus environments to be safe, sustainable, and supportive for future areas of growth and leading-edge practices in teaching, learning, and research.
- **System:** Enhance overall internal buy-in for the WSU system and appreciation for all of its assets and components.
- **Staff recruitment and retention:** Increase the hiring and retention of exceptional faculty and staff—who represent diversity in all its forms—to advance research and the educational experience.

Possible strategies

- Produce an annual operating budget that promotes transparency around the current allocation of resources and informs the planning of future incentive-based budget models.
- Promote an enhanced infrastructure and technology planning process incorporating input from a wide range of internal stakeholders to prioritize deferred maintenance and long-term technology needs that support WSU's aspirational growth.
- Form a team representative of the system and all its components to identify hindering and helping forces to promote system-wide best practices, opportunities for local decision-making, and collaboration based on a set of shared values and principles.

Continue to advance and enhance programs focused on the hiring and retention of diverse faculty and staff including recruitment initiatives, training, mentoring/equity advisor programs, and University and community resources.

APPENDIX 1:
WSU SYSTEM LOCATIONS



APPENDIX 2:
CAMPUS PROFILES

WSU Everett

WSU Everett is student- and community-centered, bringing industry-aligned undergraduate programs with an interdisciplinary focus to the North Puget Sound region to prepare students to compete globally in the local economy. The campus offers junior- and senior-level courses in seven high-demand bachelor's degree programs, including data analytics, engineering, hospitality business management, and integrated strategic communication. It also serves as a clinical campus for the Elson S. Floyd College of Medicine based in Spokane. WSU Everett is located in a four-story facility constructed along the waterfront in downtown Everett that opened in 2017. The campus enrolls nearly 300 students.

Student Profile, Fall 2019

- Total enrollment: 283
  - Undergraduate: 283
- Students of color: 34.6%
- International: 5.7%
- Women: 27.9%
- First generation: 41.7%

WSU Everett Current Strategic Plan

(https://everett.wsu.edu/wsu-everett-strategic-plan/)

WSU Global Campus

In addition to serving students through its brick-and-mortar campuses, the University also reaches out to the residents of Washington and beyond through the WSU Global Campus, which delivers degrees online, and professional education, which includes a range of non-credit continuing education programs, such as seminars, workshops, conferences, trade expositions, and online certificates. Several of these programs have earned national acclaim. The WSU Global Campus serves more than 3,000 students through its online offerings. With programs in fields including accounting, management, management information systems, economics, data analytics, criminal justice, human development, humanities, social sciences, integrated strategic communications, and psychology, students around the world have access to WSU's world-class faculty and academic programs regardless of geography.

Student Profile, Fall 2019

- Total enrollment: 3,265
  - Undergraduate: 2,126
  - Graduate: 1,139
- Students of color: 29.2%
- International: 5.2%
- Women: 60.1%
- First generation: 29.4%

WSU Global Campus Current Strategic Plan

(development of plan in process)

WSU Pullman

The Pullman campus is the oldest (founded 1890) and largest campus in the WSU system. Most of the system's senior administrative team, including WSU's president and provost, are based in Pullman. Enrollment totaled 20,976 students for the 2019 fall semester. About 1,500 faculty, supported by 1,600 graduate assistants and 2,900 administrators and staff, work on the Pullman campus. WSU Pullman offers studies in more than 200 undergraduate, graduate, and professional programs.

Due to significant investments from the state as well as private and federal support, outstanding new campus facilities have been constructed and others upgraded during the past decade. Major new facilities include a digital classroom building, multiple plant sciences facilities, a multicultural center, a veterinary and biomedical research building, and the PACCAR Environmental Technology Building.

WSU Pullman is a hub for most of the University's student organizations, including its athletic teams, as well as galleries, performance venues, and museums dedicated to art, anthropology, zoology, and other topics. The Pullman campus is largely residential; 46 percent of students live in residence halls, University-owned apartments, or fraternity and sorority houses.

Student Profile, Fall 2019

- Total enrollment: 20,976
  - Undergraduate: 18,346
  - Graduate: 2,173
  - Professional: 457
- Students of color: 29.7%
- International: 9.1%
- Women: 50.5%
- First generation: 31.0%

WSU Pullman Current Strategic Plan

(development of new plan to begin spring 2020)

WSU Health Sciences Spokane

Located about 75 miles north of Pullman, WSU Health Sciences Spokane is the University's urban health sciences campus, which prepares the state's future generations of physicians, nurses, pharmacists, and other health professionals. Nearly 1,700 undergraduate, professional, and graduate students pursue degrees at the 48-acre campus. WSU Health Sciences Spokane is home to several modern facilities including the Pharmaceutical and Biomedical Sciences building, which houses the latest in health science laboratories and classroom technology. The campus also houses programs offered by Eastern Washington University and is located just across the Spokane River from Gonzaga University. Fittingly, this area of Spokane is referred to as the University District, or U-District.

Student Profile, Fall 2019

- Total enrollment: 1,685
  - Undergraduate: 534
  - Graduate: 325
  - Professional: 826
- Students of color: 31.9%
- International: 2.3%
- Women: 71.6%
- First generation: 30.4%

WSU Health Sciences Spokane Current Strategic Plan

(development of plan in process)

WSU Tri-Cities

WSU Tri-Cities is located on 200 acres along the banks of the Columbia River in the southeastern part of the state. The campus serves more than 1,800 students by offering 50-plus undergraduate and graduate degree programs, many of them in STEM-related disciplines. The Ste. Michelle Wine Estates WSU Wine Science Center opened on campus in 2016. The facility—one of the most technologically advanced wine science centers in the world—represents the thriving partnership between the Pacific Northwest wine industry and WSU. The campus also is home to the Bioproducts, Sciences, and Engineering Laboratory, built in partnership with nearby Pacific Northwest National Laboratory. In addition, WSU Tri-Cities serves as a clinical campus for the Elson S. Floyd College of Medicine.

Student Profile, Fall 2019

- Total enrollment: 1,813
  - Undergraduate: 1,603
  - Graduate: 210
- Students of color: 42.4%
- International: 2.2%
- Women: 56.1%
- First generation: 41.8%

WSU Tri-Cities Current Strategic Plan

(https://tricities.wsu.edu/administration-and-leadership-at-wsu-tri-cities/campus-strategic-planning/)

WSU Vancouver

As the second largest campus in the WSU system, WSU Vancouver offers big-school resources in a small-school environment. Now enrolling more than 3,500 students, the WSU Vancouver provides affordable, high-quality baccalaureate- and graduate-level education to benefit the people and communities it serves. As the only four-year research university in Southwest Washington, WSU Vancouver helps drive economic growth through relationships with regional businesses and industries, schools, and nonprofit organizations. Areas of research focus include sustainable water, brain health, and smart devices. WSU Vancouver also serves as a clinical campus for the Elson. S. Floyd College of Medicine. Ninety-two percent of WSU Vancouver alumni remain in the region after graduation to live, work, and contribute to their communities.

Student Profile, Fall 2019

- Total enrollment: 3,585
  - Undergraduate: 3,170
  - Graduate: 415
- Students of color: 29.1%
- International: 2.6%
- Women: 54.4%
- First generation: 43.4%

WSU Vancouver Current Strategic Plan

(https://www.vancouver.wsu.edu/strategic-plan)

WSU Extension

With locations throughout the state, WSU Extension is the front door to the University. Extension builds the capacity of individuals, organizations, businesses, and communities, empowering them to find solutions for local issues and to improve their quality of life. Extension collaborates with communities to create a culture of life-long learning and is recognized for its accessible, learner-centered, relevant, high-quality, unbiased educational programs. WSU Extension partners with businesses, communities, and volunteers to develop programs that drive innovation, invention, and technology transfer. Extension offers programs statewide that address a wide range of topics, including digital inclusion, food safety, horticulture, parenting, stormwater, and pest management. More than one million individuals participate in Extension-managed programs annually.

Extension Locations

Extension County Offices

- One in each of the 39 counties in the state of Washington

Research and Extension Centers

- Mount Vernon Northwestern Washington Research and Extension Center
- Prosser Irrigated Agriculture Research and Extension Center
- Puyallup Research and Extension Center
- Wenatchee Tree Fruit Research and Extension Center

Additional Locations

- Agricultural Weather Network (AWN)
- Center for Environmental Research, Education, and Outreach (CEREO)
- Center for Sustaining Ag and Natural Resources (CSANR)
- Clean Plant Network
- Colville Reservation
- Composite Materials and Engineering Center
- Division of Governmental Studies and Services (DGSS)
- Food and Environmental Quality Lab
- IMPACT Center in the School of Economic Sciences
- International Research and Agricultural Development
- Metropolitan Center for Applied Research and Extension
- Water Research Center
- William D. Ruckelshaus Center
- Wine Science Center

APPENDIX 3:
DEFINITION OF PLANNING TERMS

CORE IDEOLOGY

An organization's consistent identity that transcends all changes related to its relevant environment. Core ideology consists of two notions: core mission—the organization's reason for being, and core beliefs and values—essential and enduring principles that drive the organization.

MISSION

The fundamental purpose for which the institution exists.

BELIEFS AND VALUES

Essential and enduring tenets that guide behavior and decision-making and shape institutional culture.

VISION

What the institution seeks to be or become within a future time horizon–consists of a big goal statement and vivid descriptions.

ASSUMPTIONS

Future-oriented statements that serve as projections about the future environment that the institution is likely to be operating in as it moves toward achievement of its vision.

GOALS

Outcome-oriented statements, worded in the future tense, that describe what will be achieved for stakeholders, and the progress that will be made toward the long-range vision.

OBJECTIVES

Measurable, attainable milestones that describe progress toward key issues affecting the ability to achieve the goal, and what would constitute success in observable or measurable terms. Indicates a direction—increase, expand, decrease, reduce, consolidate, abandon, improve, distribute, or enhance.

METRICS

Numeric or data-oriented milestones to achieve by a specific point in time on the way to accomplishing the goal. Describes the measure or change that will be used to assess progress and set future benchmarks and targets.

TACTICS

Specific actions taken by the institution to commit its resources to accomplishing the goal. Brings focus to operational allocation of resources. Indicates an activity—redesign, refine, identify, revise, develop, implement, create, or establish.

APPENDIX 4:
STRATEGIC PLANNING KEY STEPS AND TIMELINE

Planning Process and Timeline

The planning process incorporated nine steps that took place between August 2018 and March 2020.

August 2018—March 2019

Step 1: Setting the Stage

- Analyze the 2018 WSU accreditation report completed by the Northwest Commission on Colleges and Universities
- Develop planning model for creating a new strategic plan
- Launch the planning process with communication from President Schulz
- Conduct system-wide listening sessions on current strategic plan

January—April 2019

Step 2: Expanding the Effort

- Analyze data from initial listening sessions
- Create Strategic Planning and Institutional Effectiveness Council (SPIEC), with system-wide representation
- Engage senior leadership teams—president's cabinet, deans, campuses, colleges—in strategic dialogue about the WSU system

May 2019

Step 3: Convening the Community: Land-grant Symposium

- Host full day, system-wide dialogue focused on the future of land-grant institutions
- Explore in-depth the three primary elements of WSU's land-grant mission: teaching, research, and service

June—September 2019

Step 4: Building a Knowledge Base

- Design environmental scanning process
- Design knowledge repository
- Evaluate knowledge gaps
- Engage in quantitative/qualitative research with internal and external stakeholders
- Survey community online about purpose, values, vision, goals, and assumptions
- Create "What We Know" document

October 2019

Step 5: Convening the Community: Visioning Conference

- Gather community input regarding:
  - Assumptions about the future
  - SWOT analysis
  - Core purpose and core values
  - Envisioned future (big goal/vivid descriptions)
  - Short-term, outcome-oriented goals and objectives

October—November 2019

Step 6: Crafting the Plan: Concept Teams

- Form concept teams
- Teams draft goals, objectives, and strategies to be included in the strategic plan based on input from the visioning conference, "What We Know" document, and associated research

December 2019

Step 7: Strategic Plan Document Drafting

- Draft the first iteration of the strategic plan
  - Relying on the input gathered, a small team writes the first draft of the plan
  - The draft addresses purpose, values, and vision and goals, as well as underlying assumptions about the future

February 3—February 24, 2020

Step 8: Stakeholder Input on Draft Strategic Plan

- Community provides comments about the draft plan
- Draft plan is revised to incorporate feedback received

March 2020

Step 9: Strategic Plan Submitted to WSU Board of Regents

- Regents review and comment on draft plan

APPENDIX 5:
STRATEGIC PLANNING AND INSTITUTIONAL EFFECTIVENESS COUNCIL (SPIEC) MEMBERSHIP

COCHAIRS

Kirk Schulz, Ph.D.
President

Professor
Voiland School of Chemical Engineering and Bioengineering
Voiland College of Engineering and Architecture

Bryan Slinker, DVM, Ph.D.
Interim Provost and Executive Vice President

Professor
Department of Integrative Physiology and Neuroscience
College of Veterinary Medicine

MEMBERS

Morgan Atwood
Undergraduate Student
Social Sciences
College of Arts and Sciences

President
Student Government Council

President
ASWSU Global

Terry Boston, B.A.
Acting Vice President
Division of Student Affairs

Lisa Calvert, B.S.
Vice President for Advancement and Chief Executive Officer
WSU Foundation

Pat Chun, M.S.
Director
Intercollegiate Athletics

Dave Cillay, Ph.D.
Chancellor
WSU Global Campus

Vice President
Academic Outreach and Innovation

Greg Crouch, Ph.D.
Clinical Professor
Chemistry

Chair
Faculty Senate

Daryll DeWald, Ph.D.
Chancellor
WSU Health Sciences Spokane

Vice President
WSU Health Sciences Spokane

Professor
School of Biological Sciences
College of Arts and Sciences

Mary Jo Gonzales, Ph.D.
Vice President
Division of Student Affairs

Sandra Haynes, Ph.D.
Chancellor
WSU Tri-Cities

Fran Hermanson, B.S.
Executive Director
Institutional Research

Christine Hoyt, J.D.
Chief of Staff
Office of the President

Matt Jockers, Ph.D.
Dean

Professor of English
College of Arts and Sciences

Kristen Johnson
Ph.D. Candidate
Physical Chemistry
College of Arts and Sciences

Director
University and Student Affairs
Graduate and Professional Student Association

Representative
College of Arts and Sciences
Graduate and Professional Student Association

Chris Keane, Ph.D.
Vice President
Office of Research

Professor of Physics
College of Arts and Sciences

Colleen Kerr, J.D.
Vice President
External Affairs and Government Relations

Mel Netzhammer, Ph.D.
Chancellor
WSU Vancouver

Craig Parks, Ph.D.
Vice Provost for System Innovation and Policy
Office of the Provost

Professor of Psychology
College of Arts and Sciences

Stacy Pearson, MPA
Vice President
Finance and Administration

Sasi Pillay, Ph.D.
Vice President and Chief Information Officer
Information Technology Services

Paul Pitre, Ph.D.
Chancellor
WSU Everett

Associate Professor of Educational Leadership
and Counseling Psychology
College of Education

Stephanie Rink, MBA
Assistant to the Dean
Carson College of Business

Chair
Administrative Professional Advisory Council

Brandy Seignemartin
Ph.D. Candidate
College of Pharmacy and Pharmaceutical Sciences

Vice President
OneWSU Student Government Council

Vice President
Legislative Affairs
ASWSU Health Sciences

John Tomkowiak, M.D., MOL
Founding Dean
Elson S. Floyd College of Medicine
WSU Health Sciences Spokane

Mike Trevisan, Ph.D.
Dean

Professor of Educational Psychology
College of Education

Phil Weiler, B.A.
Vice President
Marketing and Communications
Office of University Marketing and Communications

SPIEC CONSULTING AND ADMINISTRATIVE SUPPORT

Guy Ellibee
Director
Information Systems Operations and System Services
Office of the President

Jean S. Frankel
Consultant
Ideas for Action LLC

Christine Hoyt, J.D.
Chief of Staff
Office of the President

Rebecca Lande
Program Manager
Office of the President

Craig Parks, Ph.D.
Vice Provost for System Innovation and Policy
Office of the Provost

Professor of Psychology
College of Arts and Sciences

John Sutherland, B.A.
Director
Presidential Communications
Office of University Marketing and Communications

BOARD OF REGENTS
WASHINGTON STATE UNIVERSITY

Agenda

Research and Academic Affairs Committee
Thursday, March 12, 2020
11:00 a.m. – 12:00 p.m.

Location: WSU Tri-Cities, Consolidated Information Center (CIC), Rooms 212-214

Committee Members: Ron Sims (Chair), Brett Blankenship, Scott Carson, and Ted Baseler

Future Action Items		**Section**
1.	Discontinuation of the Master of Arts in Hispanic Studies *(Slinker)*	R-1
2.	Discontinuation of the Master of Nursing Plan (Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner) *(Slinker)*	R-2

Action Item

1.	Establish the School of Information (iSchool) *(Slinker)*	R-3

Information Items

1.	Faculty Manual Change – Reconciliation to Ensure Alignment with the Tracks and Appointment Initiative *(Slinker)*	R-4
2.	Genetics and Epigenetics, Connecting Organisms and Their Environments *(Keane/Kelley)*	R-5

FUTURE ACTION ITEM #1

Discontinue the Master of Arts in Hispanic Studies
(Bryan K. Slinker)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Discontinuation of the Master of Arts in Hispanic Studies

PROPOSED: That the Board of Regents discontinue the Master of Arts in Hispanic Studies

SUBMITTED BY: Bryan K. Slinker, Interim Provost and Executive Vice President

SUPPORTING INFORMATION: The College of Arts and Sciences proposes to discontinue the Master of Arts (MA) in Hispanic Studies.

The College of Arts and Sciences realized that with the American Studies Ph.D. Program, and with a pending retirement of at least one faculty member, the School of Languages, Cultures, and Race is not able to provide the necessary courses for the master's program. Additionally, the Ph.D. in American Studies does have a "Latina/o and Latin American Studies" plan of study available to our Ph.D. students.

The current students who are enrolled in the program will feel no impact from the discontinuation. They will be allowed to finish the program as it currently is. Moreover, the current students are all expected to graduate in May 2020.

The complete proposal for discontinuation is attached. The proposal was reviewed carefully and has support from the Provost's Office. The recommendation was passed by the Faculty Senate on January 23, 2020.

ATTACHMENT: Attachment A

Attachment A

WASHINGTON STATE UNIVERSITY

Office of
Provost and Executive Vice President

MEMORANDUM

TO: Faculty Senate

FROM: Bryan Slinker, Interim Provost and Executive Vice President

SUBJECT: Discontinue Master of Arts in Hispanic Studies

DATE: October 4, 2019

The attached proposal to discontinue the Master of Arts in Hispanic Studies has been reviewed by the Provost's Office. We have no concerns about the proposal. We feel the School of Languages, Cultures, and Race is taking an appropriate step given the lack of resources available to offer the degree, and opportunity exists within the American Studies program for students who are interested in this topic.

We judge it ready for the Senate review process. Please note that, though the form requests an indefinite suspension, SLCR director Dr. Carmen Lugo-Lugo indicates that they do wish to discontinue the degree.

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

MASTERMORATORIUM OR SUSPENSION OF A DEGREE PROGRAM

DEANS: Use this form to request or remove a moratorium or suspension of a degree program or a certificate of 30 or more credits. Send this completed form in Word version electronically to the Office of the Provost: provost.deg.changes@wsu.edu

Degree Title:	M. A. Hispanic Studies		
Academic Program:	P6061		
Academic Plan:	P6061_0010		
Number of Credits:			
Department(s) or Program(s):	School of Languages, Cultures, and Race		
College(s):	College of Arts and Sciences		
Campus(es):	Pullman		
Contact Name:	Carmen R. Lugo-Lugo		
Contact Phone:	335-6173	Email:	clugo@wsu.edu

Action Requested:

☐ Moratorium: Begin Date: ___End Date: __ (Complete items 1-3)

☒ Suspension: Begin Date: _August, 2020_ End Date: _____ (Complete items 1-4)

☐ Remove Moratorium: Effective Date: _____ (only complete items 5-7 below)

☐ Remove Suspension: Effective Date: _____ (only complete items 5-7 below)

1. Rationale for moratorium or suspension:

We are requesting an indefinite suspension of the Program. We realized that with the American Studies PhD Program, and with a pending retirement of at least one faculty member, we are not able to provide the necessary courses for the master's program. The Ph.D. in American Studies does have a "Latina/o and Latin American Studies" plan of study available to our Ph.D. students.

2. Potential impact of moratorium or suspension on current students in the program:

The current students who are enrolled in the program will feel no impact from the suspension. They will be allowed to finish the program as it currently is. In fact, they are all currently scheduled to graduate in May 2020.

3. Potential impact of moratorium or suspension on faculty in the program:

The faculty members that are currently involved with the Hispanic Studies M.A. program will be able to participate in the "Latina/o and Latin American Studies" plan of study within the American Studies PhD program.

4. If requesting a suspension, please indicate whether a closure is under consideration; if so, include a time-line.

No courses for the master's program in Hispanic studies will be offer after Spring 2020.

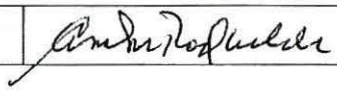
5. If requesting to remove a moratorium or suspension, please indicate the conditions under which the program moratorium or suspension no longer apply.

N/A

6. If requesting to remove a moratorium or suspension, please indicate the resources from faculty and staff needed to reinstate the program are available, and whether there will be any potential impacts to other programs if reinstated.

N/A
7. If removing the program from suspension status, please explain the market demand for the program and a specific plan of sustainability for the program.
N/A

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

Chair Signature:		Date:	8.26.19
Dean Signature:		Date:	8 Aug 2019
VP Global Campus		Date:	

→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

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

Comments:

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

FUTURE ACTION ITEM #2

Discontinue the Master of Nursing Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner (Bryan K. Slinker)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Discontinuation of the Master of Nursing Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner

PROPOSED: That the Board of Regents discontinue the Master of Nursing Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner

SUBMITTED BY: Bryan K. Slinker, Interim Provost and Executive Vice President

SUPPORTING INFORMATION: The College of Nursing proposes to discontinue the Master of Nursing (MN) Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner options.

The MN degree for nurse practitioners is no longer relevant for initiation into the profession. The new degree requirement endorsed nationally is the Doctor of Nursing Practice degree. The MN degree option was retained while the College of Nursing's DNP degree launched. The College of Nursing is not able to support the MN degree for nurse practitioner training while also supporting a robust DNP Program. The MN program will continue only with a Population Health track, after undergoing a major curricular revision. Most students would be better served completing as a DNP for all other specializations.

Currently, there are only 2 students in the College of Nursing with approved programs of study for the MN in a nurse practitioner track. The College of Nursing will support these 2 students to complete their degree requirements as the MN curricular changes do not affect their program of study.

The complete proposal for discontinuation is attached. The proposal was reviewed carefully and has support from the Provost's Office. The recommendation was passed by the Faculty Senate on January 23, 2020.

ATTACHMENT: Attachment A

Attachment A

WASHINGTON STATE UNIVERSITY | Graduate School

DATE: November 20, 2019
TO: Faculty Senate
FROM: Judi McDonald, Associate Dean, Graduate School
RE: MN

JMcD
CMason, College of Nursing

The purpose of this memo is to clarify that the request is to close the Master of Nursing plans (options) in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner. The Master of Nursing plan in Population Health will remain open, hence this request is not a degree closure.

This makes sense to me. OK
12-2-19

PO Box 641030, Pullman, WA 99164-1030
509-335-6424 | Fax: 509-335-1949 | gradschool.wsu.edu

WASHINGTON STATE UNIVERSITY

Office of
Provost and Executive Vice President

MEMORANDUM

TO: Faculty Senate

FROM: Bryan Slinker, Interim Provost and Executive Vice President

SUBJECT: Discontinue the Masters of Nursing Degree

DATE: October 4, 2019

The attached proposal for discontinuing the Masters of Nursing degree has been reviewed by the Provost's Office. We have no concerns about the proposal. The program has established a plan to ensure that all currently-enrolled students will be able to complete their degrees on schedule. Faculty involved in the program are all fully engaged with Doctor of Nursing Practitioner program, and there is unanimous support within the college to do this.

We judge it ready for the Senate review process. Please note that though the college completed a "request to suspend degree" form, program director Dr. Anne Mason confirms that the college wishes to eliminate the degree entirely. Rather than have the college complete a new form, we ask that you treat this document as a request to eliminate the degree.

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

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:	Master in Nursing – Family Nurse Practitioner or Psychiatric Mental Health Nurse Practitioner
Academic Program:	Nursing
Academic Plan:	
Number of Credits:	51-53 FNP, 50 PMHNP
Department(s) or Program(s):	College of Nursing
College(s):	College of Nursing
Campus(es):	Spokane, Vancouver, Tri-Cities

Contact Name:	Tami Kelley	Email Address:	Tamara.kelley@wsu.edu
Contact Phone:	509-324-7334	*Proposed start date:	August 2018

Rationale for discontinuing the degree:
1) The MN degree for nurse practitioners is no longer relevant for initiation into the profession. The new degree requirement endorsed nationally is the Doctor of Nursing Practice degree. The MN degree option was retained while our DNP degree launched. 2) The College is not able to support the MN degree for nurse practitioner training while supporting a robust DNP Program. 3) The MN program has undergone major curricular revision that focuses on population-based health. The degree requirements for this plus the NP training would greatly inflate the number of credits required for an MN in a nurse practitioner track, students would be better served completing as a DNP.
Implications for currently enrolled students (how many)? Attach teach out plan.
There are currently only 2 students in the College of Nursing with approved programs of study for the MN in a nurse practitioner track. We will support these 2 students completing their degree requirements as the MN curricular changes do not affect their program of study.

☐ **Attach teach out plan** None required at this time due to the natural phase out of interest.

Impact on or responses of current faculty and staff:
The Graduate faculty of the College of Nursing have fully endorsed discontinuing the degree option for MN in a nurse practitioner track.
Impact on or responses of other degree programs, departments, colleges or campuses:
The MN degree option in the College of Nursing is focused now on population health. The faculty of this track are population and public health experts and are not able to supervise nurse practitioner students. Additionally, the MN program completed a curriculum revision in 2018 to begin to implement in 2019. This curricular change does not support NP students completing the MN curriculum and their NP requirements within a reasonable number of MN credits.
Impact on or responses of other stake holders (e.g., advisory or alumni groups):

None known, the DNP as the degree of nurse practitioners is widely accepted in health care.

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

Chair Signature:	Anne M. Mason	Date:	07/31/2019
Dean Signature:	Mel Haberman	Date:	August 1, 2019

→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

Everett Chancellor		Date:	
Spokane Chancellor		Date:	
Tri-Cities VCAA		Date:	
Vancouver VCAA		Date	
VP Global Campus		Date:	
Provost Office:		Date:	

Comments:

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

Merrill, Angela Lori

From: Parks, Craig
Sent: Thursday, September 5, 2019 8:17 AM
To: Merrill, Angela Lori
Subject: FW: process for placing a program on moratorium
Attachments: Proposal to Discontinue MN Program.pdf

From: Mason, Anne Michele <anne.mason@wsu.edu>
Sent: Wednesday, September 4, 2019 3:37 PM
To: Parks, Craig <parkscd@wsu.edu>
Subject: process for placing a program on moratorium

Hi Craig: I met with Judi McDonald today to discuss the request nursing submitted to discontinue the MN in passing for the nurse practitioner tracks (attached, submitted to the Provosts office in early August). I agree placing these programs in moratorium is what we want to do at this time while the discontinuance paperwork is moving through. Can you provide me with the process for moratorium? Thank you, Anne

Anne Mason, DNP, ARNP, PMHNP-BC
DNP Program Director, PMHNP Program Coordinator
Washington State University College of Nursing
PO Box 1495 | Spokane, WA 99210-1495
ph 509-324-7253| fax 509-324-7341| anne.mason@wsu.edu
nursing.wsu.edu
WSU College of Nursing: integrity | caring | social justice | altruism | maximizing health potential

NLN **National League** *for* **Nursing**
Center of Excellence in Nursing Education

Enhance Student Learning and Professional Development 2017 - 2021

MORATORIUM OR SUSPENSION OF A DEGREE PROGRAM

DEANS: Use this form to request or remove a moratorium or suspension of a degree program or a certificate of 30 or more credits. Send this completed form in Word version electronically to the Office of the Provost: provost.deg.changes@wsu.edu

Degree Title:	Master of Nursing – Family Nurse Practitioner (FNP) Master of Nursing – Psychiatric Mental Health Nurse Practitioner (PMHNP)		
Academic Program:	Master of Nursing		
Academic Plan:			
Number of Credits:	51-53 FNP; 50 PMHNP		
Department(s) or Program(s):	Nursing		
College(s):	College of Nursing		
Campus(es):	Spokane, Tri-Cities, Vancouver		
Contact Name:	Anne M. Mason, DNP Program Director Tami Kelley, Graduate Program Coordinator		
Contact Phone:	509-324-7334	Email:	Tamara.kelley@wsu.edu
Action Requested:			

☐ Moratorium: Begin Date: _____ End Date: _____ (Complete items 1-3)

☒ Suspension: Begin Date: August 2018 End Date: _____ (Complete items 1-4)

☐ Remove Moratorium: Effective Date: _____ (only complete items 5-7 below)

☐ Remove Suspension: Effective Date: _____ (only complete items 5-7 below)

1. Rationale for moratorium or suspension:

The MN degree for nurse practitioners is no longer relevant for initiation into the profession. The new degree requirement endorsed nationally is the Doctor of Nursing Practice degree. The MN degree option was retained while our DNP degree launched in 2012. 2) The College is not able to support the MN degree for nurse practitioner training while supporting a robust DNP Program. 3) The MN program has undergone major curricular revision that focuses on population-based health. The degree requirements for

this plus the NP training would greatly inflate the number of credits required for an MN in a nurse practitioner track, students would be better served completing as a DNP

2. Potential impact of moratorium or suspension on current students in the program:

There are currently only 2 students in the College of Nursing with approved programs of study for the MN in a nurse practitioner track. We will support these 2 students completing their degree requirements as the MN curricular changes do not affect their program of study. We cannot have additional students in this option though due to faculty with the training to support these students are completely full with the DNP students.

3. Potential impact of moratorium or suspension on faculty in the program:

No impact. All nurse practitioner faculty are full with supervising/teaching DNP nurse practitioner students.

4. If requesting a suspension, please indicate whether a closure is under consideration; if so, include a time-line.

Yes, closure documentation has been submitted.

5. If requesting to remove a moratorium or suspension, please indicate the conditions under which the program moratorium or suspension no longer apply.

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

Chair Signature:	Anne M Mason	Date:	9/6/2019
Dean Signature:	Mel Huberman	Date:	9-6-19
VP Global Campus		Date:	

→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

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

Comments:

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

7. If removing the program from suspension status, please explain the market demand for the program and a specific plan of sustainability for the program.

ACTION ITEM #1

Establish the School of Information (iSchool)
(Bryan K. Slinker)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Establishment of the School of Information

PROPOSED: That the Board of Regents establish the School of Information

SUBMITTED BY: Bryan K. Slinker, Interim Provost and Executive Vice President

SUPPORTING INFORMATION: The College of Arts and Sciences proposes the establishment of the School of Information (iSchool). The iSchool aims to unite integrative research, teaching and service oriented programs, personnel and pedagogical approaches and to educate the next generation of data-savvy, culturally aware, creative thinkers. The development of such a school would mirror similar recent developments at universities including, among the most prominent, University of California - Berkeley, MIT, and Cornell. What these new interdisciplinary programs have in common is their commitment to the cross-pollination of ideas, diverse faculty, and interdisciplinary knowledge to fuel innovative and sustainable research driven by community engagement and industry need.

Inspired by these developing programs and grounded in WSU's rich tradition of research driven by and through outreach and engagement, the iSchool will establish a collision-rich, silo-free educational and research environment that encourages deep thought and interaction between faculty, students, industry leaders, and community groups. WSU's ongoing commitment to our land-grant tradition and the university's long-term engagement with state and regional industries, provides the necessary foundation to connect the skills that today's industry leaders are looking for with the ideals of providing an inclusive, diverse and equitable educational structure that fosters creativity, collaboration, and curiosity to solve local problems with global solutions.

In addition to offering existing degree programs in Data Analytics (DA) and Digital Technology and Culture (DTC), the iSchool will be

positioned to develop new interdisciplinary degree programs as well as minors and certificates that include an emphasis on data visualization, statistical learning, artificial intelligence, user experience, creative coding, and integrative design. Growing organically from the core offerings in DA and DTC, the iSchool will build a curriculum that values integrative approaches, collaborative frameworks, and practical skill building through innovative, critical, and creative outputs. Ultimately, the iSchool will become a hub for both affiliated faculty and students across degree programs to unite through research agendas, open lab settings, and classrooms all geared to generate new knowledge and durable learning with wide-reaching benefits.

The complete proposal for the School of Information is attached. This proposal was reviewed carefully and has support from the Provost's Office. This proposal was recommended by the Faculty Senate's Steering Committee and Faculty Affairs Committee on September 19, 2019.

INFORMATION ITEM #1

Faculty Manual Change Approved by the President Under Delegated Authority (Bryan K. Slinker)

Change to the Faculty Manual

The Faculty Senate recommended approval for the following change to the *Faculty Manual*.

- Reconciliation to ensure alignment with the Tracks and Appointment Initiative

A summary of changes as presented to the Faculty Senate is provided below. A copy of the red-lined *Faculty Manual* is attached. The recommendation was passed by the Faculty Senate on October 17, 2019.

Summary of Faculty Manual Revisions (most revisions are from the 2019-2020 Faculty Manual)

Section I Changes

Preamble to subsection I.B.1, The Faculty, inserted. Wording taken from 2018-2019 Faculty Manual

New wording inserted to form section I.B.1.a to provide definitions for *category* (academic, library, extension), *track* (tenure track, career track, short term), *rank* (assistant professor, associate professor, professor, regents professor).

Subsection I.B.1.b inserted, replacing subsection I.B.1, concerning Tenure Track

Subsection I.B.1.b.(1), Pre-tenure and Tenure Contracts, inserted; subsection III.C.1 deleted

Subsection I.B.1.c.(1), Contracts (Continuous, Fixed Term, Contingent) for Career Track Faculty, inserted subsections V.A.1-4 to V.A.4 deleted

Sentences at the end of section I.B.1.c.(1), "Career track faculty may hold continuous, one (1) to five (5) year fixed term (with or without a rolling horizon), or contingent contracts. Career-track faculty may be reappointed upon satisfactory evaluation as measured by annual performance review with the possibility for fixed term contracts to be converted into rolling horizon contracts of up to five (5) years based on college/department needs; a one-year terminal appointment may be given prior to completion of a longer term if the annual review is below satisfactory." inserted; corresponding wording from preamble to section V.C.1 deleted.

Subsections I.B.1.c.(2)-(4), Sub-tracks for Academic or Extension Faculty, inserted, replacing subsection V.C.1.

Subsection I.B.1.d, Short-term Faculty, inserted, replacing subsection V.C.2.

Subsections I.B.2-5 are unchanged from the 2019-2020 Faculty Manual.

Section II Observations

Section II is unchanged from 2019-2020 Faculty Manual.

Subsections II.C.1 and II.F.3 already contain subsection V.J.1.

Section III Changes

Sections III.A-B are unchanged from 2019-2020 Faculty Manual.

Title of Section III.C.2 is replaced by "Initial Employment for Tenure Track Faculty" to narrow focus to tenure-track faculty.

Subsection III.C.3, Establishment of Positions for Indefinite-Term Faculty, replaces section V.B.

Subsection III.C.4, Review of Faculty, incorporates wording from section V.E specific to non-tenure-track faculty.

Subsection III.C.4.c, Salary Criteria for Indefinite Faculty, replaces subsection V.E.1.

Language concerning non-tenure-track faculty for subsection III.C.4.d, Annual Review and Salary Increases, replaces subsection V.E.2.

Subsection letter e added for III.C.4.e, Faculty Responses to Annual Review Evaluations.

Subsection letter f added for III.C.4.f, Information sent to the Provost's Office.

Subsection letter g added for III.C.4.g, Merit-Based Salary Increases.

Subsections III.C.4.h,i,j replace subsections III.C.4.e,f,g.

The second sentence of the second paragraph of subsection III.C.5.a is changed from "Consideration for promotion to associate professor is considered in parallel with consideration for tenure except in those cases where a faculty member was hired as an associate professor without tenure." to "For tenure-track faculty, consideration for promotion to associate professor is considered in parallel with consideration for tenure except in those cases where a faculty member was hired as an associate professor without tenure."

Subsection III.C.5, Advancement in Rank, separated from subsection III.C.4.

The last paragraph of subsection III.C.5.a, beginning "Only under extraordinary circumstances...", replaces Section V.D.

Subsections III.C.6-8 were incremented from subsections III.C.5-7.

Subsection III.C.8.d, Unemployment Compensation, replaces subsection V.F.2

Subsection III.C.8.e, Relocation Expenses for Indefinite Faculty, replaces subsection V.B.2

Subsection III.D.2, Leave Accruals for Indefinite Faculty, replaces subsection V.G.1

Subsection III.D.3, Leave Usage and Payoff for Indefinite Faculty, replaces subsection V.G.3

Subsection III.D.4, Academic-Year Faculty, replaces subsection III.D.2.

Subsection III.D.5, Holidays, replaces subsection III.D.3.

Last paragraph of subsection III.D.5, concerning University holidays and indefinite faculty, replaces subsection V.G.2

Subsection III.D.6, Absence, replaces subsection III.D.4.

Subsection III.D.7, Sick Leave, replaces subsection III.D.5.

Subsection III.D.7.e, concerning sick leave for indefinite faculty, replaces subsection V.G.4

Subsection III.D.8, Work-Related Illness or Injury, replaces subsection V.G.5

Subsection III.D.9, Family Medical Leave Act and Medical Leave, replaces subsection III.D.6

Subsection III.D.10, Military Leave, replaces subsection III.D.7

Subsection III.D.11, Leave for Jury Duty, replaces subsection III.D.8

Subsection III.D.12, Leave for Testimony at Trials and Hearings, replaces subsection III.D.9

Subsection III.D.13, Military Leave and Civil Duty for Indefinite Faculty, replaces subsection V.G.8.

Subsection III.D.14, Leave Without Pay, (except for the last paragraph) replaces subsection III.D.10.

The last paragraph of subsection III.D.14 replaces subsection V.G.9.

Subsection III.D.15, Professional Leave, replaces subsection III.D.11

Subsection III.D.16, Retraining Leave, replaces subsection III.D.12

Subsection III.D.17, Professional/Retraining Leave for Indefinite Faculty, replaces subsection V.G.7.

Subsection III.D.18, Leave with Pay, replaces subsection III.D.13

Subsection III.D.19, Emergency Leave, replaces subsection III.D.14, and subsumes subsection V.G.6.

Subsection III.D.20, Suspended Operations, replaces subsection V.I.

Subsection III.D.21, Leave of Absense in Relation to Continuing Employment and to Tenure, replaces subsection III.D.15.

Subsection III.E.1, Non-reappointment, subsumes section V.K.1.

The last paragraph of subsection III.E.2, Resignation, replaces subsection V.K.2.

The last paragraph of subsection III.E.3.a, Financial Exigency, replaces subsection V.K.3.

The table of subsection III.E.3.e, Notice Period, is a duplicate of the table of subsection III.E.1; a reference to subsection III.E.1 is inserted in subsection III.E.3.e.

Subsection III.E.6, For Cause: Unsatisfactory Performance, replaces subsection V.K.6.

Subsections III.F.1, Retirement Age, and III.F.2, Retirement Because of Health Condition, subsume subsections V.L.1 and V.L.2.

Subsection III.F.4, Indefinite Faculty, (concerning retirement) replaces the preamble to Section V.L.

Section IV Observations

Section IV is unchanged, except subsection V.E.3 moved to last sentence of subsection IV.D.1

Section IV.B, Policies on Waiver of Tuition and Fees for Permanent Employees, subsumes section V.H.

Sections IV.F (Intellectual Property),IV.G (Patent Policy), IV.H (Copyright Policy), and IV.K (Faculty Involvement and Residual Rights in Films, Videotapes, and other Instructional Media) subsume subsection V.J.2.

Section V of the previous faculty manual was deleted; Section VI was renumbered as Section V

Notes:

Unresolved: Is "scientific faculty" paragraph at the end of Section III.C.2.b to be removed?

There are references to university organizations whose names required updating (e.g. OGRD)

Section V Moves.

Preamble to section V.A becomes subsection I.B.1.c.(1); last sentence of I.B.1.c.(1) inserted from V.C.1

Subsection V.A.1 becomes subsection I.B.1.c.(1).(a).

Subsection V.A.2 becomes subsection I.B.1.c.(1).(b).

Subsection V.A.3 becomes subsection I.B.1.c.(1).(c).

Subsection V.A.4 becomes subsection I.B.1.c.(1).(d).

Section V.B.preamble and subsections V.B.1 and V.B.3 become subsection III.C.3.

Subsection V.B.2 becomes subsection III.C.8.e.

First two sentences of first paragraph of preamble of subsection V.C.1 become second paragraph of preamble of subsection I.B.1.c.(1).

Remainder of preamble of subsection V.C.1 becomes remainder of preamble of subsection I.B.1.c.(2).

Subsection V.C.1.a becomes subsections I.B.1.c.(2).(a)-(d).

Subsection V.C.1.b becomes subsection I.B.1.c.(3).

Subsection V.C.1.c becomes subsection I.B.1.c.(4).

Subsection V.C.2 becomes subsection I.B.1.d; subsection V.C.2.g deleted.

Section V.D inserted as last paragraph of subsection III.C.5.a.

Subsection V.E.1 becomes subsection III.C.4.c

Subsection V.E.2 becomes subsection III.C.4.d; sentences specific to pre-tenure faculty incorporated in place

Subsection V.E.2 "Faculty Responses to Annual Review Evaluations" becomes subsection III.C.4.e

Subsection V.E.2 "Information Sent to the Provost's Office" becomes subsection III.C.4.f

Subsection V.E.2 "Merit-Based Salary Increases" becomes subsection III.C.4.g

Subsection V.E.3 inserted to last sentence of subsection IV.D.1

Subsection V.F.1 subsumed by subsections III.C.8.a and III.C.8.b

Subsection V.F.2 becomes subsection III.C.8.d

Subsection V.G.1 becomes subsection III.D.2

Subsection V.G.2 inserted as last sentence of subsection III.D.5

Subsection V.G.3 becomes subsection III.D.3

Subsection V.G.4 becomes subsection III.D.7.e

Subsection V.G.5 becomes subsection III.D.8

Subsection V.G.6 subsumed by subsection III.D.19

Subsection V.G.7 becomes subsection III.D.17

Subsection V.G.8 becomes subsection III.D.13

Subsection V.G.9 inserted at end of subsection III.D.14

Section V.H. is covered by provisions of Section IV.B.

Section V.I. becomes subsection III.D.20

Section V.J.1 is covered by provisions of subsections II.C.1 and II.F.3.

Section V.J.2 is covered by sections IV.F, IV.G, IV.H, and IV.K

Section V.K.1 is covered by subsection III.E.1

Section V.K.2 is inserted at the end of subsection III.E.2

First sentence of section V.K.3 is covered by the first sentence of subsection III.E.3.a. Phrase of second sentence of section V.K.3 is changed from "Under the circumstances described in section III.E.3," to "For indefinite and fixed-term faculty," The changed second sentence and the third sentence are inserted at the end of subsection III.E.3.a.

Subsection V.K.4 is covered by subsection III.E.4

Subsection V.K.5 is covered by subsection III.E.5

Subsection V.K.6 becomes subsection III.E.6

Preamble of section V.L becomes subsection III.F.4

Subsection V.L.1 covered by subsection III.F.1

Subsection V.L.2 covered by subsection III.F.2

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Faculty Manual

Section I: Organization

I A. Academic Units

Each college, school, department, or academic program which administers a degree granting program is considered an academic unit. Each college, school, department or program is responsible for the content and quality of the academic programs under its jurisdiction, no matter where the elements of the program are offered (campuses, learning center, research center, international.) Academic Faculty who are an integral part of an academic program are members of the academic unit responsible for that program, no matter where the faculty member is physically located. Academic responsibility is from the academic faculty through the chair or director, through the cognizant academic dean and to the provost.

1. Designation of Academic Unit

a) A college is an organization of schools, departments, special programs and other units which have broad, common instructional and research interests. The administrative head of a college is a dean.

b) A school is a combination of two or more departments, programs or curricula that functions as an alternative to a department. The administrative head of a school is a director.

c) A department is defined as an academic unit with a faculty that performs the regular duties of instruction, research, and service in all matters relating to curricular and educational policies of the unit, subject to approval of the Faculty Senate. The administrative head of a department is a chair.

d) An academic program (interdepartmental) is defined as a program with an individual budget, an administrative officer, and a set of courses leading to a degree. Faculty who participate in the academic program may maintain a departmental affiliation. The administrative head of an academic program is a director.

The procedures for creating, combining or eliminating academic units are covered in a Memorandum of Understanding between the provost and Senate found at http://facsen.wsu.edu/eppm/MOU.pdf.

Throughout the manual, the term “chair” is used to refer to both chairs and directors.

2. Specific Duties of the Faculty of the Academic Units

To facilitate uniformity of operation, the duties of the faculty of each academic unit are defined as follows:

a) Perform the regular duties of teaching, research, and service of the unit.

b) Serve as the legislative body in all matters relating to curricular and educational policies of the unit, so long as such policies do not conflict with policies approved by the Faculty Senate and/or the Board of Regents. Among its responsibilities are the following:

(1) Recommend to the Faculty Senate:

(a) Standards of admission to the unit

(b) Curricula and courses to be offered and the amount of credit for each course

(c) Requirements for graduation

(2) Consider appropriation requests

(3) Consider candidates for appointment to positions within the unit

(4) Consider the apportionment of work of the unit

(5) Consider the policies of the unit

Ordinarily, these duties are undertaken by departments, schools or academic programs. If an entire college is concerned, these matters are considered by the members of the college.

3. Chairs of Departments and Directors of Schools or Programs

As it the case throughout the manual, this section refers equally to chairs and directors even if both terms are not used in every instance.

Directors of programs have academic responsibilities for the program and coordinate activities associated with it. They are appointed by and are responsible to the dean who has jurisdiction over that program.

a) Duties

Subject to the approval of the dean of the college, a department chair or school director is responsible for organizing and supervising the courses of instruction offered by the department, distributing the teaching and research load, caring for the equipment and facilities assigned to or in the custody of the department, allocating and supervising department funds, conducting annual reviews of faculty and staff, and performing other duties assigned by the dean of the college and the provost. The provost provides guidelines on the duties and responsibilities of chairs and directors at https://provost.wsu.edu/procedures/chairs-directors/duties-and-responsibilities/ .

When a department or school has teaching and/or research programs at sites remote from the location of the headquarters of the department or school, some of the responsibilities rest with or are shared with the campus chancellor or director of the remote station. Such shared responsibilities include care for equipment and facilities, supervision of funds, and day-to-day supervision of teaching and research activities.

The department chair makes recommendations to the dean for appointments, promotions, and salaries of members of the department, and transacts official department business with deans, other administrators, and students. In the case of faculty at remote units, the department chair shares information and coordinates recommendations with the campus chancellor or director.

A department chair is expected to provide leadership in the formation of departmental policies and to hold meetings with all available members of the faculty on matters of policy. Except as limited by applicable general regulations and policies or as otherwise directed by the dean or by the provost, it is the department chair's responsibility to execute the policies determined by the department. When this is not done, he or she should notify the administrative superior and the members of the faculty of the action being taken and the reasons therefore. However, department chairs must have sufficient latitude to permit the making and the execution of day-to-day operating decisions and the exercise of leadership responsibilities.

b) Eligibility

Service as a department chair or school director is limited to professors and associate professors in departments in which three or more persons have such rank. If there are fewer than three, assistant professors are also eligible. Eligibility is not dependent upon or restricted by academic seniority nor is it limited to members of the present staff.

Persons eligible to express their preferences for department chair are department tenured faculty of all ranks, tenure-track and clinical departmental faculty, regardless of the location of their assignment, including those on leave who have been members of the department faculty for more than one semester. Faculty on adjunct appointments, faculty who have resigned, been terminated, or notified that they will not be reappointed, and faculty who are retiring at the close of the academic or fiscal year or who have retired are not eligible to express their preferences for department chairs.

c) Nomination

Department chairs or school directors are appointed by the provost upon recommendation of the dean of the associated academic college.

For potential reappointment of a sitting department chair or school director, the following process shall be followed:

(1) The dean will poll all eligible members of the department faculty, regardless of location, including those on leave, as to their preference for reappointing or not reappointing the sitting chair.

(2) Each person filling out a preference form shall be allowed at least one week to consider a decision. Forms will be returned directly to the dean. The dean will make a recommendation to the provost as to whether to reappoint the incumbent. The provost makes the decision concerning reappointment and informs the dean and faculty.

For an initial appointment of a department chair or school director, the following process shall be followed:

(1) The dean (or his/her designee) shall meet with the department faculty to discern their preference for selecting a chair from inside the department or outside the University. After the discussion, the dean decides, following consultation with the provost, whether to select a chair from within the department or to initiate a process for recruiting a chair from outside the department, and notifies the department faculty and staff.

(2) If the dean elects to select a chair from outside the department, the dean will appoint a search committee, consisting of members of the unit, to prepare a list of candidates for consideration. The provost may, upon the recommendation of the dean, appoint an interim chair during the search for a chair outside the university, so that the search need not be conducted in haste. Each eligible member of a department faculty, regardless of location, including those on leave, shall be provided an opportunity to express their preferences for the interim chair to the provost, and the dean, from names nominated for the position.

(3) If the dean elects to select a chair from inside the department, then a form shall be provided to each eligible faculty member on which to express a preference from among eligible faculty members of the unit.

(4) All preference forms shall ordinarily be provided by the dean of the unit concerned. Each person filling out a preference form shall be allowed at least one week to consider a decision. Forms will be returned directly to the dean. Within one month after the department has indicated each preference, a summary of the results shall be reported by the dean to the department faculty and the provost. The dean will provide an explanation to the faculty in the unit if he/she chooses to recommend someone other than one of the top two (2) faculty identified in the preference forms. Each summary reported to the provost shall be accompanied by the preference forms, which must be retained in the University files for one

year. The dean provides the chair appointment recommendation to the provost. The provost makes the final decision concerning appointment and informs the dean and faculty.

d) Appointment

In all cases, the provost, after consideration of the preferences and consultation with the appropriate administrative officers, will take any one of the following actions: l) appoint as chair one of the two persons having the highest preference as indicated by the preference forms; 2) appoint an interim chair pending further consideration for a chair; or 3) appoint as chair a person not recommended, but only after consultation with the department faculty members and with the dean concerned.

e) Term of Office

Except under special circumstances, department chairs and school directors are appointed for terms of four years and may be reappointed using the process detailed above. Terms commence August 16 for those on academic-year appointments and for those on annual appointments in programs with preponderantly academic-year faculty. Terms commence July 1 for those on annual appointments in programs with preponderantly annual faculty. When a department chair is appointed effective on some other date, the four-year period shall be computed, for subsequent review purposes, from the preceding August 16 for nine month or July 1 for twelve (12) month if the appointment begins prior to January 1 and from the following August 16 or July 1 if it begins on or after January 1.

A department may initiate consideration for a change in its leadership, upon written request sent directly to the provost, of one-fourth (1/4) of its members (but not fewer than two persons). Upon receipt of such request, the provost will arrange for an expression of opinion on such question by all eligible members of the departmental faculty.

Upon request of the provost, the Faculty Status Committee will appoint an adviser who is not a member of the Faculty Status Committee. The adviser will participate in the exchange of opinion, oral or written, among all parties involved. Immediately after the collection of information and consultation with appropriate administrative officers, the provost will render a decision.

Appointments may be terminated at any time for incompetence, negligence, inability to perform the duties due to illness, or equivalent cause if, in the judgment of the provost, the best interests of the department or the University require such change.

Unless otherwise prescribed in individual cases, the term of office expires on August 15 for nine (9) month or June 30 for twelve (12) month, four (4) years from the beginning of the appointment. The cognizant dean, in consultation with the department, shall request preference recommendations from faculty six to nine (6 to 9) months preceding the expiration of the term of office.

The above policies and procedures apply equally to the chair of an academic program, although the chair of a program may be appointed for a two (2) year term when the program chair is responsible to more than one dean.

f) Payment for Services as Department Chair or School Director

A department chair may be paid an additional sum (determined by a formula which considers such variables as student load, faculty numbers, and budget size, including extramural funding) under the assumption that such persons render additional services.

I B. Faculty Structure

The faculty and staff include all employees, except student and non-student temporary hourly employees, of Washington State University, regardless of their location, who have received official appointments. There are three classifications of employees: faculty, administrative and professional personnel, and civil service personnel. Affiliated personnel who hold adjunct appointments with academic responsibilities are

considered nonvoting members of the faculty. Whenever questions arise about the classification of a faculty member, the final decision will be made by the provost in consultation with the administrative officers concerned.

1. The Faculty

The faculty includes academic faculty, extension faculty, library faculty, and short-term faculty. Historically, additional faculty titles were used and faculty members with these titles retain their faculty status. The statutory duty of the faculty, which may not be delegated, is to recommend to the Board of Regents the candidates for suitable degrees and certificates.

a. Definitions

A faculty member's *appointment* consists of the *category* (academic, library, extension), *track* (and sub-track for career track academic or extension faculty), *status* (e.g., tenured, visiting, or adjunct), and *rank* of the faculty member, and the *unit* in which the faculty member is assigned.

(1) Faculty Categories

All faculty *categories* defined below are afforded equal rights and privileges. The various faculty categories, which are not mutually exclusive, are defined as follows:

(a) Academic Faculty

The academic faculty consists of ranked faculty assigned to degree-granting units or the Honors College.

(b) Extension Faculty

The extension faculty consists of ranked faculty assigned to Extension, Continuing Education or Public Service.

(c) Library Faculty

The library faculty consists of ranked faculty assigned to Libraries.

(2) Faculty Tracks

The faculty *tracks* include the tenure track (Section I.B.1.b) the career track (Section I.B.1.c) and the short-term track (Section I.B.1.d).

Faculty in all tracks must always be assessed in accordance with their assignment (e.g., expectations relative to research/scholarship and/or creative activity must be concordant with the percentage of the faculty member's appointment assigned to these areas.)

(3) Faculty Ranks

The *ranks* for academic and extension faculty in the tenure and career tracks include Assistant Professor, Associate Professor, and Professor. Additionally, the rank of Regents Professor is included as the highest possible rank for faculty in the tenure track. The

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ranks for library faculty include Librarian 2, Librarian 3, and Librarian 4. Librarian 4 is the highest rank.

~~1.~~ b. TenureTrack Faculty

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(1) Tenure track faculty may hold pre-tenure or tenured contracts.

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Pre-tenure contract. The faculty member is on probation during the time prior to consideration for tenure. At a time specified in the offer letter, the University will decide whether or not to grant tenure.

Tenure contract. Upon attaining tenured status, the faculty member shall continuously hold appointment with WSU until retirement, resignation, or termination pursuant to the terms of the *Faculty Manual* Section III.E.

(2) ~~a)~~ Academic Faculty

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Academic faculty have significant responsibilities in the following areas: (1) research/scholarship and/or creative activity, (2) teaching, and (3) academic service. In some units, tenure-track "academic faculty" may also play a significant role in the important missions of clinical service/practice and/or community outreach (e.g. extension.) Importantly, a faculty member in the tenure track is expected to establish and maintain a record of productivity and achievement in research, scholarship, or creative activity. Faculty in this track are also expected to meet the expectations of their college and department regarding the quantity and quality of their teaching, academic service, and (if applicable) clinical service/practice.

Appointments are pre-tenured or tenured with the rank of Assistant Professor, Associate Professor, or Professor.

A terminal degree is normally required. Alternative credentials will be approved in consultation with unit faculty, by the administrative head, and by the provost or chancellor. A faculty member hired as an Assistant Professor who arrives without having completed their terminal degree will normally be given a maximum of one year to finish their degree and an appointment with a Lecturer designation until they finish their degree.

(3) ~~b)~~ Library Faculty

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Library faculty have primary responsibilities centered on library services for the university community, research, scholarship, and service.

Appointments are pre-tenured or tenured with the rank of Librarian 2, Librarian 3, or Librarian 4.

A terminal degree is normally required. Alternative credentials will be approved in consultation with unit faculty, by the administrative head, and by the provost or chancellor. A faculty member

hired as a Librarian 2 who arrives without having completed their terminal degree will normally be given a maximum of one year to finish their degree and an appointment with a Lecturer designation until they finish their degree.

(4) ~~c)~~ Extension Faculty

Extension faculty are responsible for extending the research and knowledge bases of Washington State University to communities of place and practice across the state. Extension faculty in the tenure track are expected to establish and maintain a record of productivity and achievement in research, scholarship, or creative activity.

Appointments are pre-tenured or tenured with the rank of Assistant Professor, Associate Professor, or Professor.

A terminal degree is normally required. Alternative credentials will be approved in consultation with unit faculty, by the administrative head, and by the provost or chancellor. A faculty member hired as an Assistant Professor who arrives without having completed their terminal degree will normally be given a maximum of one year to finish their degree and an appointment with a Lecturer designation until they finish their degree.

c. Career Track Faculty

(1) Contracts (Continuous, Fixed Term, Contingent) for Career Track Faculty

Non-tenure track faculty appointments may be divided into three categories: (a) Fixed term appointments with specific end dates determined by the nature of the assigned task, funds, or contracts; (b) contingency appointments, with end dates, in which continued employment is determined by contingencies (indefinite term); and (c) continuous appointments.

Career track faculty may hold continuous, one (1) to five (5) year fixed term (with or without a rolling horizon), or contingent contracts. Career-track faculty may be reappointed upon satisfactory evaluation as measured by annual performance review with the possibility for fixed term contracts to be converted into rolling horizon contracts of up to five (5) years based on college/department needs; a one-year terminal appointment may be given prior to completion of a longer term if the annual review is below satisfactory.

(a) Fixed Term Appointment Definition

A faculty member with a fixed term contract holds an appointment that ends on a specific date. Reappointment is dependent upon renewal of funding or contracts, extension of the assigned tasks, and positive action taken to reappoint the incumbent. The offer of such a position implies no

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obligation on the part of the University to continue employment beyond the termination date of the temporary appointment; such decisions lie solely within the University's discretion.

Types of fixed term appointments are contracts for a specified period, teaching positions to cover unexpected enrollments in courses, visiting faculty appointments, grant-funded positions, summer appointments, adjunct and non-service appointments, appointments to teach courses offered through Extended University Services, exchange faculty appointments, appointments of persons who have not attained permanent visas or citizenship, research associate positions, internships, and positions occurring because of permanent employees' leaves or separations.

(b) Contingency Appointment Definition

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For a faculty member with a contingent appointment, in addition to termination dates, hiring actions for contingency appointments include a statement that continuing employment is contingent upon specific qualifications. If the contingency specifies a date by which some action must be complete and if the specifications are not met, the University has no obligation to the employee beyond the contingency date. Employees hired on one- to three-year contracts are in this category, as are employees holding temporary visas who will become eligible for permanent positions upon requisite changes in immigration status.

(c) Continuous Appointment Definition

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A faculty member with a continuous appointment holds an appointment with no contractual end date. Continuous appointment faculty may be terminated with or without cause.

(d) Hiring Policies and Procedures

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Information regarding recruitment, including special circumstances for grant employees, periodic advertisement to establish temporary applicant pools, and details regarding adjunct and visiting appointments may be found in the BPPM 60.11 and/or the Office for Equal Opportunity Recruitment Manual.

(2) Sub-tracks for Academic or Extension Faculty

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The responsibilities for career track academic or extension faculty should fall into one of the following designations (sub-tracks): Clinical, Scholarly, Research, or Teaching.

Career track appointments must include a specified sub-track title in the appointment (e.g.., *clinical* assistant professor, *research* associate professor, or *teaching* professor).

All career track appointments should align with current Washington Administrative Code Regulations (WAC 250-61-100).

Appropriate department-specific *working titles* for each of the appointments within the career track do not have to include the track or sub-track designation and may be determined by each college. For example, colleges may elect that working titles be listed simply as assistant professor, associate professor, or professor, with no mention of tenure track versus career track, or sub-track. All working titles should be listed in the college's tenure and promotion guidelines.

(a) Clinical Sub-track

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Clinical faculty are those whose primary responsibilities are clinical practice and/or the supervision and clinic-based instruction of professional students, interns, residents, and/or fellows. Many, but not all, will have significant expectations in one or more of the following areas: (a) research, scholarship, or creative activity, (b) teaching, (c) outreach, (d) educational leadership, (e) administration, or (f) academic service. For example, these faculty may also play a role in the pre-clinical/pre-clerkship phases of the professional curriculum and/or perform clinical research. Promotion in this subtrack is based on significant achiement and/or a national/international recognition for excellence in clinical practice, teaching, educational leadership, and/or scholarship.

Appointments are as Clinical Assistant Professor, Clinical Associate Professor, or Clinical Professor.

(b) Research Sub-track

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Faculty in the research sub-track are in non-tenure track research appointments who predominantly conduct research, scholarship, or creative activity and who may serve as principal or co-principal investigators on grants or contracts administered by the university. Typically, the institution has made a commitment of office and research space. Start-up funds and salary may be provided. However, departments and colleges may expect these faculty members to provide all or significant portions of their own salary through extramural funding. The terms for

start-up, space, and salary will generally be negotiated during the hiring process, although those terms can be renegotiated by the institution or the faculty member. In general, these faculty will have no significant teaching or service expectations unless those responsibilities are negotiated and commensurate funding support is provided. Promotion in this sub-track is typically based on traditional measures of research or scholarship, i.e., publication, extramural funding, and national or international reputation.

Appointments are as Research Assistant Professor, Research Associate Professor, or Research Professor.

(c) Scholar Sub-track

Faculty in the scholar sub-track are those who have significant responsibilities in at least two of the following areas: (a) teaching, (b) student advising, (c) research or scholarship, (d) creative activity, (e) outreach, (f) practice, (g) educational leadership, (h) administration, or (i) academic service. Most faculty in this sub-track will have a significant teaching or student advising responsibility. However, carrying a large teaching or advising load and receiving good student ratings is not sufficient for promotion in this sub-track. Applicants for promotion are expected to demonstrate a scholarly approach to teaching, evidence of teaching effectiveness, and achievement or recognition in one or more of the additional areas (e.g., research/scholarship, educational leadership, outreach, etc.).

Appointments are as Scholarly Assistant Professor, Scholarly Associate Professor, or Scholarly Professor.

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(d) Teaching Sub-track

Faculty in the teaching sub-track are those whose primary responsibility is teaching or student advising and with little or no additional expectations in research, scholarship, creative activity, leadership, or academic service. Faculty with a teaching appointment will often have large teaching commitments according to their assignment and contract. In some colleges, teaching may involve teaching in a clinical setting. Promotion criteria will be determined by the department and college but should include evidence of teaching effectiveness and innovation.

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Appointments are as Teaching Assistant Professor, Teaching Associate Professor, or Teaching Professor.

(3) Library Faculty

Career Track library faculty have primary responsibilities centered on library services for the university community, research, scholarship, and service. The duties of career track library faculty may be more specialized than those of tenure track library faculty.

Positions are as Librarian 2.

(4) Extension Faculty

Career Track extension faculty are responsible for extending the research and knowledge bases of Washington State University to communities of place and practice across the state.

Appointments are as career track faculty with designated sub-track as Clinical, Research, Scholarly, or Teaching and with the rank of Assistant Professor, Associate Professor, or Professor.

d. Short-term Faculty

Short-term faculty may hold one-semester to three (3) year fixed term or contingent contracts (defined in I.B.1.c.(1)). The equivalent of a master's degree or higher is normally required. Alternative credentials will be approved in consultation with unit faculty, by the administrative head, and by the provost or chancellor. The responsibilities and appointments for short-term faculty fall into one of the following designations:

(1) Lecturer

A Lecturer position is considered non-permanent or part time and is typically a short-term teaching contract. A lecturer's primary responsibility is teaching, including in a clinical setting. These appointments can be renewed indefinitely at the discretion of the University.

(2) Visiting Faculty

Visiting faculty are fixed-term appointees who are faculty members or professionals from another institution for purposes of teaching, collaboration, or research. They are normally expected to return to their own institutions at the expiration of the appointment and are appointed as visiting faculty. Whenever a department plans to employ or host a foreign professor, researcher, or scholar, it is important to contact the Office of International Programs regarding arrangements for the appropriate immigration status.

(3) Adjunct Faculty

Adjunct faculty are faculty who may hold positions with employers other than WSU and are appointed temporarily to WSU

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faculties. Adjunct faculty provide various types of service or teaching within individual colleges according to established criteria and may serve on graduate committees as graduate faculty as indicated by graduate program bylaws. They are appointed as adjunct faculty.

(4) Adjoint Faculty

Adjoint faculty are faculty who may hold positions with employers other than WSU and are appointed temporarily to WSU faculties. Adjoint faculty provide various types of research, scholarship, or creative activity within individual colleges according to established criteria and may serve on and co-chair graduate committees as graduate faculty as indicated by graduate program bylaws. They are appointed as adjoint faculty.

(5) Affiliate Faculty

Affiliate faculty are comparable to an adjunct appointment except that the person is already a WSU employee (faculty or administrative professional) and has been invited to serve in a faculty role in a program other than the one paying their salary. They are appointed as affiliate faculty.

(6) Research Associate

Research associates are faculty in short-term appointments who support the research being conducted at the University. Positions may also include research, scholarship, creative activity, teaching, administration, outreach, or service.

(7) Postdoctoral Research Associate

Postdoctoral research associates are persons who have earned a doctorate and are employed temporarily to support research.

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2. Meetings of the Faculty

The president of the University is the chief executive officer of the faculty. The president, or designated representative, presides at meetings of the Faculty except those called by the Faculty Status Committee or by the Faculty Senate Steering Committee. The Executive secretary of the Faculty Senate shall serve as secretary of the faculty.

The Faculty Senate Steering Committee will have the power to call a meeting of the faculty. Any member of the Faculty may petition the Steering Committee of the Faculty Senate to call a meeting. The meeting will be called if the majority of the Steering Committee vote in favor of holding the meeting. A petition signed by a minimum of ten percent of the faculty will require that a meeting be called, regardless of the vote of the Faculty Senate Steering Committee. The Steering Committee shall designate a member of the faculty to chair the meeting(s).

The quorum for meetings of the faculty and the graduate faculty shall be all qualified persons in attendance at regularly scheduled and announced meetings. Each of these bodies shall be free to make its own rules of procedure, but, unless rules to the contrary are adopted, motions shall pass by majority vote.

3. Specific Duties of the Faculty Senate

The purpose of the Faculty Senate is to exercise the legislative powers delegated to it and to make recommendations to the president, to appropriate administrative officials of the University, and through the president, to the Board of Regents on matters affecting the general welfare of Washington State University and its educational, research, and service activities.

a) Legislative Powers

The Faculty Senate shall serve as the legislative body of the faculty to make recommendations in all matters requiring faculty action or approval of curricular and educational policies of Washington State University, including

(1) Standards of admission

(2) Curricula and courses to be offered and the number of credits for each course

(3) Standards of scholarship

(4) Requirements for graduation

(5) The academic calendar

b) Power of Recommendation

The specific duties of the Senate shall also include, but not be limited to, the formulation of recommendations to the president and appropriate administrative officials of the University with regard to the following:

(1) Development and review of plans and policies to strengthen the educational program of the University

(2) Review of the budget of the University to assess its general conformity with policies and priorities established or endorsed by the Senate

(3) Review of the strategic plan, for the physical and educational development of the University

(4) Protection and enhancement of academic freedom of members of the University community

(5) Preservation and extension of academic responsibility of members of the University community

(6) Promotion of the general welfare of the University community

(7) Review of policies concerning the University's relations with its supporting community throughout the state of Washington

(8) Review of policies concerning the University's relations with outside agencies

(9) Review of rules and procedures of the University concerning the conduct of its members

The Faculty Senate will include a Steering Committee, the duties of which shall include matters relating to agenda, referral, voting, and elections. The Steering Committee shall also act as an emergency advisory council to the president, and it may serve as a Summer Executive Committee to carry out functions delegated to it by the Senate. Numerous other permanent Faculty Senate committees and sub-committees consider issues and make recommendations to the Faculty Senate for action, http://facsen.wsu.edu. The Faculty Senate Executive Committee shall consist of the chair, chair-elect, immediate past chair and the Executive secretary. The Executive Committee shall serve as the primary conduit of information between the faculty and the administration.

4. Faculty Status Committee

The Faculty Status Committee is an independent investigative faculty committee that reports and makes recommendations directly to the president. Functions of the Faculty Status Committee are:

(1) Reviews, mediates, and/or adjudicates disputes between individual faculty members and between individual faculty members and the administration.

(2) Makes recommendations to the Faculty Affairs Committee and to the president concerning policies about faculty affairs which arise out of its conciliatory and judicial functions.

(3) Calls special meetings of the faculty or any component thereof, giving reasonable notice, at which time the chair of the Committee shall preside.

(4) Reviews any problem within its jurisdiction brought to it by any member of the faculty.

(5) Makes periodic reports (at least annually) to the Faculty Senate and to the faculty concerning its operations.

The Faculty Status Committee is responsible to the faculty. It has nine (9) members, each serving for three (3) years. Three (3) members retire on August 15 and are not eligible to succeed themselves immediately. Further information is provided on the Faculty Status Committee website https://facsen.wsu.edu/faculty-status-committee/.

a) Nominations

During the last two (2) weeks of February, the Faculty Status Committee shall form a nominating committee composed of two members of the Faculty Status Committee and three (3) other members of the faculty designated by the Faculty Status Committee. By April 15, the Nominating Committee will submit to the faculty a list of six (6) nominees for the three vacancies. This committee of five (5) shall request nominations from the faculty through the WSU Today and/or other appropriate means at least two (2) weeks prior to the selection of candidates by the nominating committee. If there are vacancies caused by death or resignation during the previous year, the nominating committee will submit two (2) nominations for each vacancy.

If membership on the committee falls below seven during any one (1) year, a special election is held to fill vacancies. Nominations at special elections are made in the same way as above. If vacancies occur during the summer, the Faculty Status Committee may appoint members to serve until October 1 of that year.

b) Election

Election of new members to the Faculty Status Committee shall be by electronic ballot. This ballot is to be delivered to the faculty (academic faculty, extension faculty, and library faculty) by April 15 with terms beginning August 16. The ballot shall carry the names of six (6) nominees and shall provide an opportunity to enter the names of up to three (3) eligible write-in candidates. Faculty may vote for up to three (3) nominees or eligible write-in candidates. Ballots on which more than three (3) nominees or eligible candidates are indicated shall not be counted. The three nominees or eligible write-ins receiving the greatest number of votes are elected to three (3) year positions. In the event that a vacancy occurs before the end of a member's regular three-year (3) term, the nominee or eligible candidate receiving the next greatest number of votes in the election of that vacating member shall be eligible to serve immediately and fills the remainder of the term.

c) Leave of Absence

If a member of the Faculty Status Committee goes on leave for a period of four (4) months to a year or for any reason is unable to participate in the work of the committee for a similar period of time, the

committee is empowered to appoint a replacement for the period of absence. A member who anticipates a longer absence should resign so that the vacancy may be filled at the annual election.

d) Powers of the Committee

In addition to the functions enumerated above, the Faculty Status Committee has power to elect its own officers, fix dates of its meetings, make its own rules of procedure, designate other members of the faculty to assist in its work, and make reports and recommendations to the faculty and to the president.

After giving reasonable notice, it may call special meetings of the faculty or any component thereof. The chair of the committee presides at such meetings.

e) Assessments

For defraying necessary expenses of the Faculty Status Committee, the faculty may vote such assessments as may be necessary. These are payable to the treasurer of the committee.

5. Other University Committees

In addition to the Faculty Status Committee, there are numerous other committees on which faculty serve. The president's standing committees have been established to provide advice to the president or to the president through a primary administrative officer of the University. The University committees provide advice to various administrative officers or areas of the University. In some cases, recommendations from University committees are forwarded to the Faculty Senate for consideration and action. See the current Washington State University Committee Manual at http://facsen.wsu.edu/committees/index.htm for names, structure, and functions of permanent committees which contribute to the shared governance of Washington State University.

Section II: Freedom, Responsibility, And Discipline

II A. Academic Freedom And Tenure

Washington State University subscribes to the 1940 Statement of Principles on Academic Freedom and Tenure With 1970 Interpretive Comments of the American Association of University Professors with the 1987-1990 revisions. A copy of the statement is available on-line at http://www.aaup.org/report/1940-statement-principles-academic-freedom-and-tenure#B4. The section on academic freedom reads as follows:

"Teachers are entitled to full freedom in research and in the publication of the results, subject to the adequate performance of their other academic duties; but research for pecuniary return should be based upon an understanding with the authorities of the institution.

Teachers are entitled to freedom in the classroom in discussing their subject, but they should be careful not to introduce into their teaching controversial matter which has no relation to their subject. Limitations of academic freedom because of religious or other aims of the institution should be clearly stated in writing at the time of the appointment.

College and university teachers are citizens, members of a learned profession, and officers of an educational institution. When they speak or write as citizens, they should be free from institutional censorship or discipline, but their special position in the community imposes special obligations. As scholars and educational officers, they should remember that the public may judge their profession and their institution by their utterances. Hence they should at all times be accurate, should exercise appropriate restraint, should show respect for the opinions of others, and should make every effort to indicate that they are not speaking for the institution."

II B. Freedom Of Expression And Accompanying Responsibilities

1. Preamble

Washington State University has a long history of commitment to the principle of academic freedom for faculty and students. Freedom of expression is recognized as one of the essential elements of academic freedom. On a healthy campus, there is respect for the dignity and worth of all members of the campus community and a concern for the rights of others. The following statement describes the position of Washington State University with respect to these freedoms and accompanying responsibilities. It applies to all members of the University community—faculty, administrators, students, and staff.

2. Policy

It is the policy of Washington State University to support and promote the rights of all individuals to express their view and opinions for or against actions or ideas in which they have an interest, to associate freely with others, and to assemble peacefully. The faculty has the right to dissent and protest.

The above rights exist in equal measure for each member of the University community. They exist regardless of the professional stature of the individual and regardless of the degree of acceptability among others of views or opinions advocated.

In order that these rights may be exercised by all and that orderly functioning of the University may be assured, certain limitations must be placed upon the manner in which these freedoms are exercised.

Accordingly, Washington State University insists that the free expression of views and opinions, whether by individuals or by groups, be such that the rights of others are not violated. Use of physical means to disrupt the educational processes and functions of the University, including classroom and laboratory activities, services, meetings, or ceremonies conducted by the University, its departments, divisions, or affiliated organizations, would constitute such a violation.

Members of the University community who violate the rights of others will be subject to appropriate disciplinary procedures. Principles of due process will be observed throughout such procedures.

II C. Faculty Responsibilities

1. Faculty Code of Professional Ethics

Faculty members have obligations that derive from membership in the University community. The following Faculty Code of Professional Ethics states the expected standard of performance:

Faculty members, guided by deep conviction of the worth and dignity of the advancement of knowledge, recognize the special responsibilities placed upon them. Their primary responsibility to their subject is to seek and to state the truth as they see it. To this end, they devote their energies to developing and improving their scholarly competence. They accept the obligation to exercise critical self-discipline and judgment in using, extending, and transmitting knowledge. They practice intellectual honesty. Although they may follow subsidiary interests, these interests must never seriously hamper or compromise their freedom of inquiry. Those who have instructional responsibilities are responsible to the University, their departments, and their students to perform in a conscientious and ethical manner all instructional tasks assigned to them.

2. Duties

As teachers, professors encourage the free pursuit of learning in their students. They hold before them the best scholarly standards of their disciplines. They demonstrate respect for the student as an individual and adhere to their proper role as intellectual guides and counselors. They make every reasonable effort to foster honest academic conduct and to ensure that their evaluations of students reflect their true merit. They respect the confidential nature of the relationship between professor and student. They avoid

exploitation of students for their private advantage and acknowledge significant assistance from them. They protect students' academic freedom.

As officers of the University, the faculty members seek above all to increase the University's effectiveness. Although they observe the stated regulations of the University, they maintain their right to criticize and seek revision within appropriate means. In consultation with department chairs, they determine the amount and character of the work to be done outside the University with due regard to their paramount responsibilities within it and requisites of state and federal law. When considering interrupting or terminating their services, they recognize the effects of their decisions upon the programs of the University and give due notice of such intentions.

As members of the community, faculty members have the rights and obligations of all citizens. They measure the urgency of these obligations in the light of responsibilities to students, to the profession, and to the University. When they speak or act as private persons, they make clear that they are not speaking or acting for the University. They model the principles of reasoned and rational discourse which they pursue in the academic community in their speech and actions as private citizens, thereby extending their public service in that realm. As citizens who are part of an institution that depends upon freedom for its health and integrity, the faculty members have particular obligations to promote conditions of free inquiry and to further public understanding of academic freedom.

3. Faculty Availability

Consistent with the University's emphasis on undergraduate and graduate education and research, advising, and personal contact between faculty and students it is both expected and essential that faculty be available for student consultation. This contact allows the students to meet informally with faculty for discussion and advising (professional, career or academic). It is also the appropriate time to address sensitive matters with individual students.

Today's greater technology offers many modes of prompt and flexible communication/interaction for both faculty and students. These modes include; traditional office hours, telephone, email, electronic chats, blogs, on-site meetings, video teleconferencing, and other methods. It is incumbent upon faculty to state clearly what modes of availability he/she plans to utilize. This information must be available at a minimum through the department office and to students in courses he/she is teaching and through other means such as posted on office doors, listed in the class syllabus, or on the course web page.

II D. Ethics In Public Service

There are several applicable statues regarding ethics in public service which include the Ethics in Public Service Law-RCW 42.52, Use of State Resources - WAC 292-110-010 and Personal Use of University Resources-BPPM 20.37. The Ethics in Public Service Law, RCW 42.52, establishes a single code of ethics applicable to all state officers and state employees. Washington State University faculty members are state employees and are subject to the ethics law and rules, as well as Washington State University ethics policies. The basic provisions of the state ethics law are described below. When questions arise regarding potential ethics issues, the resources listed at the end of this subsection should be consulted.

The basic principle of the law is that public employment may not be used for personal gain or private advantage (RCW 42.52.900). The law prohibits state employees from having a financial interest or engaging in business activities that are in conflict with the proper discharge of their official duties (RCW 42.52.020). In addition to this general prohibition, the law prohibits a number of specific activities where one might receive improper private benefit as a result of state employment. The following only summarizes some basic provisions of the state ethics law.

1. Use of Public Property or Equipment for Private Purposes

State employees may not use state property, equipment, or other resources for their private benefit, except as authorized by rules adopted by the state Executive Ethics Board (RCW 42.52.160). The state Executive

Ethics Board and the University adopt rules from time to time which describe permitted and prohibited activities involving use of state property such as telephones, computers, e-mail, and consumables such as paper and envelopes. See also WAC 292-110-010 and BPPM 20.37.

2. Gifts

A state employee may not solicit or receive a gift from any person if it could reasonably be expected to influence the performance of official duties (RCW 42.52.140). In addition, an employee may not accept a gift in excess of fifty ($50) dollars in a given year from any one person or source. Certain items are specifically excluded from the fifty ($50) dollars limit such as unsolicited floral arrangements or food and beverages consumed at hosted receptions where attendance is related to the employee's official duties.

3. Honoraria

State employees are prohibited from receiving honoraria unless specifically authorized by the employer. The University recognizes that allowing faculty to accept appropriate honoraria in connection with involvement in the larger community in order to carry out the University's academic and community outreach mission as a land-grant institution encourages participation in such activities. Accordingly, the University policy on honoraria specifically authorizes faculty to accept honoraria if offered for their participation in community, business, trade, and professional activities related to their University duties. Receipt of honoraria is not permitted in the following circumstances:

a) The person offering the honorarium is seeking or is reasonably expected to seek a contract or a grant from Washington State University, and the employee is in a position to participate in the terms or the award of the contract or grant;

b) The person offering the honorarium is regulated by the employer of the state officer or state employee and the officer or employee is in a position to participate in the regulation; or

c) The person offering the honorarium is seeking or opposing or is reasonably likely to seek or oppose enactment of legislation or adoption of administrative rules or actions, or policy changes by Washington State University; and the employee may participate in the enactment or adoption.

Should any question arise regarding the propriety of any given honorarium, the potential recipient should contact his or her supervisor to obtain guidance as to whether or not the arrangement is proper. The WSU honoraria policy is included in the Washington State University BPPM 20.37 (http://www.wsu.edu/~forms/manuals.html).

4. Compensation for Outside Activities

The general rule is that no state employee may accept anything of economic value under any contract or grant outside the employee's official duties. Therefore, under the general rule, a Washington State University employee is prohibited from contracting to do private work. However, this general prohibition does not apply and the state employee can have a beneficial interest in a personal contract or grant if all six conditions listed in the law are met:

a) The contract is bona fide and actually performed.

b) The contract is not within the course of the employee's official duties.

c) The performance of the contract or grant is not prohibited by RCW 42.52.040 regarding assisting another in transactions involving the state, or by applicable law or rules governing outside employment discussed in this section.

d) The contract is neither performed for nor compensated by any person who is regulated by Washington State University or seeks to provide goods or services to Washington State

University (same as person from whom the employee would be prohibited by RCW 42.52.150[4] from receiving a gift).

e) The contract is not expressly created or authorized by the employee in his or her official capacity.

f) The contract would not require unauthorized disclosure of confidential information.

If the contract is with a state agency, then additional requirements apply. Therefore, if a Washington State University employee privately contracts with Washington State University or the state Department of Ecology, for example, then one of the following conditions must be met:

a) There is an open and competitive bidding or selection process in which more than one bid or grant application is received,

b) There is an open and competitive bidding or selection process in which the employee's bid or proposal is the only one received and the employee has been advised by the state Executive Ethics Board that the contract or grant will not be in conflict with the proper discharge of official duties,

c) There is no open and competitive process but the employee has been advised by the state Ethics Board that the contract or grant will not be in conflict with the proper discharge of official duties,

The contracts or grants described in a), b), or c) must be filed with the Executive Ethics Board within thirty (30) calendar days of execution.

A Washington State University employee is not prohibited from performing duties under an employment contract with a governmental entity.

See additional requirements in Section IV.D, Policy on Compensated Outside Service by Faculty Members—Consulting, and IV.E, Extended Professional Activities.

5. Financial Interest in Contracts or Transactions

A state employee may not be beneficially interested in a contract that is made by, though, or is under the supervision of the employee, in whole or in part, or accept compensation or reward from any other person beneficially interested in the contract. A beneficial interest is the right to enjoy profit, benefit, or advantage from a contract or other property. For example, a beneficial interest includes the community property interest one spouse has in the other's earnings (RCW 42.52.030).

6. Disclosure and Use of Confidential Information

State employees may not disclose confidential information by reason of their official position or otherwise use such information for their personal gain or benefit, nor may they disclose confidential information to any person not entitled or authorized to receive it (RCW 42.52.050).

7. Failure to Release Public Records

It is a violation of the ethics law for state employees to intentionally conceal a record if they know the record is required to be released under the public disclosure law, (RCW 42.56). This prohibition applies if the employee is under a personal obligation to release the record and the decision to withhold is not made in good faith (RCW 42.52.050)[4].

8. Information Resources Regarding State Ethics Law

Information resources regarding state Ethics Law are available in the various administrative offices and in Holland Library. They include

RCW 42.52 Ethics in Public Service

Rules of the state Executive Ethics Board

Advisory opinions of the state Executive Ethics Board

WAC 292-110-010

WSU Business Policies and Procedures Manual, specifically BPPM 20.37

http://www.wsu.edu:/~forms/manuals.html

Additional information is available on the Washington State Executive Ethics Board website at

http://www.ethics.wa.gov/

II E. Faculty Responsibilities Related To Student Academic Integrity

All members of the University community share responsibility for maintaining and promoting the principles of academic integrity. To guide execution of this responsibility, the University has set a policy defining academic dishonesty and the process to be followed when a student is alleged to have committed a violation. The policies defining academic dishonesty, as well as the review and sanctioning processes, provide educational opportunities for students to understand that academic integrity violations are not simply against the rules, but against the greater philosophy of higher education. Consult the WSU Reference Guide on Academic Integrity (http://academicintegrity.wsu.edu) for more guidance. In addition, the responsible academic member (e.g., course instructor or faculty research supervisor), chair, or dean may seek the advice of the dean of the Graduate School, the vice president for research, the university ombudsman, or the Office of Student Conduct at any stage of the process described below.

Academic integrity violations include cheating, falsification, fabrication, multiple submission, plagiarism, abuse of academic materials, and complicity in or misconduct in research. Definitions are found in the Standards of Conduct for Students and in WAC 504-26-010. When there is an allegation or evidence of an academic integrity violation, the responsible academic member must conduct a prompt and careful investigation. Physical evidence should be retained and interviews should be conducted with persons who may have knowledge of the events. Students are required by the Standards of Conduct for Students to cooperate with such investigations and are prohibited from assisting in violations of the academic integrity policies.

Following the investigation, if the responsible academic member believes that a violation has occurred, the responsible academic member should assemble the information supporting the alleged violation (offending work, witness statements, original sources, etc.) and notify the student as soon as possible of the alleged violation. The notice should be in written form (email is permissible) and should include a description of the allegation and provide a time, date and place of a meeting to discuss the situation. This meeting is the chance for the student to respond to the allegations. If the student does not respond to the responsible academic member's initial contact attempt within a reasonable amount of time, one more contact attempt should be made before proceeding with the violation process. Following the meeting (or lack thereof if the responsible academic member is unable to meet with the student), if the responsible academic member continues to believe that a violation occurred by a preponderance of the evidence (i.e., more likely than not), the responsible academic member must provide the student with a written decision including the reason for the responsible academic member's decision and the evidence relied upon, the academic sanctions imposed in accordance with the course policies, a notice of the student's right to appeal within 21 calendar days to the Academic Integrity Hearing Board, and a statement indicating that the incident will be reported to the Office of Student Conduct. The responsible academic member must then notify the Office of Student Conduct by using the electronic reporting form available at conduct.wsu.edu. The Office of Student Conduct will engage with the responsible academic member and student if an appeal to the Academic Integrity Hearing Board is submitted and provide the student with educational sanctions to assist the student in not violating the academic integrity policies in the future if the Academic Integrity Hearing Board finds that an academic integrity violation occurred.

II F. Disciplinary Process/Procedures

1. Purpose

Adherence to the Faculty Code of Professional Ethics, II.C.1, and to the Conduct Regulations, II.F.3, is the responsibility of the individual faculty member. The principles implicit in these procedures are for the benefit of all who are involved with or are affected by the rules and regulations of Washington State University.

1) The purpose of this document is to enumerate the violations of law or policy for which faculty may be subject to discipline, and to provide a process for addressing those violations that ensures the accused faculty member's rights are adequately protected.
2) The procedures contained herein were drafted to adhere to the requirements of Washington's Administrative Procedure Act, RCW 34.05, as well to ensure that an employee's constitutional due process rights are protected. To the extent possible, the procedures for serious disciplinary action adhere to the process recommended by the American Association of University Professors for dismissal proceedings. Thus, a faculty member will not be subjected to serious discipline, absent his or her agreement, unless s/he has been provided
    - written notice of the charges against him/her;
    - the opportunity to be heard by a committee of his/her peers and, should a discipline be imposed, the right to appeal the decision to the Board of Regents;
    - the right to be accompanied to all hearings by an advisor of his/her choice;
    - a recording of the hearing.
3) The procedures set forth herein contain other checks and balances to protect the rights of the accused and the accuracy of the process. For example, no disciplinary action may be imposed without review by the Provost's Office and, for serious, disciplinary action, without review by a committee of the faculty member's peers. Additionally, all disciplinary action imposed by the University is subject to court review according to the provisions of the Administrative Procedure Act, RCW 34.05.
4) These procedures enumerate timelines that shall be followed at each stage of the process to ensure that complaints are resolved in as timely a manner as possible. Timely resolution of complaints protects the rights of all participants to the process.
5) It is the overall goal of the University is to resolve concerns or problems at the lowest possible level. To this end, prior to initiating a formal complaint with the provost, individuals feeling aggrieved by a faculty member's actions are encouraged to use the following resources for attempted resolution of disputes:
    a) Supervisory chain of authority (e.g., the faculty member's department chair, dean)
    b) Office for Equal Opportunity (for complaints that may implicate EP#15, the Policy Prohibiting Discrimination, Sexual Harassment, and Sexual Misconduct.)
    c) Human Resource Services
    d) University Ombudsman
    e) Faculty Status Committee

If an individual files a complaint with the provost without utilizing these procedures, s/he shall include a statement of reasons explaining why the complaint is being filed directly with the provost.

This document does not address student academic complaints, which are handled using the WSU academic grievance procedure.

2. Confidentiality

It is the intent of the University that faculty discipline issues shall be kept confidential to the fullest extent provided by law. See RCW 42.56.210. Under state law, findings of specific acts of misconduct are public records that are subject to public disclosure. See RCW 42.56.210. Additionally, records created as part of the formal hearing process, including the charging document, are public documents that are subject to disclosure. See RCW 42.56.040, et seq. Similarly, the administrative procedure act requires the hearings conducted to impose formal discipline generally, but not necessarily, open to the public. See RCW 34.05.

3. Conduct Regulations

Conduct for which faculty members are subject to University discipline falls into the following categories:

1. Violation of the policy on Freedom of Expression, II.B.2
2. Incompetence or serious or repeated neglect of duty. Unless the act is serious or puts individuals and/or property at risk, employees will not be disciplined for inadequate work performance or neglect of duty unless they have been given written notice of the areas in which the work is considered deficient, and an opportunity to improve their performance.
3. Misconduct in research and scholarship, defined as fabrication or falsification of data, plagiarism, or other serious deviations from accepted practice in proposing, implementing, or reporting on research. Procedures for investigating allegations of misconduct in research are set forth in subsection II.H.
4. Failure to comply with federal, state, or University requirements for protecting researchers, human subjects, and the public during research and for insuring the welfare of laboratory animals.
5. Use of research funds, facilities, or staff for unauthorized and/or illegal activities.
6. Violation of EP #15, the Policy Prohibiting Discrimination, Sexual Harassment, and Sexual Misconduct.
7. Violation of EP #28, the Policy on Faculty-Student and Supervisor-Subordinate Relationships.
8. Retaliation against any individual for engaging in protected activity, including but not limited to, filing a good faith complaint of discrimination, harassment, misconduct, workplace violence or bullying. This includes, but not limited to, creating a hostile work environment or taking adverse employment action against another. Such acts form independent grounds for taking appropriate formal or informal discipline.
9. Forgery, alteration, or misuse of University documents or identification.
10. Falsification of information submitted to any University official or agency, or the offering of an intentionally false statement in any University disciplinary proceeding.
11. Theft of or intentionally damaging or defacing University property or property belonging to any member of the University community or campus visitor.
12. Illegal use, illegal possession, or illegal purveying of drugs on University property. University policy is consistent with state and federal laws which regulate the possession, use, sale, and distribution of drugs.

13. Illegal possession, illegal use, or illegal sale of intoxicating beverages on University property. Washington State University's policies and programs for drug and alcohol abuse and a drug-free workplace are available at http://www.wsu.edu/forms2/ALTPDF/EPM/EP20.pdf .
14. Possession by a faculty member, on his or her person or otherwise, of a firearm, explosive, or other dangerous weapon within any office, laboratory or classroom building, lecture hall, residence hall, or sports arena on University property, and any immediately contiguous grounds, walkways and malls, except as follows:
    (a) Those faculty members who also are authorized law enforcement officers shall be permitted to carry arms while on duty and engaged in regular activities of law enforcement.
    (b) Faculty members with firearms in their possession shall be permitted to travel en-route to or from the University-provided storage facilities. Such facilities shall be available twenty-four hours per day for short- or long-term firearm storage.
    (c) Activities requiring use of the prohibited items by faculty members may be conducted upon approval by the Board of Regents or their designee.
    (d) Nothing in this article is intended to restrict the lawful possession by faculty members of firearms in privately owned vehicles on the University campus, within University-owned housing other than residence halls, or on other University property not specifically indicated above.
15. Unlawful acts that directly affect University programs, community members, or property insofar as they materially and substantially interfere with the missions, functions, processes, and goals of the University community or unlawful acts that result in guilty plea to or conviction of a felony.
16. Illegal entry, attempted entry, or entry in violation of Washington State University rules of University-controlled property, or University-related property, such as fraternities, sororities, or co-op houses.
17. Intentional disruption of the educational processes and functions of the University, including classroom and laboratory activities, offices, services, meetings, or ceremonies.
18. Intentional and unauthorized obstruction or restriction of free movement of persons or vehicles on the campus or other University property. Peaceful picketing is permitted, but such activity must be confined to the outside of University buildings and must not interfere with or restrict the free flow of traffic to and from any University building. Picketing of the Compton Union Building must be confined to the lobbies or to the outside of the building.
19. Violation of the University policy prohibiting Work Place Violence as outlined in the BPPM 50.30.
20. Violation of the University Bullying Prevention and Reporting Policy as outlined in the BPPM 50.31.
21. Willful violation of published University policy.

Faculty members should be aware of conduct regulations for campus guests and visitors as follows: Guests and visitors will observe the rules and regulations of the University while on the campus or other University property. Those who willfully refuse to obey an order of a uniformed campus security officer or other law enforcement officer to desist from conduct prohibited by the University rules and regulations may be ejected from the premises. Refusal to obey such an order will subject the person to arrest under the provisions of the criminal trespass statutes, in addition to such other sanctions as may be applicable.

4. Types of Discipline

The sanctions that may be imposed include warning, censure, suspension, termination, and in emergency situations, summary suspension.

a. Informal Discipline

i) Warning

Written notice to the faculty member from the provost that he or she has violated the Conduct Regulations II.F.3, or other regulation or policy, and that continued or additional such conduct may lead to more severe sanctions in the future.

ii) Censure

Written reprimand from the provost regarding such violation(s).

b. Formal Discipline

i) Suspension

Suspension is defined as any one of, or a combination of, the following measures: temporary release from or reduction in assigned responsibilities; reduction or suspension of pay; denial or postponement of an opportunity for a professional promotion within the University or professional leave from the University. A summary suspension is also possible, as set forth in II.F.8.

ii) Termination

Dismissal of the faculty member from the University, whether a tenure, tenure-track or adjunct faculty member. The usual notice procedures for such termination shall not apply in this case, and may be set by the sanctioning authority.

c. Summary Suspension

In circumstances where an emergency exists or where there is an immediate threat to the public health, safety, or welfare, to University property, or to the safety or welfare of any member of the University community (including the subject faculty member), the faculty member may be suspended immediately, without pay. See Section 8 below for further information regarding the procedures for imposing a summary suspension.

Written notice from a dean, chair or other supervisor indicating that a faculty member has violated a provision of this Manual and directing him/her not to do so again, or reprimanding him/her for such violation, are not discipline that is subject to appeal under this policy.

5. Initiation of Complaint

Any individual who has a formal complaint regarding violations of the Faculty Code of Professional Ethics, II.C.1, and the Conduct Regulations, II.F.3, should address his/her complaint, in writing, to the provost. If the complainant has not utilized another complaint resolution procedure, s/he shall provide the provost with a statement of reasons for filing his/her complaint directly with the provost. If the provost determines that the matter should be addressed at a lower level before his/her involvement, s/he shall inform the individual in writing within five (5) business days of the complaint resolution options available (e.g., The Ombudsman, the Faculty Status Committee, the Office for Equal Opportunity, etc.), as delineated in Section II.F.1 (5). The individual may initiate a formal complaint with the provost after utilizing an alternative level complaint resolution process.

Unless the provost has determined that a complaint should be remanded to another complaint resolution process, s/he shall, within ten (10) business days of receiving the complaint, determine whether the

allegations, if proved, state cause to discipline a faculty member. If the provost determines that the charges do not state grounds for discipline, s/he shall communicate that decision to the complainant.

If the provost determines that the charges, if proven, state grounds for disciplinary action, s/he shall promptly notify the accused faculty member of the general nature of the allegations, the requirement for cooperation during an investigation, the right to present information on his or her behalf, and the obligation not to retaliate against those filing the complaint.

6. Investigation of Complaint or of Provost Concerns

If the provost determines that the allegations, if proved, state grounds for discipline, s/he shall, within ten (10) business days of such determination, initiate an investigation into the matter. The provost shall determine the appropriate investigative person/body, including, but not limited to

a. Himself/Herself
b. Vice provost, associate vice provost, or vice president
c. Dean or department chair
d. Office for Equal Opportunity
e. Human Resource Services
f. A faculty committee appointed by Faculty Status Committee within ten (10) business days of receipt of the request from the provost and selected from among the members of the tenured faculty.

The provost shall generally cause the investigation to be completed within thirty (30) calendar days of the date initiated. If it appears that the alleged violation will require that multiple witnesses be interviewed or will require an investigation that is otherwise substantial or complex, the provost shall cause the investigation to be completed within one hundred twenty (120) calendar days of the date received. The provost shall notify the complainant and the accused faculty member if the investigation is expected to take longer than thirty (30) calendar days.

The timelines may be extended by the provost at any time upon his/her determination that exigent circumstances exist, e.g. unavailability of witnesses or faculty, complexity of issues. Any extension of the timelines must be communicated in writing to the accused faculty member and the complainant. The provost may also of his/her own initiative, after learning of concerns regarding faculty conduct, initiate an investigation and pursue disciplinary action consistent with the other requirements of this policy.

Any case reported to the dean that requires punishment or attendance at a class needs to be reported to the provost and academic vice president. The Provost's Office shall maintain a confidential file of all cases reported to a dean whose final determination involved punishment or mandatory attendance at a class. The purpose of this file is to ensure there is an adequate record of past infractions.

7. No Discipline

If after investigation the provost determines that the alleged conduct either did not occur or did not constitute a violation of the Faculty Code of Professional Ethics, II.C.1, or the Conduct Regulations, II.F.3, the provost shall notify the affected faculty member and the complainant in writing. Said notification shall be made within ten (10) business days of the completion of the investigation. The determination of no violation by the provost is final.

8. Summary Suspension

Summary Suspension is the responsibility of the president. Ordinarily, the disciplinary authority of the University will be invoked only after completion of the procedures established for the review of discipline

cases and after the individual has utilized any appeal procedures desired as described in the following sections of the disciplinary regulations.

However, if at any time the provost becomes aware of information that causes him/her to believe there is an immediate threat to the public health, safety, or welfare, to University property, or to the safety or welfare of any member of the University community (including the subject faculty member), the provost shall immediately institute summary suspension procedures. These procedures require the provost to provide the faculty member, either orally or in writing, with notice of charges against him, with an oral or written statement of the evidence that supports the charges, and with an opportunity to respond to the charges. If, after receiving the faculty member's response, the provost believes that the immediate threat remains, s/he shall recommend to the president that the faculty member be summarily suspended. The president shall consider this recommendation, including the summary of the basis therefore and the faculty member's response to the charges and determine whether to summarily suspend the faculty member. If the faculty member is summarily suspended, salary shall not continue for the duration of the summary suspension. In all such emergency cases, the faculty member is thereafter entitled to all of the formal hearing process rights as provided in this section on formal discipline.

A decision to summarily suspend a faculty member shall comply with the requirements of RCW 34.05.479. The order of summary suspension shall be served on the faculty member in person. The notice should indicate that the suspension is for an emergency purpose in accordance with this section. It shall contain a brief statement of reasons to justify the summary suspension. If personal service is not feasible the notice shall be sent by certified mail. If there is to be a restriction on the faculty member's privilege to be present on University property, the faculty member shall be notified of that constraint, and such notice will be simultaneous with the notice of summary suspension.

The provost shall issue a statement of charges within five (5) business days of the imposition of a summary suspension, and shall request that the Faculty Status Committee expedite the selection of a hearing committee. The Hearing Committee shall schedule the hearing within the next thirty (30) calendar days. This right to an expedited hearing may be waived by the accused faculty member.

9. Minor Infractions

If after investigation the provost determines:

a. The alleged conduct occurred,

b. The conduct violated the Faculty Code of Professional Ethics, II.C.1, or the Conduct Code II.F.3, and

c. The conduct subjects the faculty member to a warning or censure,

The provost shall notify the affected faculty member in writing. This notice will be kept confidential to the extent allowed by law. The affected faculty member shall be provided the option of accepting or rejecting the informal discipline and must do so within ten (10) business days of receipt of the notice. If the affected faculty member accepts the imposed discipline, the provost shall carry out the discipline accordingly, and notify the complainant and the cognizant administrators, including the affected faculty member's department chair and dean. If the affected faculty member rejects the imposed discipline, all information shall be turned over to the president for a final decision on the matter. The president may request additional briefing or oral argument from the provost and the accused prior to issuing his/her decision.

10. Major Infractions

If after investigation the provost concludes that the preponderance of evidence indicates:

a. The alleged conduct occurred,

b. The conduct violated the Faculty Code of Professional Ethics, II.C.1, or the Conduct Regulations, II.F.3, and

c. The conduct subjects the faculty member to a suspension or termination,

The provost shall notify the affected faculty member in writing. This notice shall remain confidential to the extent allowed by law. The affected faculty member shall be provided the option of accepting or rejecting the imposed discipline and must do so within ten (10) business days of receipt of the notice. If the affected faculty member accepts the discipline, the provost shall carry out the discipline accordingly, and notify the complainant and the cognizant administrators, including the affected faculty member's department chair and dean. If the affected faculty member rejects the discipline, the provost shall cause formal disciplinary proceedings to commence.

The formal disciplinary process includes a formal hearing.

Formal hearings are adjudicative procedures under RCW 34.05. The University has developed its procedures to comport with the requirements of the Administrative Procedures Act, to ensure that parties are afforded appropriate due process rights, and to provide protection to the rights of all parties to the dispute while maintaining the collegiality that is the hallmark of the academic community.

The formal hearing procedure includes

a. Statement of Charges

The first step in the formal disciplinary process is the issuance of a Statement of Charges that shall include

i) A reference to those portions of the Faculty Code of Professional Ethics, II.C.1, Conduct Regulations, II.F.3, or other particular rules or policies the faculty member is alleged to have violated;

ii) A short and plain statement of the factual matters asserted upon which the violations are based.

iii) A statement of the contemplated disciplinary action.

b. Response to Statement of Charges

The Respondent must provide a Response to the Statement of Charges within twenty (20) business days of service thereof. The Response to Statement of Charges shall include:

i) Admissions or denials regarding the factual allegations related to violations of the Faculty Code of Professional Ethics, II.C.1, Conduct Regulations, II.F.3, or other particular rules or policies listed in the Statement of Charges;

ii) Any affirmative defenses available to the faculty member.

The Respondent may elect to be represented by counsel in these proceedings. If counsel is elected, the provost shall be notified immediately so that all further correspondence can be directed to counsel.

If Respondent fails to respond to the Statement of Charges within the specific period, the Respondent is deemed to be in default. The provost can then proceed to impose the discipline recommended in the Statement of Charges.

c. Hearing Committee

Within five (5) business days of the receipt of the Response to Statement of Charges, the provost shall request that the Faculty Status Committee appoint a Hearing Committee from the members of the tenured faculty. The Faculty Status Committee shall keep in mind the University's values

regarding affirmative action and diversity in recommending committee members. The Hearing Committee shall consist of five (5) tenured faculty members. Two (2) alternate members shall also be named. All committee members, including the alternates, shall attend the hearings. The Faculty Status Committee shall select committee members within (10) business days of the receipt of the request. Once the Faculty Status Committee has constituted the Hearing Committee, the provost and the Respondent shall each be provided the opportunity to disqualify up to two members without stated cause. The provost/ and the Respondent shall also each be allowed such further challenges to the committee's membership, based on articulable cause, at the discretion of the Faculty Status Committee. The Faculty Status Committee may, at its discretion, schedule a hearing for the purpose of considering challenges to the potential committee members and finalizing the selection of the Hearing Committee. If it does not schedule a hearing, all challenges and responses thereto will be provided in writing utilizing the following timelines: Any request to strike a committee member, whether for cause or no cause, shall be provided to the Faculty Status committee within five (5) business days of the receipt of the committee member's names. The Faculty Status Committee shall rule on all cause challenges within ten (10) business days of the receipt thereof. Once all challenges are resolved, the Faculty Status Committee shall confirm the members of the committee in writing sent to the provost and the Respondent, or their respective attorneys.

No committee member shall have been involved in the investigation of any matter involved in the Statement of Charges, or the decision to convene a formal hearing with regard to those charges. No committee member shall make or receive any ex parte contact regarding the subject matter of the formal proceeding from any party thereto, directly or indirectly, outside the scope of the formal hearing, nor shall any party to the hearing make or attempt to make any such contact. See RCW 34.05.455. Communications regarding purely procedural or housekeeping matters related to the proceeding shall not be prohibited by the foregoing. Any attempt at improper contact with any Hearing Committee member outside the hearing shall be immediately reported to both the remainder of the Hearing Committee and to the other parties.

The Hearing Committee, at that first meeting, shall elect a chair to preside over its hearings, and shall promulgate any specific procedural rules it may deem necessary or proper for the orderly conduct of the hearing. Those rules shall be consistent with this section of the Faculty Manual and with applicable Washington State law.

d. Notice of Hearing

The Hearing Committee shall determine a date(s) for its hearing on the matter. If a summary suspension has been ordered, the hearing must be scheduled to begin no later than thirty (30) calendar days from the date the Faculty Status Committee constituted the Hearing Committee, unless the Respondent waives his/her right to have the hearing begin within this time-frame. In all other cases, the hearing must be scheduled to being no sooner than thirty (30) and no later than ninety (90) calendar days from the date that the Faculty Status Committee constituted the Hearing Committee. The Hearing Committee shall attempt to accommodate the convenience of the parties with respect to the hearing date(s). The Hearing Committee shall notify the parties in writing of the hearing date(s) at least ten (10) business days in advance thereof. The Hearing Committee may continue the hearing date(s) at the request of either party, or at the Committee's own initiative, where justice so requires. However, the Hearing Committee will do so in writing and must determine that just cause exists for doing so. Justice requires swift resolution of the case.

The Notice of Hearing shall include:

i) The names and addresses of all persons to whom the notice is sent, and of their respective representatives or attorneys (if any)

ii) The name of the matter in which the proceeding is being held (usually the name of the faculty member)

iii) The names, titles, and campus mailing addresses of the Hearing Committee members, including a designation of the committee chair

iv) A statement of the time, place, and nature of the proceeding

v) A statement that the hearing is being held pursuant to the Administrative Procedures Act of the State of Washington, under jurisdiction and powers granted to the University under RCW chapter 28B, and pursuant to the Faculty Manual

vi) A short and plain statement of the matters asserted by the agency; and

vii) A statement that a party who fails to attend or participate in a hearing or other stage of an adjudicative proceeding may be held in default in accordance with the provisions of RCW 34.05.

A copy of the Charging Document shall be attached to the notice of hearing.

e. Discovery

The parties shall be allowed to exchange documents and interview witnesses prior to the hearing. The provost shall turn over to the Respondent all investigative materials upon which the decision to issue the Statement of Charges was based. The University will also use its best efforts to secure the cooperation of witnesses and make available such documents as are under its possession and control. All parties shall diligently share information, documents, and other relevant facts to ensure against unfair surprise at the hearing.

Formal discovery is time-consuming and costly, and therefore is discouraged. The Hearing Committee shall allow formal discovery only upon a showing of necessity and unavailability of information by other means. The Hearing Committee shall review the factors outlined in RCW 34.05.446(3) when determining whether to exercise its discretion to allow discovery. Formal discovery includes requests for answers to interrogatories, requests for production, the taking of depositions and all other procedures authorized by the Superior Court Civil Rules 26 through 36.

The Hearing Committee may issue subpoenas as authorized under RCW 34.05.446, and shall make such reasonable orders as may be proper to allow the all parties a full and fair opportunity to be heard.

f. Pre-hearing Statements

In order to facilitate an expedient hearing, at least ten (10) business days prior to the date of the hearing both parties shall provide to the hearing committee a Pre-hearing statement including:

i) A list of all individuals the party intends to call to present their case in chief;

ii) A list of all documents the party intends to present as evidence in their case in chief;

iii) An estimated time for the presentation of their case.

The parties need not identify witnesses or documents intended to be used only for impeachment purposes.

The parties shall also be entitled to file with the Hearing Committee such memoranda, position statements, objections to proffered evidence, and other procedural materials as the Hearing Committee may in its discretion allow. The Hearing Committee's charge on this matter is to ensure that all parties have a full and fair opportunity to be heard while simultaneously upholding the parties' mutual interest in an expeditious proceeding.

g. Motions

The Hearing Committee shall, at appropriate stages of the proceedings, allow all parties the full opportunity to submit and respond to pleadings, motions, objections and offers of settlement. See RCW 34.05.437.

h. Formal Hearing

The Hearing Committee shall cause the hearing to be recorded by the most effective method, and shall preserve any exhibits or other materials received during the hearing. The Hearing Committee shall conduct its proceedings with as much dispatch as possible, while recognizing the parties' right to adequate time to present their case.

The University conducts faculty disciplinary hearings pursuant to the Washington Administrative Procedure Act, RCW 34.05. That law requires all hearings to be open unless closed 1) under a provision of law expressly authorizing closure or 2) under a protective order entered by the Hearing Committee pursuant to applicable rules. The Hearing Committee and the parties shall refrain from public comments or statements regarding the hearing, its conduct, the evidence presented before it, and any findings, recommendations and sanctions until final action has been taken on the matter.

The Hearing Committee shall first allow the provost to submit those witnesses and documents identified in the Pre-hearing Statement. The Hearing Committee shall then allow the Respondent to submit those witnesses and documents identified in the Pre-hearing Statement. Both parties will be afforded the opportunity for rebuttal. All parties shall have the right to confront and cross-examine all witnesses.

The faculty member shall have the right to have a professional colleague present at all stages of the hearing as an academic advisor. In addition, the faculty member is entitled to have counsel present, as is the University. At any party's request or at the initiation of the Hearing Committee, a representative of the responsible educational association shall be permitted to attend even those portions of the hearing that have been closed to the public. The Hearing Committee retains the right to determine if any other person may attend or be excluded, including witnesses.

The Hearing Committee shall have the power, in its discretion, to adjourn the proceeding to enable any party to investigate evidence concerning which a valid claim of surprise is made, or at any point where it feels such adjournment will assist in its deliberations.

i. Findings, Recommendations & Sanctions

In all formal proceedings, the University bears the burden of proving that the faculty member violated the Faculty Code of Professional Ethics, II.C.1, Conduct Regulations, II.F.3, or some other regulation or policy of the University. This burden must be satisfied by a preponderance of evidence.

The Hearing Committee shall make its finding, recommendations and sanctions, within thirty (30) calendar days of the last day of the hearing. It shall submit a complete record of the hearing, including any recording or transcription of the hearing and the committee's finding, recommendations and sanctions, to the president or, in those cases where the president considered a summary suspension and is therefore not eligible to act as a fact-finder, to the Board of Regents. All findings and recommendations of the committee shall be based solely on the hearing record. The committee shall in all cases issue an order that includes findings and recommendations, together with a statement of the reasons and bases for them. Findings based primarily on witness credibility or demeanor shall be specifically identified. Sanctions may be recommended only based upon a finding of a violation as set forth above. Sanctions shall not be used to restrain faculty members in their exercise of academic freedom or other rights. Academic freedom,

however, does not include the right to remain a faculty member while persistently failing or refusing to perform the duties and functions of a faculty member, or the right to violate University policies and rules including those governing freedom of expression.

The Hearing Committee's findings, conclusions and recommendations are preliminary recommendations in which opinions are expressed and thus and shall not be disclosed to the public until action is taken on the matter.

j. Action by the President

The president shall not hear any appeal in which he has reviewed a request for summary suspension. In such cases, the record of the hearing, including the committee's findings, conclusions and recommendations, shall be forwarded directly to the Board of Regents, and handled as stated in section 11 below. In all other cases, authority to take action and impose sanctions if appropriate lies with the president. Upon receipt of the full and complete record of the proceedings, including the committee's findings, conclusions, and recommendations, the president shall make a determination within twenty (20) business days.

If the president's determination is to uphold the findings, conclusions and recommendations of the Hearing Committee, the Committee and faculty member shall be so notified. If the president objects to or disagrees with any portion of the committee's findings, conclusions and recommendation, he or she shall indicate those objections or disagreements in writing and provide them to the committee, the provost and to the faculty member. The provost, committee and the faculty member shall have ten (10) business days to respond in writing to the president's objections and disagreements. Thereafter, the president will issue a determination within ten (10) business days. The determination will include findings of fact, conclusions of law, and specification of any sanctions to be imposed. The decision shall also contain an explanation of the basis for the conclusions and sanctions, if any. The president's directive shall become final twenty (20) business days after delivery to the faculty member, unless the faculty member files an appeal to the Board of Regents by that date.

The president shall not make or receive any ex parte contact regarding the subject matter of the formal proceeding from any party thereto, directly or indirectly, outside the scope of the formal hearing, nor shall any party to the hearing make or attempt to make any such contact. See RCW 34.05.455. Communications regarding purely procedural or housekeeping matters related to the proceeding shall not be prohibited by the foregoing. Any attempt at improper contact with the president outside the hearing shall be immediately reported to all parties.

All reports and recommendations previously withheld from public disclosure as preliminary recommendations are subject to public disclosure, as is the president's determination itself, once the president's determination is issued.

k. Action by Board of Regents Regarding Summary Suspensions

The president shall not hear any appeal in which he has issued a summary suspension. In such cases, the committee's findings, conclusions and recommendations shall be forwarded directly to the Board of Regents. The Board of Regents shall convene a meeting as soon as is reasonably practicable after receipt of the hearing record, including the Hearing Committee's findings, conclusions and recommendations given the Board of Regent's schedule. It shall make a determination within twenty (20) business days of its meeting. If the final determination is to uphold the findings, conclusions and recommendations of the Hearing Committee, the committee and faculty member shall be so notified. If the Board of Regent's objects to or disagrees with any portion of the committee's findings, conclusions and recommendation, it shall indicate those objections or disagreements in writing and provide them to the committee, the provost and to the

faculty member. The provost, committee and the faculty member shall have ten (10) business days to respond in writing to the committee's objections and disagreements. Thereafter, the Board of Regents will convene another meeting as soon as is reasonable after receipt of the responses, and will issue a final determination.

The Board of Regent's final determination will include findings of fact, conclusions of law, and specification of any sanctions to be imposed. The decision shall also contain an explanation of the basis for the conclusions and sanctions, if any. The decision of the Board of Regents is the final decision of the University.

l. Appeal to Board of Regents

If the president decides to impose any sanction upon the faculty member, that faculty member shall have the right to appeal that sanction to the Board of Regents. Such an appeal must be served upon the secretary to the Board of Regents within twenty (20) business days after the faculty member's receipt of the decision. No regent member shall make or receive any ex parte contact regarding the subject matter of the formal proceeding from any party thereto, directly or indirectly, outside the scope of the formal hearing, nor shall any party to the hearing make or attempt to make any such contact. See RCW 34.05.455. Communications regarding purely procedural or housekeeping matters related to the proceeding shall not be prohibited by the foregoing. Any attempt at improper contact with any member of the Board of Regents outside the hearing shall be immediately reported to the other regents, to the University president, and to the parties.

The Board of Regents' review shall be based on the record of the hearing, including the Hearing Committee's findings, conclusions, and recommendations to the president, and the president's decision. The Board of Regents shall afford the faculty member and the University the opportunity to present written and/or oral argument. The Board of Regents will either sustain the decision or return it to the president with specific written objections. This decision shall be reached as soon as practicably possible by the Board of Regents within the normal constraints that arise from the infrequency of their meetings.

Sustaining of the decision by the Board of Regents shall conclude the formal proceeding. If the decision instead is returned, the president may either reconsider the decision or refer the matter back to the Hearing Committee for such further proceedings as it may deem proper. Whichever method is used, a revised final report shall thereafter be prepared for the Board of Regents addressing its concerns and recommending action by the Board of Regents. The Board of Regents shall thereafter issue the University's final decision in the matter within sixty (60) calendar days of receipt of that revised report.

m. Alternate Dispute Resolution

The parties are encouraged to seek informal resolution of the dispute described in the statement of charges. Nothing in these procedures shall preclude the parties and/or the University from reaching an informal resolution of the dispute via any mutually agreed-on method, including stipulation, agreed settlement, consent order, or through the default of a party. However, the informal resolution process cannot be used to circumvent the timelines necessary to carry out the formal hearing process. Time is of the essence for all parties. All parties have an interest in prompt resolution of these issues.

All testimony, statements, or other evidence obtained in the informal resolution process, whether obtained from a party to the dispute or a third party, shall be regarded as made in the course of settlement discussions, and shall accordingly be confidential and not disclosed in subsequent

discovery in the course of a formal hearing, without the express permission of the person who provided such testimony or evidence or as allowed by law. Further, such material may not be employed in proceedings for collateral or impeachment purposes without such permission or as otherwise allowed by law. However, such information may be subject to disclosure under the Washington Public Records Act and discovery in the course of a formal legal action.

II G Policy Regarding Conduct for Which Faculty May Face Disciplinary Action

Washington State University values an environment of inclusion, trust and respect. As part of the larger community of the University, some of the policies governing faculty are written in other documents. In particular, the following policies from the Executive Policy Manual (EP, http://public.wsu.edu/~forms/HTML/EPM/EP00_Introduction_and_Table_of_Contents.htm) and the Business Policies and Procedures Manual (BPPM, http://public.wsu.edu/~forms/HTML/BPPM/01.01_Table_of_Contents.htm) are considered part of this manual.

1. Policy Prohibiting Discrimination, Sexual Harassment, And Sexual Misconduct – EP#15

2. Policy On Faculty-Student And Supervisor-Subordinate Relationships – EP#28

3. Workplace Violence – BPPM 50.30

4. Bullying Prevention and Reporting – BPPM 50.31

II H. Administrative Procedures For Misconduct In Research

Hereafter misconduct means misconduct in research and scholarship as defined in II.F.3 above. Misconduct does not include honest error or honest differences in interpretations or judgments of data. This policy pertains to original research and scholarship only and is not intended to replace other policies dealing with academic conduct, such as integrity in class or course work.

1. Inquiry

An inquiry will be made immediately into allegations or evidence of possible misconduct. Inquiry means information gathering and initial fact-finding to determine whether an allegation or apparent instance of misconduct warrants investigation. The vice president for research shall normally be in charge.

The dean of a college or the vice president for research may receive allegations of misconduct in research and scholarship (typically in writing). However, the president of the University, through the vice president for research, is ultimately responsible for all research programs and activities conducted at the University. Therefore, the vice president for research shall be informed by the deans of all allegations of misconduct in research and scholarship. Furthermore, the vice president for research shall consult with the University's Office of the Attorney General on all inquiries and investigations, and this vice president is responsible for directing inquiries into and investigations of misconduct in research and scholarship, and for meeting all reporting requirements established by federal and nonfederal agencies.

The procedures of this policy are not exclusive of other mechanisms for the review of misconduct. In the case of review of allegations of misuse of funds, the University's internal auditor, and in some cases outside auditors, shall investigate and report to the proper administrators. In the case of illegal activities, the president retains the power to direct investigations, take interim measures, and request reports on alleged violations. Where an investigation of misconduct under this policy may be duplicative, and where issues of the proper conduct of scientific research are lacking, the vice president for research may decide not to conduct an investigation under this policy.

a) An inquiry must be completed within sixty (60) calendar days of its initiation unless circumstances warrant a longer period. A written report shall be prepared that documents the evidence received, including summaries of interviews, and the conclusions reached. The individuals against whom the allegation was made shall be given a copy of the report of inquiry. If they comment on this report, their comments will be made part of the record. If the inquiry takes longer than sixty (60) calendar days, the record of the inquiry shall include documentation of the reasons for exceeding the sixty-day period.

b) The privacy of those who have reported apparent misconduct will be protected to the fullest extent possible.

c) The affected individuals will receive confidential treatment to the fullest extent possible; they are also entitled to a prompt and thorough inquiry, and they will have an opportunity to comment on allegations and the findings of the inquiry.

d) If it is determined that an investigation is not warranted, records will be maintained in sufficient detail to permit subsequent assessment of that determination. Such records will be kept in a secure manner for a period of at least three (3) years after the termination of the inquiry, and shall, upon request and where relevant, be provided to authorized personnel.

e) A decision on whether to proceed to a formal investigation shall be made by the vice president for research. If an investigation is deemed unwarranted, the vice president for research will take steps to protect the party or parties who made the allegation, and the individual(s) charged with misconduct. Also, the vice president for research will take steps to repair any damage done to the reputation of individuals falsely accused.

f) In case of apparent false and malicious accusations, an inquiry will be initiated (as noted under 1.a.) of the accuser(s).

2. Investigation

If warranted, an investigation will begin following the inquiry as described above. Investigation means the formal examination and evaluation of all relevant information to determine if misconduct has occurred.

a) Investigations will begin within thirty (30) calendar days of the completion of the inquiry. The committee, appointed by the vice president for research, will be composed of at least three (3) faculty members familiar with the research or scholarship at issue in the alleged misconduct, including at least one faculty member from a relevant area of research or scholarship, whose academic appointment is outside of the college of the accused individual(s).

b) The investigation will include examination of all pertinent documentation, publications, and correspondence, and any memoranda related to telephone calls. Whenever possible, interviews will be conducted with all individuals involved in making the allegation, or against whom the allegation is made, or other individuals who might have information pertinent to the allegations. Summaries of the interviews will be prepared, provided to the interviewed parties for comment or revision, and included as part of the investigation file.

c) Precautions will be taken to prevent real or apparent conflicts of interest on the part of those involved in the investigation.

d) Diligent efforts will be made, as appropriate, to restore the reputations of persons alleged to have engaged in misconduct when allegations are not confirmed, and also to protect the positions and reputations of those persons who have made allegations in good faith.

e) Documentation will be prepared and maintained to substantiate the investigation's findings.

f) An investigation of misconduct will be completed within one hundred twenty (120) calendar days of its initiation. This includes conducting the investigation, preparing a report of the findings, and making the report available for comment to the subjects of the investigation.

g) When allegations of misconduct have been substantiated, appropriate sanctions will be applied as prescribed by the Faculty Manual, and the State of Washington Higher Education Personnel Board rules and regulations.

3. When Federal Funds Are Involved

When allegations of misconduct in research and scholarship involve the use of federal funds, the following additional steps will be followed:

a) The vice president for research will notify the relevant federal agency prior to an investigation and within thirty (30) calendar days following the completion of an inquiry. If there is indication of criminal violations, the vice president for research will notify the relevant federal agency within twenty-four (24) hours of obtaining appropriate evidence.

b) When appropriate, documentation of the investigation's findings will be made available to a relevant federal agency.

c) The University will be responsible for notifying relevant federal agencies if any of the following exist during an inquiry or investigation: an immediate health hazard; an immediate need to protect extramurally obtained funds or equipment; an immediate need to protect any parties involved; or, in the case of possible criminal violation if the incident is going to be reported publicly.

d) Interim administrative actions will be taken, as appropriate, to protect federal funds and to insure that the purposes of federal financial assistance are carried out.

e) The University will keep the relevant federal agency apprised of any developments during the course of the investigation that may affect current or potential funding for the individual under investigation or are necessary for the federal agency to protect the public interest.

f) The report of the investigation, completed within one hundred twenty (120) calendar days, will be submitted to the relevant federal agency along with the final outcome of the investigation.

g) While the University is primarily responsible during the period of inquiry and investigation, a relevant public agency may perform its own investigation at any time prior to, during, or following the university's investigation and may impose sanctions determined by its own investigation.

Related policies

EP# 33 Responding to Allegations of Research Misconduct- (http://public.wsu.edu/~forms/HTML/EPM/EP33_Responding_to_Allegations_of_Research_Misconduct.htm)

EP# 27 Ethics, Conflict of Interest and Technology Transfer (http://public.wsu.edu/~forms/HTML/EPM/EP27_Ethics_Conflict_of_Interest_and_Technology_Transfer.htm)

Section III: Faculty Personnel Policies

Personnel policies and procedures of Washington State University represent the cooperative efforts of the faculty, the administrative officers, and the Board of Regents to develop and maintain a superior faculty.

III A. Policies Supporting a Positive Work and Educational Environment

Washington State University values an environment of inclusion, trust and respect. As part of the larger community of the University, some of the policies governing faculty are written in other documents. In particular, the following policies from the Executive Policy Manual (EP, http://public.wsu.edu/~forms/HTML/EPM/EP00_Introduction_and_Table_of_Contents.htm) and the Business Policies and Procedures Manual (BPPM, http://public.wsu.edu/~forms/HTML/BPPM/01.01_Table_of_Contents.htm) are considered part of this manual.

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4. Bullying Prevention and Reporting – BPPM 50.31

III B. Reasonable Accommodation For Employees With Disabilities

The Washington State Law Against Discrimination, RCW 49.60, together with federal law, including section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990 prohibit discrimination and ensure equal opportunity for persons with disabilities in employment. As part of its program of equal employment opportunity, Washington State University is committed to providing reasonable accommodation for employees with disabilities. WSU complies with these laws as written or amended by this section of the Faculty Manual and otherwise through policy and procedure.

Under Washington law, which provides protection beyond those under federal law, disability is defined (see http://app.leg.wa.gov/RCW/default.aspx?cite=49.60.040) as the presence of a temporary or permanent; sensory, mental or physical impairment; that is medically recognizable or diagnosable; exists as a record or history; or is perceived to exist whether or not it exists in fact.

These provisions set forth guidelines for meeting reasonable accommodation requirements of state and federal laws. The reasonable accommodation process is subject to flexibility within governing law and as set forth in the BPPM 60.21. Employees are to consult with Human Resource Services regarding services, accommodation options and rights in accordance with laws pertaining to disabilities in the Washington State University work setting.

1. When Reasonable Accommodation is Available

For purposes of qualifying for reasonable accommodation in employment, an employee's impairment must be known or shown through an interactive process with the employer to exist in fact. Additionally, the impairment must have a substantially limiting effect on the employee's ability to perform his or her job, access to equal benefits, privileges or terms or conditions of employment. The employee must have put the employer on notice of impairment, including providing medical documentation to Human Resource Services that must establish a reasonable likelihood that engaging in job functions without a

reasonable accommodation would aggravate the impairment to the extent that it would create a substantially limiting effect. A substantially limiting effect is one that is not trivial.

2. Procedures to Request Accommodation

Employees are to submit a reasonable accommodation request and supporting medical documentation to Human Resource Services. Once submitted, the employee, Human Resource Services and the employing department work together via the interactive process to identify what if any alternative accommodations will allow the employee to perform the essential functions of the position. The University will consider potential reasonable accommodations, giving consideration to the employee's preference, if any, among the alternatives. Each employee's circumstances will be evaluated on a case-by-case basis.

Washington State University will attempt to reasonably accommodate the employee in his or her current position. Other options, however, may include a change in position, medical leave of absence, reduction in FTE, regular retirement, disability separation or disability retirement. In all its actions under this section of the Faculty Manual the University shall be guided by and comply with the definitions and requisites of applicable state and federal law concerning employees with disabilities. This Faculty Manual incorporates by reference all University policies adopted pursuant to such laws and with or without amendment, is modified by such laws as they may change from time to time. Prospective employees and applicants for employment who need accommodation during the job search process should contact Human Resource Services.

A faculty member and/or department, unit or area head wishing to explore reasonable accommodation or having questions about other options available to employees with disabilities should contact Human Resource Services. Human Resource Services will provide information on the types of reasonable accommodation available to faculty and coordinate reasonable accommodation requests.

3. Employee Complaints

Faculty who believe they have suffered discrimination on the basis of disability (including failure to reasonably accommodate) may file a complaint or consult with the Office for Equal Opportunity at Washington State University, the Washington State Human Rights Commission, the Federal Equal Employment Opportunity Commission, and/or the Office of Federal Contract Compliance Programs. It is against Washington State University policy and state and federal laws to retaliate against an individual who files a complaint of discrimination, participates in an investigation, or opposes illegal discrimination.

4. Funding

Facility modifications required by an employee to perform his or her job may be funded from the Minor Capital Improvements budget and/or department budget. Equipment purchased for an employee to perform his or her job, as part of the reasonable accommodation, is usually funded from the department's budget. Other sources of funding, including specific Minor Capital Improvements projects, the Department of Labor and Industries, and other rehabilitation programs, may be explored depending on the case.

5. Record Keeping

It is important that employees work with Human Resource Services and identify their disabilities if they seek or wish to explore the need for reasonable accommodation. A health care provider's evaluation may be required to assist in identifying which essential duties can and cannot be performed and what reasonable accommodations may be needed to assist the employee. To ensure compliance with both state and federal law and regulations and to provide consistency within the institution, records of reasonable accommodations and health care provider's summaries or reports are to be sent directly to and be maintained by Human Resource Services. Original copies of all documentation are to be forwarded to Human Resource Services and not maintained at the department, unit or area level.

III C. Employment

The creation or elimination of faculty positions is approved by the provost. Modified positions or positions transferred from one unit to another require special approval. For the purposes of employment as specified in section III C of the *Faculty Manual*, faculty employed on campuses that are not locally represented by their college and dean will have local representation through the campus vice chancellor of academic affairs (VCAA). In such cases, in addition to department chair and dean, the faculty member's campus VCAA will review matters pertinent to section III C of the *Faculty Manual* prior to forwarding to the provost.

Whenever a department plans to employ or host an international professor, researcher, or scholar, it is important to contact the Office of International Programs regarding arrangements for the appropriate immigration status.

1. Faculty Appointment Categories for Tenured and Tenure-track faculty

Tenured Appointment

Upon having attained tenured status, the faculty member shall continuously hold appointment with WSU until retirement, resignation, or termination pursuant to the terms of the Faculty Manual.

Pre-Tenure Appointment

The faculty member is on probation during the time prior to consideration for tenure. Faculty members will have annual performance reviews in their academic units that are comprehensive or intensive, see III.C.3.c. In their third year, they will be evaluated to determine continuation and progress toward tenure. At a time specified in the offer letter, the University will decide whether to grant tenure.

2. Initial Employment for Tenure Track Faculty

When a position becomes vacant, it is subject to reconsideration, and the department chair is expected (a) to report the fact promptly to the principal administrative officer concerned, who will ascertain from the provost whether the expected vacancy may be filled, and (b) to initiate a search for the most highly qualified available candidate for the approved position, unless an exception to open recruitment as specified under BPPM 60.11 is applicable. No commitment is to be made until the proposed appointment has been approved by the provost or the appropriate administrative officer authorized by the provost to act on such recommendations.

The initial responsibility for seeking and recommending candidates for authorized faculty positions is with department (or other unit) chairs, who should recommend an appointment only after consideration by all available department members and after consultation with the principal administrative officer concerned. Where appropriate, consultation is to be encouraged with representatives of other departments, schools, colleges, or teaching programs to which the work proposed in the particular appointment is substantially related. Procedures are conducted in conformity with affirmative action policies.

No faculty member, department chair, dean, or other administrative officer shall vote, make recommendations, or in any other way participate in the decision of any matter which may directly affect the appointment, tenure, promotion, salary, or other status or interest of such person's parent, child, spouse, domestic partner, sibling, in-law, or close relative. However, it is the policy of the University that there shall be no prejudice against a faculty member or candidate for a faculty position whose parent, child, spouse, domestic partner, sibling, in-law, or close relative is employed by, or is a candidate for employment with the University. This policy applies within as well as between departments and colleges of the University.

When an agreement has been reached regarding the applicant best suited for the position, the recommendation for appointment is submitted on the prescribed form and with the required supporting information by the principal administrative officer concerned. All understandings, limitations, promises, and the like pertaining to the proposed employment are to be recorded in writing on the standard form or attached to it. The provost approves all faculty appointments.

If approved by the appropriate officers and the provost, the position is offered in writing to the prospective appointee.

a) Selection

The department, school, or other unit, with the approval of the principal administrative officer, initiates a recommendation for appointment to its faculty. The provost, by delegation of authority from the president, makes all appointments of faculty. The president usually discusses with the Board of Regents the appointment of principal administrative officers prior to the appointment. Every recommendation made through appropriate channels to the president should include, from individuals professionally competent to judge, three recent letters with respect to the professional education, training, experience, and other qualifications of the person recommended.

Each faculty position has, and should have, unique distinguishing features. In addition to the professional qualifications necessary for specific positions, certain attributes are desirable, in varying degree, in all academic ranks and positions and are always to be considered in making recommendations for appointment to the academic Faculty. These include:

(1) High teaching and research ability.

(2) High standards of scholarship.

(3) Ability to speak clearly and write well.

(4) Breadth and depth of intellectual interest.

(5) Interest and aptitude in dealing with the problems of individual students.

(6) Personal attributes such as integrity, initiative, diligence, open-mindedness, objectivity, cooperativeness, and commitment to the affirmative action policy of the University.

b) Faculty Titles for Tenure Accruing Appointments

Academic Faculty

The ranks of professor, associate professor, and assistant professor are the traditional academic ranks of appointment. Expectations for appointment and advancement are set forth in the Faculty Manual and may be further defined by the college and approved by the Office of the Provost.

Extension Faculty

Extension faculty are faculty assigned to extension, continuing education or public service. Expectations for appointment and advancement are defined by the Faculty Manual, and by the director of extension, and the extension faculty and approved by the Office of the Provost.

Library Faculty

Library faculty are professional personnel of the library. Expectations for appointment and advancement are defined by the Faculty Manual and may be further defined by the dean of libraries and the library faculty and approved by the Office of the Provost.

Scientific Faculty

The ranks of scientist, associate scientist, and assistant scientist, are appointments for research faculty. Expectation for appointment and advancement are defined by the Faculty Manual and may be further defined by the college and approved by the Office of the Provost.

c) Terms of Employment

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All appointments are made in writing. Although preliminary information may be conveyed by letter of appointment by the dean of the college and campus VCAA (dependent on college and WSU campus), the official letter of appointment is signed by the provost. The letter of appointment specifies the conditions and terms of employment as listed below. The original letter goes to the appointee and a copy is retained for the personnel file, as well as a copy forwarded to the campus VCAA (dependent on WSU campus). This letter of appointment and the acceptance of the position by the proposed appointee constitute the contract between the employee and the Board of Regents.

Joint Appointments refer to budgeting arrangements. A salary line is budgeted between two different units within WSU or between WSU and a contracted external institution, e.g., a medical center. An individual with a joint appointment will have voting rights and job performance reviews in both units as agreed upon at time of appointment.

The letter of appointment includes, by specific statement, the following items:

(1) Title

(2) Salary

(3) Basis of service: academic-year basis defined as August 16 through May 15, annual basis defined as July 1 through June 30, or for a stated period; tenured or tenure-track appointment

(4) Any special understandings, promises, or conditions. These must be included in the letter of appointment.

(5) Relocation expenses (household and personal effects) (a) Payment of relocation expenses for permanent new faculty employees must be approved in advance by the principal administrative officer (generally, the dean of the college involved) and must follow requirements set forth by state regulations (b) Payment of relocation expenses for temporary faculty may be approved if a sponsored project specifically provides funds for these expenses (c) Per diem and personal transportation expenses for relocation are not covered. In all cases, the prospective employee must agree to reimburse the University for any funds paid for relocation expenses if he or she resigns or causes his or her termination within one year of the date of employment. The employee is responsible for all costs for relocation that have not been authorized or that exceed the total relocation allowance authorized by the University.

(6) Washington State University employs only U.S. citizens and lawfully authorized non-U.S. citizens. All new employees must show employment eligibility verifications as required by the U.S. Immigration and Naturalization Service to comply with the Immigration Reform and Control Act. Documentation must be shown to the faculty member's department office within three (3) business days after duties begin. Failure to do so will result in employment termination.

(7) The Washington State University Intellectual Property Policy IV.F, which is included in the Faculty Manual and is a condition of the faculty members employment, provides that certain intellectual properties developed within the scope of the faculty members employment or association, or developed with substantial use of university facilities, or developed under third party funding agreements are considered to be the property of the University. For any intellectual property in which the University has an interest, the faculty member is hereby agreeing to execute promptly all assignments, waivers and other legal documents necessary to vest in the University or its assignee any and all rights to the intellectual property.

(8) Periods of appointment.

The Faculty Manual is the official guide to policy and procedure and its provisions should be considered a part of the conditions of employment. It cannot and does not foresee every possible contingency, but it should be consulted and followed where applicable as a means of resolving questions regarding the service of an employee. Future editions of the Faculty Manual, however, must apply when current, regardless of provisions in force at the time of original employment. (See Section VI, Revision of Preceding Sections.)

Sample letters of appointment are available at http://hrs.wsu.edu/Letters.

3. Establishment of Positions for Indefinite-Term Faculty

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As in the case of permanent faculty positions, indefinite positions must be established prior to advertisement or personnel reclassification. To establish an indefinite position, a memo of request, position action, and a job description is addressed to the provost and routed through the normal administrative channels to the Budget Office and Office for Equal Opportunity. The responsibility for final decisions about faculty positions resides with the provost and no action on those positions may be taken without the approval of that office or the appropriate designee.

1. Periods of Appointment

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Periods of appointment will vary depending upon the particular situation. Indefinite academic (nine-month) appointments usually occur within the August 16 through May 15 academic year. If the appointment occurs between the period May 16 through August 15, it is called a summer appointment unless the employee is involved in instructional duties, in which case it is called a summer session appointment. All summer appointments and summer session appointments are indefinite. Annual (twelve-month) appointments are differentiated from academic appointments in that they occur during the period July 1 through June 30 or any portion of that period and are usually noninstructional positions. Only annual appointees accrue annual leave. Those appointed with temporary research titles may be appointed at any time for any period up to two (2) years.

2. Temporary Long-Term

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Faculty hired on a contingency basis may be granted permanency if they meet certain criteria such as completion of a terminal degree. These appointments may be established for up to three years. Understandings of this nature must be written into the comments sections of the Personnel Action forms and permanent positions must be identified at the time such agreements are made. A statement must be made on the Personnel Action Form if the time spent in the temporary appointment is to be credited toward tenure eligibility.

In the case of international indefinite appointees, a statement that the appointee will be eligible for consideration for permanent appointment with requisite changes to his or her immigration status and identification of a permanent position should accompany the initial appointment. Such faculty may be appointed to three-year terms.

~~3.~~ 4. Review of Faculty

It is the policy of Washington State University to encourage the professional advancement of members of its faculty commensurate with their abilities and the effectiveness of their services. Among the encouragement to superior service, no factors are more important than the policies concerning advancement in salary and rank.

a) General Criteria

Faculty members are expected to contribute to the University through their accomplishments. Faculty members will be recognized for activities that fulfill the University's responsibilities in teaching; research, scholarship and creative activity; and service. Scopes of the three areas are outlined below.

i) Teaching

Teaching at WSU focuses on undergraduate and graduate instruction and is both formal and informal in nature. Teaching activities include, but are not limited to, the following:

- Instruction, which can be quite varied, including large enrollment lower-division courses, upper-division courses, graduate courses, Honors College courses, seminars, and classroom and distance education courses.
- Mentoring of individuals, including face-to-face guidance of undergraduate students, graduate students, postdoctoral researchers, and others in such areas as special projects, senior projects, thesis and dissertation research, performances, exhibitions, career goals, and life choices. Guiding professional and student clubs may also involve mentoring.
- Academic advising, including guidance of individual students in setting up appropriate programs of instruction while observing academic requirements. It also includes guiding groups of students such as departmental majors.
- Assessment of student learning outcomes for program assessment and curricular effectiveness, for which processes and products may be quite varied, including participation in the development of required assessment elements, mapping learning outcomes to curricula, collection and evaluation of learning outcome data, or discussion of assessment data and program-level decision-making. Participation in these activities for UCORE may also qualify.
- Educational outreach in areas in which a faculty member is expert, including extension, external instructional activities in K-12 schools, other colleges and universities, presentation of public lectures, and lecturing at significant workshops or professional schools.

Especially for academic faculty, evaluation of teaching is a major consideration in annual review and in the tenure and promotion processes. Both quality and quantity of instructional activities are evaluated. Quantity of instruction will include, but not be limited to, consideration of class sizes, numbers of courses, course levels, whether courses require unusual levels of preparation, and development of new courses. For tenure and promotion, evaluation of the quality of instruction must be based on multiple forms of assessment, such as peer review and student end-of-course evaluations, rather than on a single form. Multiple forms of assessment are also desirable in annual reviews. Evaluation of teaching will take

into account special situations, such as a faculty member undertaking more instructional activity than is normally expected or a faculty member supervising or training teaching assistants in laboratory and clinical settings. Evaluation of teaching will also take into account the levels of desirable and actual assistance provided in support of instruction, such as in the form of teaching assistants.

Recognition will be given for professional development and creativity in the art of teaching, including submitting grant applications in support of instruction, receiving grant awards or other funds in support of instruction or course design, student awards, publishing pedagogical articles, and incorporating instructional innovations in courses. Similarly, learning more about teaching, including assessment, at conferences and workshops, developing significant new courses, applying methods supported by the current pedagogical literature, assessing the quality of instruction, sharing or collaborating about improvements with WSU colleagues, mentoring other program faculty in course design, teaching or assessment, and disseminating instructional innovations and assessments at conferences and at WSU will be recognized. Faculty will receive recognition for a demonstrated record of connecting teaching practices and course design to program-level goals and learning outcomes, participating in routine activities that monitor program and curricular effectiveness through the assessment of learning outcomes, and a willingness to make adjustments in teaching or course design based on the results of those activities.

There is overlap among scholarship, teaching and service activities. For example, documented activities such as publication of pedagogical papers in peer reviewed journals by a faculty member will be recognized as part of that person's scholarly and creative accomplishments, sometimes the major part. Similarly, faculty members who obtain research grants that support and thereby make possible scholarly and creative activities of students at all levels will be recognized for contributing to teaching and learning.

Teaching is expected of all faculties. Its form and composition will vary across the colleges and units according to instructional needs and to the relative importance of teaching, research and service in particular disciplines. Individual faculty members are expected to document their teaching and instructional practices, and assessment activities in informational materials they provide for annual review and in their teaching portfolios.

ii) Research, Scholarship and Creative Activity

Faculty are expected to demonstrate original research, scholarship and creative activities that involve efforts to examine, acquire, produce, disseminate, and interpret new and existing ideas, knowledge and artistic expression. The precise nature of scholarship, scholarly activities, research and equivalent professional activities varies significantly across the disciplines; therefore, these terms must be understood in their broadest context.

Research, scholarly and creative activity results in the dissemination of new knowledge and insights through a variety of media. Measures of creative activity will depend upon the discipline and may include, but are not limited to, journal articles; books; monographs; manuals; conference papers; participation in symposia and conferences; reviews; software programs; data bases; patents; bibliographic studies; edited works; maps; reports; involvement in films, videos, audio recordings, live theatre, opera, and radio drama; group and solo exhibitions; commissioned creative work; activities associated with creation and production of performing arts, for example, music, dance, and theater; published and performed plays and music compositions; and public lectures related to the creative research area.

In evaluation of research, scholarship and creative activity, the quality of the work, not the sheer quantity, is the primary criterion. Since peer-evaluation and interaction are an integral aspect of research, scholarly and creative activity, evidence of peer responses and review is expected. There are many manifestations of peer evaluation, including, but not limited to, publication in a peer-evaluated media; reviews, adoptions, commentaries, and citations; invitations to present papers, performances and master classes, chair conference sessions, participate in symposia,

referee papers, review grant applications, or participate on review panels; editorships of journals; and membership on boards of societies. Faculty members may be recognized for seeking and receiving funding through fellowships, grants, contracts, commissions and awards as appropriate. Expectations on funding should be consistent with the costs associated with doing research in a given area and the availability of funding.

iii) Service

Service is interpreted generally as activities aligned with teaching and research that benefit and contribute to the professional, university, or private communities. In addition to teaching and research, faculty duties include a substantive service component that, along with teaching and research, is considered in annual evaluations for salary increases, tenure, and promotion decisions. Shared governance, the basic operating principle of the University, is impossible without faculty service.

The basic elements comprising service include outreach and university, college, department, professional discipline, and public service.

- Outreach and public service, which are defined as professional and scholarly activities that benefit communities and industries external to the university, include for example, but are not limited to, activities such as contributions to the welfare of a city, school, or public service group; technology transfer to further economic development, or educational outreach to the general public.
- University service includes for example, but is not limited to, activities such as serving as member or chair of university level committees and task forces involved in tenure and promotion policies, diversity and equity policies, graduate and undergraduate program policies, general education / UCORE development and assessment, university level recruitment (e.g., deans, provosts, president, etc.), organization, production, and support of University events, facilitation of visiting scholars and artists, and involvement with and support of Faculty Senate.
- College service includes for example, but is not limited to, activities such as membership or chairing of committees involved with tenure and promotion, curriculum, program and/or UCORE assessment, undergraduate and graduate programs, and college level recruitment.
- Departmental service includes for example, but is not limited to, participation or leadership in activities such as recruitment, advising student organizations, development of tenure and promotion practices and policies, graduate and undergraduate program policy development, and curriculum development and policies, and coordinating program and/or UCORE assessment efforts/activities.
- Professional discipline service includes for example, but is not limited to, activities such as journal and grant reviewing, leadership roles in national or regional professional associations, leadership and contribution to regional and national conferences.

While service is expected and required of all faculty, its form and composition varies significantly across colleges, disciplines, and departments. Each college and unit defines the elements and requirements for service according to the traditions and dictates of their areas. The exact composition of the service requirement generally will include some configuration of the above basic elements as defined and specified at the unit level. In addition, service elements and duties will likely vary significantly with rank. For example, service for pre-tenure assistant professors may be limited to departmental and professional discipline service. Tenured associate professors may be expected to assume increased levels of service. Along with departmental and professional discipline service, tenured associates may be expected to serve

at the college and university levels to some extent. Service for full professors may include substantial elements of university service and college services along with departmental and professional discipline service. This variance is illustrative only, however, and again, though service is required of all faculty, the level and composition of service must derive from needs, traditions, and conditions at college and departmental levels.

b) Specific Criteria for the Faculty Categories

The criteria listed below for the several faculty categories are intended to supplement the General Criteria listed above (III.C.3.a) with additional guidelines to evaluate a faculty member for salary increases and for possible advancement in rank. Faculty members are also evaluated according to criteria approved at the areas or unit level (cf. III.C.5.b). In addition, each faculty member is subject to evaluation for his or her contributions to the effective functioning of the department, or equivalent unit, and for adherence to high ethical and professional standards.

(1) Criteria for Academic Faculty

The general criteria cover a wide range of faculty assignments and apply to faculty located at campuses, research stations, extension centers, and other locations. The differentiation and relative weights among these criteria may not be precisely defined and may vary from unit to unit or even with regard to different faculty members. The approved criteria for the college and department or other unit are developed within the framework of these criteria but are more specific to the function of the individual unit.

The following primary criteria in addition to acceptable professional training are used in evaluating the qualification of a member of the academic faculty for possible advancement in rank and tenure:

(a) Teaching effectiveness in credit courses using appropriate modes and techniques.

(b) Teaching and leadership effectiveness in workshops, short courses and conferences.

(c) Effectiveness in advising and/or supervising students, undergraduate and graduate as appropriate.

(d) Productivity in research, scholarship or creative activity; ability to obtain external funding for teaching, research and service.

(e) Service to the institution and to the public.

(2) Criteria for Extension Faculty

Extension faculty represent the University within the state. Primary criteria for evaluating extension faculty for possible advancement in rank and tenure follow:

(a) Effectiveness in analyzing problems of individuals, groups and communities, and in planning necessary work.

(b) Ability to organize and utilize the resources of the people, the University, and government agencies in carrying out programs.

(c) Ability to speak and write effectively and to communicate research findings, new applications, problems and ideas to others.

(d) Service to the institution and public.

(e) Professional development, professional achievement and professional recognition.

(3) Criteria for Library Faculty

The following criteria are used in evaluating the qualifications of a member of the library faculty for possible advancement in rank and tenure:

(a) Effectiveness in handling library services for the undergraduate programs, the graduate programs, the research programs, and extension.

(b) Efficiency in performance of library technical operations.

(c) Administrative ability and capacity for administrative responsibility.

(d) Achievement in research and scholarship.

(e) Service to the institution and the public.

(f) Professional development, including work toward an advanced degree or courses in appropriate fields.

c) Salary Criteria for Indefinite Faculty

Indefinite faculty salaries are negotiated based upon education, experience, market value, and merit. Salary averages for permanent faculty are distributed to the deans' offices the second semester of each year and may be used as benchmarks for determining salaries for indefinite faculty.

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d) ~~c)~~ Annual Review and Salary Increases

Tenure track, career track, and short term faculty eligible for rehire at the end of their contracts must be included in the formal annual review process – this includes adjunct faculty on less than 0.5 appointments. Faculty performance will be reviewed annually through one of the following three procedures:

- an abridged review
- a comprehensive review
- an intensive review.

Annual reviews give faculty the opportunity to highlight, reflect on, and obtain feedback about their accomplishments over the past calendar year and how this work enhances their overall career. Annual reviews are to provide the following information as appropriate:

- An appraisal of each pre-tenured faculty member's progress toward tenure
- An appraisal of each faculty member's progress towards promotion, if the faculty member is eligible for promotion.
- A rating of each faculty member's annual (or biennial) performance in the context of his or her cumulative work.

Faculty who have served at Washington State University for less than one year need not be reviewed except for pre-tenure faculty who must have a record of review from the start of their appointment.

The criteria for annual reviews are the same as the criteria for tenure and promotion, outlined in III.E.3.a, III.E.3.b, and III.E.4.c of the Faculty Manual.

Reviews will be differentiated by tenure status as follows:

- Pre-tenured faculty usually undergo one intensive review with the remainder of the reviews being comprehensive. An intensive review is normally required during the third full year of

appointment. For faculty appointments with pre-tenure periods less than six (6) years, the time of the intensive review will be negotiated at the time of appointment. For faculty appointments with pre-tenure periods less than three (3) years, the intensive review is optional.

- ~~Tenured~~ All other faculty normally undergo comprehensive and abridged reviews in alternate years.

  ~~Associate professors are strongly encouraged to request an intensive review, in lieu of a comprehensive or abridged review, every four (4) to six (6) years. Notice of the request to undergo an intensive review must be communicated to the chair by a due date set by the chair and communicated to the faculty.~~ Faculty eligible for promotion are strongly encouraged to request an intensive review, in lieu of a comprehensive or abridged review, every four (4) to six (6) years to help prepare materials for promotion. Notice of the request to undergo an intensive review by the faculty member must be communicated by the due date set by the chair. It is within the authority of the chair or dean to recommend an intensive review, but it is the faculty member's purview to choose between an intensive or comprehensive review.

If a faculty member receives an annual review rating of less than satisfactory, all subsequent annual reviews will be comprehensive or intensive until a rating of satisfactory or better is achieved. ~~It is within the authority of the chair or dean to recommend an intensive review, but it is the faculty member's purview to choose between an intensive or comprehensive review.~~

In the years in which a faculty member is due an abridged review, it is the prerogative of the faculty member or the chair, in consultation with the dean, academic director, or other supervisor, to elect a comprehensive review as warranted.

(1) Abridged Review

Purpose and Criteria Abridged reviews are intended for ~~established~~ all faculty, except pre-tenure faculty, who continue to perform at or above expectations. They are available only to tenured faculty and normally occur the year following a year in which the faculty member received an annual review rating of satisfactory or above on a comprehensive or intensive review.

Submission By the due date set by the department chair, the faculty member will submit a *curriculum vitae* and a short description of his or her accomplishments since the previous annual review.

Procedure The abridged review is performed by the chair, except on campuses where the review of career and short term faculty is performed by the academic director in consultation with the chair. ~~The abridged review is performed by the chair.~~

Results Each abridged review will result in a written report sent by the chair or academic director to the dean and campus VCAA (dependent on college and WSU campus), and the faculty member reviewed. The report sent to the faculty member should include an invitation to meet face-to-face with the chair or academic director if the faculty member so desires. Reports will contain an annual review rating of either

- satisfactory or better
- less than satisfactory.

If the annual review rating is "less than satisfactory," the written report must include an explanation for the decision, and all subsequent annual reviews will be comprehensive or intensive until a rating of satisfactory or better is achieved.

(2) Comprehensive Review

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Purpose and Criteria Comprehensive reviews are intended to evaluate the performance of the faculty member and to provide feedback relative to university and department expectations. Each comprehensive review will consider the faculty member's accomplishments and contributions since the last comprehensive or intensive review in the context of his or her cumulative performance. All faculty will undergo comprehensive reviews either annually or biennially.

Submission By the due date set by the chair or academic director, each faculty member is expected to provide a *curriculum vitae* that includes information concerning education, instructional performance, research activities and publications, awards, professional experience, service activities, and affiliations, as well as a summary of his or her activities since the last comprehensive or intensive review.

Procedure The comprehensive review is performed by the department chair except on campuses where the review of career track and short term faculty is performed by the academic director in consultation with appropriate faculty supervisors at campuses, research and extension centers, or other distant locations.

Results Each comprehensive review will result in a written report from the chair or academic director to the dean and campus VCAA (dependent on college and WSU campus), and the faculty member who was reviewed. The report sent to the faculty member should include an invitation to meet face-to-face with the chair, if the faculty member so desires. Reports will contain:

- The faculty member's percentage appointment and primary responsibilities
- Whether the review is based on an annual or biennial time frame
- A summary and written evaluation of the faculty member's performance in each of his or her areas of responsibility, since the last comprehensive or intensive review, viewed in the context of his or her cumulative performance
- An assessment of the faculty member's progress toward tenure or promotion, when applicable
- An annual review rating assigned to the faculty member's performance according to one of the following categories:
    - Especially meritorious performance
    - strong performance beyond satisfactory
    - satisfactory
    - some improvement needed
    - substantial improvement needed.

If an annual review rating of "some improvement needed" or "substantial improvement needed" is assigned, then the report will include a list of goals and expectations intended to help the faculty member achieve a "satisfactory" or above annual review rating at the next review, which must be comprehensive or intensive. The list should clearly identify areas in which performance is deemed deficient and specific recommendations to correct the deficit.

Optionally, the report may also contain:

- An evaluation of the faculty member's progress toward previously set goals and expectations, as approved by the chair
- A list of goals and expectations to be evaluated at the next comprehensive review
- Additional comments, if any, from the faculty member's immediate supervisor.

For pre-tenured faculty, a rating of "substantial improvement needed" may lead to non-reappointment as described in section III.E.1 of the Faculty Manual. In this event, the faculty member may, within thirty (30) calendar days after notification of non-reappointment, petition the Faculty Status Committee to review the decision upon grounds of inadequate consideration, violation of academic freedom, or substantial procedural irregularity.

Faculty on three to five year appointments may have their appointments reduced to one year if a rating of "substantial improvement needed" is assigned.

(3) Intensive Review

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Purpose and Criteria The intensive review is a two-part review that includes a comprehensive review and a career progress review. The comprehensive review is the same as that described above. The career progress review evaluates the progress of the candidate towards tenure and/or promotion, provides feedback relative to university and department expectations, identifies relevant deficiencies, and offers recommendations that may assist the candidate in determining future work. Pre-tenured faculty are normally required to undergo one intensive review (typically in the third year), and tenured faculty who are eligible for promotion are strongly encouraged to request an intensive review every four (4) to six (6) years.

Procedures The intensive review contains two parts, each with its own rating.

The comprehensive portion of the intensive review is performed by the chair or academic director in consultation with appropriate faculty supervisors at campuses, research and extension centers, or other distant locations, and matches the procedure for the comprehensive review outlined above.

The career progress portion of the intensive review is coordinated by the chair and normally requires participation from all faculty and administrators eligible to perform tenure or promotion evaluations for the candidate. For pre-tenured faculty, the intensive review procedures will match those for final tenure consideration, except that external professional evaluations are not required. For ~~tenured~~ all other faculty, the career progress portion of the review can be limited to the department level.

Submission By the due date set by the chair or academic director, each candidate is expected to provide a *curriculum vitae* that includes information concerning education, instructional performance, research activities and publications, awards, professional experience, service activities, and affiliations, as well as copies of select publications and a teaching portfolio. He or she may submit, in addition, a context statement, a research statement, and descriptions of his or her external and institutional service activities. A summary of his or her activities since the last comprehensive or intensive review should also be provided.

Results Each intensive review will result in two reports: a comprehensive review report and a career progress report. In addition, the chair will meet face-to-face with the candidate to discuss both reports.

The comprehensive review report is sent by the chair or academic director to the dean and campus VCAA (dependent on college and WSU campus), and to the faculty member who is being reviewed. The rating given in the comprehensive review report will serve as the annual review rating anywhere an annual review rating is used.

The career progress report is prepared by the chair and should reflect the views of the faculty eligible to vote on the candidate's tenure and/or promotion. The report should highlight the candidate's strengths and weaknesses and include recommendations for improvement and the likelihood for tenure and/or promotion. In the case of pre-tenured faculty, the candidate should be advised according to the following categories:

- Well prepared. The candidate is encouraged to seek tenure and/or promotion at the next opportunity.

- Satisfactory. The candidate appears to be building an appropriate profile, but has not yet achieved the standards expected for tenure and/or promotion.
- Improvement needed. The candidate should review the criteria for tenure and/or promotion and the career progress report carefully, and seek advice from other faculty in the university and his or her discipline.
- Unsatisfactory. The candidate is not on track for tenure and/or promotion.

For all other faculty, the candidate should be advised according to the following categories:

- Well prepared. The candidate is encouraged to seek promotion at the next opportunity.
- Satisfactory. The candidate appears to be building an appropriate profile, but has not yet achieved the standards expected for promotion.
- Improvement needed. The candidate should review the criteria for promotion and the career progress report carefully, and seek advice from other faculty in the university and his or her discipline.

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The chair should meet and discuss with the candidate, and provide a copy of, the career progress report that includes a summary of strengths, weaknesses, and areas of development to prepare for promotion.

For pre-tenured faculty, the career progress report will be sent to the dean and campus VCAA (dependent on college and WSU campus), and follow the same procedures as that for the final tenure review, except that external professional evaluations are not required. A determination that the progress toward tenure is unsatisfactory can lead to non-reappointment as described in section III.E.1 of the *Faculty Manual*. In this event, the faculty member may, within thirty (30) calendar days after notification of non-reappointment, petition the Faculty Status Committee to review the decision upon allegations either of inadequate consideration, violation of academic freedom, or substantial procedural irregularity.

e) Faculty Responses to Annual Review Evaluations

After receiving the annual review report, the chair shall provide the faculty member a minimum of ten (10) business days to sign the report, indicating that he or she has had the opportunity to read the report and to discuss it with the chair and/or appropriate faculty supervisors at campuses, research and extension centers, or other distant locations. A faculty member's dissent regarding contents of the report may be appended to the signed report. When a dissent is appended, the faculty member must receive written acknowledgement within fifteen (15) business days that the statement has been reviewed by the chair's immediate supervisor (normally the dean) and campus VCAA (dependent on college and WSU campus). At the same time that a response is sent to the faculty member, the chair's supervisor will forward to the provost the annual review, the faculty member's response to that review, and the supervisor's response to the faculty member. After receiving this information, the provost has an additional fifteen (15) business days to provide a written acknowledgement to the faculty member and chair's supervisor that he or she has reviewed all of the statements.

f) Information sent to the Provost's Office

The collection of annual review forms for each college or unit will be forwarded to the provost, along with a roster of all faculty required to undergo an annual review, indicating whether the review was intensive, comprehensive, or abridged, and the ratings assigned.

g) Merit-Based Salary Increases

If a merit-based raise is available, it will be based on the two most recent annual review reports, with two exceptions:

(1) For recently appointed faculty members who do not yet have two annual review reports, the merit portion of their salary increase will be based on the available reports.

(2) If more than two years have passed since a merit increase was available, the raise will be based on the annual review reports since the last merit increase was available.

Ordinarily, salary increases for both annual and academic-year employees will take effect on the same date.

~~d)~~ h) Final Tenure Review

The final tenure review for faculty members initially appointed full time at the level of assistant professor, or equivalent, shall normally occur no later than the sixth year of appointment. All tenure review cases for faculty without tenure must be submitted by year six unless there is an approved extension (see III.C.3.f). The final tenure review may occur earlier in especially meritorious cases at the request of the appropriate dean and campus VCAA (dependent on college and WSU campus), and with the consent of the provost, department chair, and faculty member. Tenure consideration for faculty members initially appointed full time at the level of associate professor or professor, or other comparable ranks, ordinarily will be considered for tenure no later than during the third year of service or during the first year of service respectively, at WSU. The timing of tenure consideration is a negotiable condition of employment. Tenure review shall result in either the granting of tenure, to become effective at the beginning of the academic year following the year in which tenure consideration is conducted, or the denial of tenure and the offering of a one (1) year terminal appointment. The decision to deny tenure must be communicated to the faculty member by no later than May 15 of the review year.

The Instructions and Forms on Tenure and Promotion are normally distributed by the Office of the Provost in the spring for persons to be considered during the following academic year. The lists of names for those who are due for tenure consideration are distributed at the same time. These instructions are to be consulted and carefully followed because they provide more complete details than does the *Faculty Manual*. The completed recommendations, including recommendation forms, current resume, external review letters, teaching portfolio, and supporting materials are normally due in the Provost's Office by the date specified in the provost's Instructions for Tenure and Promotion, usually November 1. Decisions, with letters sent to the faculty are normally made by the middle of the spring semester. Tenure becomes effective July 1 for annual appointees and August 16 for academic-year appointees.

At the time of tenure consideration, all faculty members with tenure in the candidate's department, including those who will retire prior to the effective date of such granting of tenure, are given the opportunity to fill out a form on which the following alternative recommendations are provided: 1) to grant tenure and 2) to deny the granting of tenure. At least five persons who are thoroughly familiar with the attainments of the eligible faculty member must complete this tenure form. When there are not five tenured faculty members in the unit, the tenured members shall recommend additional such persons through the principal administrative officers to the provost, who shall determine which of these persons will complete the tenure form.

The complete tenure packet file for a faculty member under tenure review will be available to each tenured member within the department or unit. It is expected that professional evaluations for a candidate shall be obtained from persons outside the University.

~~e)~~ i) Part-Time Tenure-Track Faculty

Tenured and tenure-track faculty members may sometimes benefit from a part-time appointment. The University wishes to accommodate these faculty members, if possible, without negatively impacting their program, department, or University function. Thus, tenure-track and tenured appointments for not less than fifty percent (50%) time may be offered for all ranks. The duties (e.g., teaching, research and service expectations) and support provided (e.g., startup money, teaching and/or research assistance) will be the same as for a full-time faculty member except they may be prorated for the percentage of the appointment. The duties and support for a part-time faculty member should be specified in the offer letter signed by the faculty member, chair, dean, campus VCAA (dependent on college and WSU campus) and provost. Part-time faculty members have the same rights and responsibilities of full-time faculty members except as otherwise provided in the *Faculty Manual*, and subject to the following rules that are specific to their positions.

Tenured and tenure-track faculty members may be initially appointed to a part-time position with the University. To facilitate this process, advertisements for faculty positions may be written to allow applicants to request either full-time or part-time appointments. Those appointed initially to a part-time position have no guarantee that they can subsequently move to a full-time appointment if they wish to do so. Any increases or decreases in the percentage of appointment must be accompanied by a new written agreement signed by the faculty member, chair, dean, campus VCAA (dependent on college and WSU campus) and provost that specifies the new percentage of appointment and the duties and support associated with the new position. If a tenured faculty member's part-time appointment is permanently increased in the same department in which he or she holds tenure, tenure for the increased portion of the appointment must be granted automatically.

Full-time faculty members who wish to change to part-time status may do so subject to the following conditions.

- Under most circumstances, tenure-track faculty members may not convert to part-time until they have obtained tenure.
- Tenured faculty members may request a permanent change to a part-time appointment. This change, if granted, must be agreed to in writing by the faculty member, chair, dean, campus VCAA (dependent on college and WSU campus) and provost. The written agreement must specify the new percentage appointment and the duties and support associated with the new position. Tenure will be reduced to the percentage of the part-time appointment. There is no guarantee that such a faculty member can return to full-time status. A return to full-time status requires the written agreement of the faculty member, chair, dean, campus VCAA (dependent on college and WSU campus) and provost.
- Tenured faculty members may request a temporary change to part-time status in one semester increments (6-month increments for 12-month appointees) for up to two (2) years. This change, if granted, must be agreed to in writing by the faculty member, chair, dean, campus VCAA (dependent on college and WSU campus) and provost. The written agreement must specify the percentage appointment, the duties and support associated with the position, and the time for which the appointment is changed. There is no limit to the number of times that a faculty member can request a change in appointment as long as the faculty member returns to full-time status for at least two years between events.

The standards for tenure and promotion are the same for part-time faculty as for full-time faculty members except that part-time faculty members may be granted a proportionally longer period in which to meet these standards. For example, a faculty member with a 50% appointment should be given a probationary period of up to 12 years, whereas a faculty member with a 75% appointment should be given a probationary period of up to 8 years.

~~f)~~ j) **Tenure Clock Extensions**

The tenure period is negotiated at the time of hire, however under certain circumstances, an extension of the tenure period and/or the intensive (i.e., 3rd year) review may be requested with approval of extensions at the discretion of the provost. Approved extensions are one year in duration for full time faculty with part time faculty receiving an extension commensurate with the appointment level. The tenure clock may be extended and/or the intensive review postponed for (i) extraordinary circumstances such as an unanticipated lack of available resources, serious illness or family emergency, (ii) birth, adoption or fostering (i.e., 12 months of foster care) of a child, and/or (iii) elder or dependent care when the faculty member is a caregiver. Requests for an extension for these reasons will be routinely granted by the provost, although normally, a maximum of two extensions will be permitted.

Requests for an extension must be made prior to September 1st of the year of the scheduled tenure and/or intensive review and must be accompanied by supporting documentation. A tenure clock extension and/or intensive review postponement should be requested through the faculty member's immediate supervisor, such as the chair or director, followed by the dean and campus VCAA (dependent on college and WSU campus), with final routing to the provost. The provost makes the final decision to grant or deny the requested tenure extension and/or intensive review postponement.

The option to request an extension for the tenure candidacy period or postpone the intensive review will be available regardless of the number of weeks of leave taken by the faculty member. The request for an extension of the tenure probationary period is optional and at the discretion of the faculty member.

The standards for tenure and promotion remain the same for faculty who have been granted a tenure clock extension and/or an intensive review deferral. Even though a faculty member may be given a longer period of time in which to meet these standards, the faculty member should be held to the same performance standards as a faculty member who has not received an extension.

~~4.~~ 5. Advancement in Rank

a) General

Policies concerning advancement in rank, or promotion, are designed to encourage superior service. The status, qualifications, and performances of each faculty member are reviewed annually by the appropriate administrative officers. A part of that review is the analysis of the progress being made toward promotion by the faculty member.

Consideration for promotion requires a process that is separate from annual review for possible salary adjustment. Consideration for promotion to associate professor is considered in parallel with consideration for tenure except in those cases where a faculty member was hired as an associate professor without tenure.

The criteria for promotion are based on the General Criteria for Faculty Review listed in section III.C.2.b above. Additional expectations for promotion to professor are listed in section III.C.4.c below. Criteria for promotion to both associate professor and professor are to be articulated and supplemented by criteria developed at the department, school, and/or college level to emphasize goals and objectives as per III.C.5.b.

b) Procedures for Promotion

The Instructions and Forms on Tenure and Promotion are normally distributed by the Office of the Provost in the late spring for persons to be considered during the following academic year. These instructions are to be consulted and carefully followed since they provide more complete details than does the Faculty Manual. The completed recommendations, including recommendation forms, current resume, external review letters, teaching portfolio, ballots, and supporting materials must be forwarded from the department chair or unit head to the academic

dean and campus VCAA (dependent on college and WSU campus) on the same schedule as tenure recommendations.

In consultation with the department chair or unit head and the relevant college committees on promotion, the academic dean will decide which promotion cases are to be forwarded to the provost and will notify each candidate of the decision, in writing, within ten (10) business days. If the decision is to not forward the packet, the faculty member will be given a written justification. In addition, the faculty member will be given a minimum of five (5) working days to exercise the right to have the packet forwarded to the provost, regardless of the dean's decision.

The promotion packet is normally due in the Provost's Office by the date specified in the provost's Instructions for Tenure and Promotion, usually November 1. Final decisions are normally made by the middle of spring semester and letters notifying faculty of the decision are sent immediately thereafter. Promotion becomes effective July 1 for annual appointees and August 16 for academic-year appointees.

c) Promotion to Professor

Attainment of the rank of professor is an indication that, in the opinion of colleagues, an individual has made, and continues to make, outstanding contributions to a major area of the individual's work assignment. Satisfaction of minimum criteria at the unit level is not sufficient to ensure promotion. Some successful faculty members may need more than six (6) years of service at the associate rank in order to achieve the credentials necessary for promotion to professor.

Candidacy for promotion to professor may be initiated by the faculty member, one or more departmental professors, or the department chair. Candidates for promotion to professor must show clear and convincing evidence of persistent high levels of attainment in the criteria appropriate to their work assignment and to the mission of their units, including increasing service to the institution, professional organizations, and/or society. Documented evidence that the quality and quantity of the accomplishments of the candidate are at a significantly higher level than that expected of an associate professor is required. National, and preferably international, prominence must be demonstrated through some form of recognized achievement reviewed by appropriate professionals for promotion to professor. Only under extraordinary circumstances will a person be considered for promotion to professor prior to the end of his or her fifth year of service as an associate professor, with the promotion, if granted, awarded at the end of the sixth year.

d) Promotion to Regents Professor

Tenured professors who have reached the highest levels of achievement in their discipline and at WSU are eligible to be nominated for regents professor. Promotion to regents professor requires service to the university for at least seven years. Each college may nominate only two faculty members as candidates for this promotion each year. The nomination process for promotion to regents professor is initiated by department chairs/directors or deans. Those who are not selected for promotion may be nominated again. The rank of regents professor can be held by no more than 30 active Washington State University faculty members at any one time. The promotion process and procedures correspond to those for promotion to professor but with appropriate modifications to accommodate the university-wide nature and limitations on numbers. Faculty recommendation ballots are not necessary for this nomination.

~~5.~~ 6. Tenure

a) General

Tenure provisions are designed to ensure the widest possible range of freedom for scholarly inquiries in teaching, research, and extension for faculty members on permanent, full-time appointment as well as for those faculty members on permanent appointment for one-half time fifty percent (50%) or greater but less than full time, where the basic expectations for job performance are the same as for full-time faculty positions associated with tenure. For such appointments, the time for tenure consideration may be extended. The decision to associate tenure with a position rests with the program, department, or division offering the position. This decision must be made at the time the job description is developed.

Tenure is granted only for academic rank or professional status within programs, departments, or service units. Department chairs, school directors, deans, directors, and other administrative officers do not acquire tenure in administrative positions. To qualify for tenure, the faculty member is expected to observe all policies applying to faculty in section II of the Faculty Manual: Freedom, Responsibility, and Discipline. Except in extraordinary circumstances, such as financial exigencies or elimination of function, these tenure provisions apply.

The acquisition of tenure requires affirmative action by the president of the University by delegation of authority from the Board of Regents. Tenure, once granted, is retained by the faculty member until he or she retires or ceases to be an employee of the University.

When a former faculty member who had tenure is reemployed in a comparable position within two years, tenure may be given immediately, though the usual procedures must be followed. Units may consider prior academic appointments elsewhere in the tenure process; however, all pre-tenure assistant professors will be allowed up to six (6) years prior to tenure consideration.

If a tenured person takes a different faculty position within the institution on a permanent basis, the receiving department must assume the tenure obligations accompanying the transfer. In the special case of the formation of a new unit, the prior tenure of each faculty member will be transferred to the new unit.

A faculty member whose appointment is budgeted on a continuing basis in more than one (1) unit may be granted tenure, provided that the positions are permanent and provided that tenure is granted in all units simultaneously. Such tenure implies no obligation for one (1) unit to increase the employment of the person beyond the budgeted portion in the event that duties should cease to exist in another unit. This policy applies to a person holding a joint appointment in instructional units as well as to a person with duties divided between teaching and nonteaching responsibilities in a position having faculty status.

In special circumstances involving a joint appointee, one (1) unit may request permission to assume an additional portion or all of the tenure responsibility for the faculty member, and in this case the other unit or units accept no responsibility for continuation of the position.

If the duties of a non-tenured faculty member change so as to result in a shift between units in the budgeted appointment on a continuing basis, the date of eligibility for tenure consideration remains based on the original appointment to the faculty.

A person who is appointed to a temporary position, whether part-time or full-time, is not eligible for tenure. If a person in a temporary position is subsequently given an appointment without terminal date, the principal administrative officer, at the time of the permanent appointment, shall recommend to the provost for consideration the extent to which past service shall count toward eligibility for tenure. This decision shall be included in the person's employment record.

b) Criteria

The criteria and procedures pertaining to tenure are of basic importance in the development of excellence within the faculty of the University. General criteria for faculty review are outlined in this Faculty Manual. These are to be articulated and supplemented by tenure criteria developed at the department, school, and/or college level to emphasize goals and objectives. Input from faculty members of the unit and students, if appropriate, shall be utilized in the development of the statement of criteria.

In general, departmental criteria appropriate to the unit's particular needs shall be directed toward excellence in most or all of the following areas: teaching effectiveness, including advising; research, scholarship or creative activity; extension education, extension service and other public service; professional service and advancement; academic and professional leadership; services to the University; and interactions with colleagues and students. Long-term support of faculty members requires commitment in terms of salary and other resources; therefore, criteria for tenure must include consideration of contributions toward program objectives.

Colleges departments, schools, and other units shall develop written criteria for tenure and promotion that are to be used in all progress-toward-tenure reviews and all tenure or promotion decisions. Criteria documents shall also delineate the process the unit will follow in its yearly reviews of the progress of pre-tenured faculty. The criteria shall be developed with representative input from tenured faculty in the unit, and shall be approved by majority vote of all tenured and tenure-track faculty in the unit by anonymous ballot. The same procedure shall be followed in revising the criteria or review process. Proposed new or revised criteria and review processes shall be provided to relevant administrators and to the provost. After administrative approval, a copy of the new or revised criteria and description of the process shall be provided to every faculty member of the college, school, department or other unit.

Tenure should be recommended for a faculty member only after a thorough assessment and evaluation of the quality and extent of the individual's performance in terms of the department and/or college criteria. Input into tenure consideration should come from several levels, including students (when the person has instructional duties), other faculty, and administrative officers.

c) Eligibility and Procedures

A person employed full time at the rank of assistant professor, or comparable rank, must be considered for tenure no later than the sixth year of service at Washington State University with tenure, if granted, effective at the beginning of the seventh year. Generally, recommendations for tenure will be made concurrently with a recommendation for promotion to associate professor, professor or comparable rank. A person employed full time at the rank of associate professor without tenure, or comparable rank, ordinarily will be considered for tenure no later than the third year of service at Washington State University with tenure, if granted, to be effective at the beginning of the fourth year. This is a negotiable condition of employment. A person employed full time at the rank of associate professor or professor, or comparable rank, may be granted tenure through usual procedures, effective the date of initial appointment. This is a negotiable condition of employment. If not employed with immediate tenure, a person hired at the rank of professor must be considered for tenure during the first year of service, with tenure, if granted, to be effective at the beginning of the second year.

d) Teaching Portfolio

A teaching portfolio is a compilation of information about a faculty member’s teaching, made by that faculty member, often for use in consideration for tenure or promotion. It is not, in itself, an instrument for teaching evaluation, but a vehicle for presenting information that may include results of evaluations and that may itself contribute to evaluation. It can therefore be selective,

emphasizing the positive to serve as a showcase for the faculty member's achievements in teaching, not necessarily a comprehensive or balanced picture of everything.

The format and uses of the portfolio will naturally vary from one part of the university or discipline to another. The outline that follows is meant to be an adaptable template, which can be modified for individual units or even individual faculty members.

There should still be a degree of uniformity. The original impetus for proposing the portfolio at Washington State University was the fact that personnel documents from different units described teaching activities in such varied ways that often it was difficult, if not impossible, to use them fairly or to obtain useful aggregate results.

Typically, the teaching portfolio shall be firmly limited to five pages and should present information under headings selected appropriately from those listed below (and perhaps others) and organized in much the same way. Some faculty members may attach complementary information in the form of appendices or exhibits, but these are not always essential and should be used, if at all, in moderation. The outline that follows can therefore be regarded as a menu from which faculty members (or departments and colleges) can select items to include in teaching portfolios to fit their particular circumstances.

Each teaching portfolio should be dated and signed by the faculty member concerned.

(1) Goals

A compact but thoughtful statement about the faculty member's intentions and aspirations in teaching, especially for the near future.

Examples include preferred principles for good teaching and plans for improvement, curricular projects, publications, presentations, and so forth. Platitudes and vacuous generalities should, of course, be avoided.

Obstacles the faculty member has encountered, such as inadequate facilities, inadequate library resources, excessive class size, would be appropriately noted in this part of the portfolio.

(2) Responsibilities

The topics listed below reflect a broad concept of teaching. Others might be added.

(a) Percentage of appointment devoted to teaching, if stipulated

(b) Courses recently and currently taught, with credit hours and enrollments

When instructional duties for a course are shared, those of the faculty member should be described or at least represented by a percentage. Attachment of typical syllabi as exhibits may be appropriate.

(c) Work with individual students

Examples include guidance of independent study or undergraduate or graduate research, direction of theses, supervision of postdocs.

(d) Advising.

Examples: Advising for the Student Advising and Learning Center (SALC), advising of majors, advising students competing for prestigious scholarships or for admission to graduate or professional programs, approximate numbers of students advised (advising students in one's own classes specifically about those classes does not belong here).

(e) Instructional innovations.

Innovation is not essential to good teaching, but credit should be taken for major efforts to improve teaching. Examples include novel use of instructional technology, development of collaborative arrangements outside the unit and/or University, adoption of such methods as collaborative learning, use of case studies, and so forth.

(f) Extraordinary efforts with special groups of students

Examples include exceptionally able students; members of underrepresented groups or groups facing special challenges (women in mathematics, men in nursing, returning students, students with disabilities).

(g) Use of disciplinary research in teaching

Examples include modification of syllabi, laboratory experiments, reading lists, and other classroom materials, in light of one's own research; involvement of students in one's own research; special activities for helping students to develop creative and critical thinking skills for use in their research.

(h) Out-of-class evaluation activities

Examples include participation in assessment of educational outcomes such as end-of-program assessment, participation in conducting examinations for advanced degrees, and screening students for scholarships and other distinctions.

(i) Service on WSU or other committees concerned mainly with instruction and/or the assessment of student learning outcomes for the purposes of program assessment.

Examples include service on the Faculty Senate Academic Affairs Committee and college and department committees of the same general kind.

(j) Learning more about teaching

Examples include programs of systematic reading in the literature on teaching, attending short courses and professional conferences concerned with teaching, leading and or participating in faculty seminars concerned with teaching issues.

(k) Projects and potential projects requiring non-state funding

Teaching-centered grants received and grant proposals under consideration. When other faculty members are involved, the role of the faculty member who is reporting should be made clear.

(3) Evaluation

The Evaluation section in a portfolio should consist chiefly of comparative data from whatever methods are used for evaluating teaching—not only evaluation by students. Some faculty members may wish to include explanations or rejoinders for evaluations which they believe to be potentially misleading.

(a) Student evaluations

Examples include results of student questionnaires, interviews of students, the one-minute essay, and other forms of "classroom research." Data must be presented in comparative form with departmental or college data.

(b) Measures of student learning

Direct evidence of the extent and quality of learning by the faculty member's students, such as performance on appropriate standardized tests and/or the assessment of student learning outcomes.

(c) Peer evaluation

Reports from respected colleagues who have visited classes, examined instructional materials, and talked with the faculty member. Letters from colleagues may also be used.

(d) Letters from students, alumni, and employers of alumni.

Solicited letters, from former students, are not likely to carry the credibility of unsolicited statements.

(e) Teaching awards

Something should be said about the character of the awards if the names are not self-explanatory.

(f) Other evaluations.

(4) Results

(a) Student successes

Examples include noteworthy achievements of students in terms of awards, admissions to graduate school, employment, and other accomplishments, for which the faculty member claims a significant part of the credit.

(b) Instructional materials

Examples include textbooks, workbooks, manuals, visual aids, software, etc.

(c) Contributions to the scholarship of teaching

The scholarship of teaching treats teaching itself (especially in one's discipline) as a subject of scholarly discourse. Results may include oral presentations, papers in appropriate journals, and other presentation materials.

In items (b) and (c), data about publications should be presented with full citations and also included in the resume.

(d) Other results

Appendix or exhibits may include: detailed information (syllabi, student evaluation forms, reports of peer evaluations, grade distributions) about specific courses and other teaching activities, copies of materials listed under 4.(b) and preprints or offprints of items listed under 4.(c).

e) Resume for Tenure or Promotion Packet

The current resume to be submitted as a part of tenure or promotion packets should include at least the following:

(1) A description of the candidate's research and scholarly or creative activities, including a statement of the nature and significance of research, scholarship, or creative activities, including involvement of graduate students, undergraduate students, and postdoctoral fellows, impact of research on teaching, extension or service functions, and academic history, degrees, and dates.

(2) A list of grant and contract support, including identification of principal investigators, granting agencies, periods, and funding of all awards. Unfunded proposals may be listed if accompanied by the reviewers' comments (in any case, the number of unfunded proposals may be indicated).

(3) A complete list of publications with full citations, including abstracts, articles, book chapters, papers in conference proceedings, patents, and reviews; or creative activities including original scores, exhibits, performances, and works of art. In most disciplines the distinction between refereed and non-refereed work should be indicated.

(4) A list of consultancies, sabbatical leaves, and international collaborations, if applicable.

(5) A list of invited and contributed presentations at national or international conferences and symposia, including dates, titles, and/or identifications of groups addressed.

(6) Other supporting information, such as the number of citations of key publications (include period covered by the citations) or copies of reviews of exhibits or performances.

(7) A description of service to the department, college, and university, and other institution or firm.

(8) A description of service to professional groups or associations.

(9) A description of service to county or state governments, communities or other societal groups.

(10) A description of honors and awards, including teaching, research or public service awards.

(11) Other evidence of recognition, such as lectureships.

(12) All faculty may prepare a statement of context (not more than 2 pages) as part of the portfolio of materials to be considered for third year as well as tenure and promotion reviews. Such a statement may include expectations placed on a faculty member by circumstances extant at research stations or campuses, the requirement of joint-appointments or other special circumstances such as commitments to student groups.

f) Denial of Tenure

Tenure must be granted or denied. Granting of tenure becomes effective on August 16 for academic-year appointees and on July 1 for annual appointees. Upon denial of tenure, notification of non-reappointment will be given at least twelve months in advance of the termination of service.

Notification of the granting or denial of tenure shall be given in writing to the faculty member by the provost within three (3) business days after a decision has been made. While notification of the final tenure decision will be communicated by the provost, the dean, campus VCAA (dependent on college and WSU campus) or relevant area administrator will provide more detailed analysis.

If the Faculty member resigns within ninety (90) calendar days after notification of denial of tenure, no reference will appear in his or her personnel file that tenure was denied or that a recommendation to deny tenure was made. The effective date of such resignation shall be the date upon which the appointment would have been terminated if tenure had been denied, or earlier, if mutually agreed to by both parties.

A faculty member who has been denied tenure may, within thirty (30) calendar days after notification of non-reappointment by the provost, petition the Faculty Status Committee to review the decision, based upon an allegation of inadequate consideration, an allegation of violation of academic freedom or an allegation of substantial procedural irregularity that had the effect of prejudicing the faculty member's application for tenure. If a review by the Faculty Status Committee is requested, the committee shall determine its own procedures for hearing the matter,

in a manner consistent with federal and state law, shall conduct its review as expeditiously as possible, and shall report its findings to the president, or designee, and to the faculty member requesting review within the next ninety (90) calendar days after the request is made. The committee may elect to count only days of the academic year in the ninety-day (90) period. The president shall notify the faculty member requesting the review of his or her decision within thirty (30) calendar days after receiving the report of findings. The president is under no obligation to accept findings by the committee as binding.

A tenured person whose position has been eliminated also has the right of appeal to the Faculty Status Committee.

~~6.~~ 7. Salary

The objective of the Faculty Salary Policy is to provide faculty salary increases, based on evaluation of professional growth and meritorious performance as determined in the annual performance review process. Within available means, salaries are to be comparable with those paid for similar service at peer institutions.

a) Allocation

When funds become available for faculty salary increases, they shall be allocated in the following manner: unless provided otherwise by law, salary-increase monies shall be allocated thirty percent (30%) to professional development, forty percent (40%) to superior merit, and thirty percent (30%) to extraordinary merit, equity and market adjustment. The professional development portion reflects professional growth and service to the University during the period of review and, unless extraordinary circumstances occur, each faculty member will receive this professional development adjustment. The professional development portion shall be uniformly allocated as an equal percentage of annual salary to all faculty, unless substandard performance or extraordinary circumstances occur. The superior merit portion, also a performance based merit adjustment, reflects the degree of superior merit above the average performance realized during the period of review. The remaining portion will be allocated based on merit and comparative information for equity and market.

If in any year or period of years, no funds are allocated for salary increases of faculty members, or if only a cost-of-living increase is available to the faculty member, the annual review reports will be retained and preserved at the department or equivalent administrative level for inclusion in the next year's reviews. At that time all retained evaluations will be considered and used to determine salary increases.

Recommendations for merit-based salary increases follow the same administrative channels used for employment. If a merit-based increase is available to a faculty member, then the report will be forwarded through the appropriate administrative channels. If no merit-based increase had been available to the faculty member in the immediate previous annual review period, then reports for both the current and previous annual review periods will be forwarded to the provost for final action. If no merit-based increase was available to the faculty member for the most recent two annual review periods, then reports for the current and two previous periods will be forwarded. Irrespective of the availability of salary increases, reviews will be forwarded for a faculty member at least every three (3) years.

To assure that salary increases and promotions will be made objectively, equitably, impartially, and as a recognition of merit, the policies and procedures given here are to be observed. In addition, to qualify for salary increases and promotion, a faculty member is expected to observe all policies applying to faculty covered in the Faculty Manual Freedom, Responsibility, and Discipline, Section II.

Ordinarily, recommendations for an increase in salary will only occur at the time of annual review. Salary increases for both annual and academic-year appointees normally take effect July 1 unless established otherwise by the legislature.

b) Promotional Adjustment

When a faculty member is promoted, his or her salary will be increased by no less than ten percent (10%) of his or her annual salary, starting with the effective date of the promotion. This adjustment will be made regardless of the level of funding for salary increases and will be in addition to any other merit, equity, marketplace, or cost-of-living adjustments made to the faculty member's salary. For most state-funded positions eight percent (8%) is provided by the university and the other two percent (2%) is the responsibility of the department.

c) Alternative Allocation

Should the president believe in any particular year, that allocation of salary funds in accordance with the above subsection III.C.6.a, is not in the best interests of the University, he or she shall seek the advice of the faculty through the Faculty Senate on an alternative salary allocation proposal. When the president seeks such advice the matter shall be privileged before the Faculty Senate and a response shall be forthcoming within fourteen (14) business days.

d) Summer Salary

Payment for summer employment will be at an agreed figure, which in no case may exceed a monthly rate of one-ninth of the previous academic-year salary. Normally, total employment is limited to two (2) months. Requests for a third month of summer salary must be recommended by the chair and dean and approved by the provost.

~~7.~~ 8. Benefits

a) Insurance

The University makes available group medical/dental insurance, salary continuation insurance (long term disability), life insurance, and other benefits. Eligibility for these programs is determined by the State of Washington Public Employee's Benefits Board (PEBB). Generally, full time and half time faculty, who are anticipating to be employed for an academic year, or equivalent thereof, are eligible for the PEBB benefit package. Other eligibility criteria may be applicable, including stacking concurrent employment with more than one Washington State higher education institution. Industrial insurance (worker's compensation) covers all employees. (Consult the Benefit Services Office website for details of these programs http://www.wsu.edu/benefits/) and Disability Services links for details of these programs found on the Human Resource Services website, http://www.hrs.wsu.edu/

b) Retirement

Participation in a retirement plan is available to any faculty member who is employed at least half time for one semester, or equivalent period.

The WSU Retirement Plan has been established by the Board of Regents under authority provided by laws of the state of Washington for the purpose of providing retirement incomes and related benefits to eligible faculty and employees. It is a defined contribution 403b plan.

Beginning July, 2011, The Teachers Retirement System Plan 3 is another retirement plan new hires are able to participate. This 401a plan is a hybrid defined contribution/defined benefit plan.

Washington State University also offers faculty voluntary retirement plans to which employees may make additional non-matched retirement contribution up to the IRS maximum limits.

For details on the retirement plans, see the Benefits link on the Human Resource Services website at www.hrs.wsu.edu.

c) Institutional Liability Insurance

The University carries a form of liability insurance that covers the liability of each individual faculty member acting within the scope of his or her duties while representing Washington State University, except for actions involving their individual automotive vehicles, limited libel, slander, false arrest, and malicious prosecution, and for actions one against another. This statement is for information purposes; the policy provisions apply in each case. (Consult the Risk Management section in Business Affairs for policy provisions.)

d) Unemployment Compensation

Under applicable state laws and Department of Employment Security regulations, indefinite faculty who are expected to be rehired for consecutive years are not eligible for unemployment benefits during summer months. Persons included in annual review will be denied unemployment benefits unless departments produce Personnel Action Forms indicating separation from University service.

e) Relocation Expenses for Indefinite Faculty

Relocation expenses for indefinite faculty are not allowable on state funds by state law. If the hire includes moving on other than state funds, a statement must be included on the Personnel Action Form and the necessary departmental requisition sent to Purchasing. The employee may not set up his or her own move. Further information may be obtained from the Purchasing Office.

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III D. Leave Of Absence And Vacation

1. Annual Leave

The vacation provision in the terms of employment is intended to provide opportunity for periodic leisure and relaxation, free from official duties. Vacation time, therefore, is not regarded as a leave of absence.

In accordance with BPPM 60.56-Faculty and Administrative Professional Personnel Leave, Faculty on annual appointment earn annual leave at the rate of 16.67 hours per month, based on full-time equivalent, of completed service. Unused annual leave is cumulative to a maximum of 352 hours (forty-four (44) working days). A faculty member moving from an annual to an academic year appointment has one (1) year to use any accrued annual leave. Leave is scheduled with the approval of the unit administrator. Faculty cannot be paid for annual leave unless they leave state employment. Annual leave cannot be taken before it is earned and must be reported on a Faculty and Administrative Professional Leave Report. See also BPPM 60.63.

2. Leave Accruals for Indefinite Faculty

Indefinite faculty must be employed for at least half time (.50 FTE) for one (1) semester on academic appointment or six (6) months on annual appointment to be eligible for sick leave and (if eligible) annual leave. Full-time annual appointees earn 14.67 hours of annual leave per month based on full-time equivalence. Academic- and irregular-term employees are not eligible for annual leave accruals. Eligible faculty earn eight hours of sick leave per month, based on full-time equivalence. Indefinite appointees who work at least one (1) month during the summer earn sick leave. Hourly appointees are not eligible

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for leave benefits. Employees who had accrued leave prior to the adoption of this policy may retain their current leave balances until the hours are depleted or until they separate from University service.

3. Leave Usage and Payoff for Indefinite Faculty

No state employee may use leave before it is earned. Indefinite faculty must request leave prior to taking it through their immediate supervisors. Generally, leave will be allowed unless a serious lapse in the project will occur or unless classes cannot be covered by alternate personnel. An indefinite faculty member may use eight hours per month of accrued paid leave (including sick leave) for up to four (4) months during parental or disability leave without pay to maintain eligibility for University-sponsored insurance benefits.

Normally, indefinite faculty cannot be paid for accrued annual leave and cannot transfer accrued annual leave to an appointment with a different funding source.

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4. ~~2.~~ Academic-Year Faculty

Members of the faculty on academic-year appointment do not earn annual leave and are free to seek other employment in the summer, to do consulting work, or to study. Summer employment by the University of persons on academic-year basis is not precluded, but no obligation exists to provide such employment.

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5. ~~3.~~ Holidays

The University establishes a schedule for each year that includes ten (10) holidays. The schedule is available from Human Resource Services and is published in WSU Today.

The Faculty Senate establishes the academic calendar including the holidays that fall within the two academic semesters and the summer session.

Faculty on annual appointment are eligible for a one-day personal holiday to be used on a fiscal year basis and only in a one-day block.

Indefinite faculty are eligible for all University holidays that occur during their period of appointment. Half-time or greater annual appointees on at least four-month appointments are eligible for the personal holiday.

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6. ~~4.~~ Absence

Absence of faculty members from official duty is subject to such limitations as the administrative officer in charge may determine.

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7. ~~5.~~ Sick Leave

Members of the faculty are allowed to use accrued sick leave under certain conditions:

a) Faculty on academic-year appointment earn sick leave at the rate of 8 hours per month based on full time equivalent, per month of completed service. One additional day of sick leave is earned for each month of full-time summer employment.

b) Faculty on annual appointment earn sick leave at the rate of 8 hours per month based on full time equivalent.

c) Sick leave may not be taken before it is earned. It is usable only in case of illness or temporary disability of the faculty member or his or her immediate family.

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d) The administration of faculty sick leave is the responsibility of the president and is delegated, through the provost, to the principal administrative officers and the department chairs. Sick leave is reported on the Faculty Leave Report. For more information, see BPPM 60.56 and BPPM 60.63.

e) With the exception of the circumstances described above, sick leave may be used only in case of illness or temporary disability of the indefinite faculty member or a member of his or her immediate family or household. Sick leave for more than ten (10) working days must be verified by a physician except in the case of childbearing and adoption in which case six (6) weeks of sick leave is allowable. If more time is required, the employee must supply a physician's statement. An illness of more than three (3) working days and a visit to a physician may qualify the employee for Family and Medical Leave. Human Resource Services will determine eligibility for such leave and the University must inform the employee at the time leave is taken if it will be so designated.

8. Work-Related Illness or Injury

Benefits for work-related illness, accident, or injury are provided in accordance with the state of Washington's Workers' Compensation Act. Indefinite faculty pay one-third of the medical aid premium expense through payroll deductions. Any job-related accident or injury should be reported to the immediate supervisor, and the Benefit and Payroll Services through an Accident Injury or Occupational Illness report as soon as possible. If an employee receives compensation from State Industrial Insurance for a job-related injury, a like amount will be deducted from the next paycheck and a portion of reported sick leave will be reinstated. The Benefit and Payroll Services can provide clarification of this regulation.

9. ~~6.~~ Family Medical Leave Act and Medical Leave

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The University complies fully with the Federal Family Medical Leave Act and Washington State Medical Leave laws. Faculty shall be entitled to leave under the terms of such policies as may be adopted by Human Resource Services from time to time to implement the provisions of these laws.

a) Family Medical Leave (FML) allows eligible employees twelve weeks or four hundred and eighty (480) hours of job protected leave during a twelve (12) month period. An eligible employee is an employee who has worked for the state for at least twelve-months and at least one thousand two hundred fifty (1,250) hours during the previous twelve-month period.

b) Illnesses of more than three days with a visit to a physician may qualify the employee for FML. A faculty member is to submit to Human Resource Services, a health certificate from a physician for illness outlining the requirement for the faculty member to take leave for their own serious health condition or to care for a family member with a serious health conditions. Human Resource Services will inform the faculty member at the time of the medical leave application if family medical leave is to be so designated.

c) A FML qualified faculty member may use any combination of accrued leave (annual or sick) or leave without pay during a period of designated FML.

d) Continuation of Employer-Paid Benefits. If necessary due to disability, the employee is allowed to use a minimum of eight hours of accrued paid leave per month for up to four months of disability leave due to pregnancy and/or childbirth (or as long as medically certified) to provide for continuation of employer-paid benefits. (The total months of such disability leave include the twelve workweeks provided under the Family and Medical Leave Act, if eligible.) NOTE: If

using leave without pay, eight hours of paid leave per month may not be sufficient to cover the employee's portion of the insurance premiums. Contact HRS for more information.

10. ~~7.~~ Military Leave

The regulations concerning leave for training duty and for active military service are as provided by state law:

According to RCW 38.40.060, every officer and employee of the state of Washington or of any county, city, or other political subdivision thereof, who is a member of the Washington national guard or of the army, navy, air force, coast guard, or marine corps reserve of the United States, or of any organized reserve or armed forces of the United States, shall be entitled to and shall be granted military leave of absence from such employment for a period not exceeding twenty-one (21) working days each year beginning October 1st and ending the following September 30th . Such leave shall be granted in order that the person may take part in active training duty in such manner and at such time as he may be ordered to active training duty. Such military leave of absence shall be in addition to any vacation or sick leave to which the officer or employee might otherwise be entitled, and shall not involve any loss of efficiency rating, privileges, or pay. During the period of military leave, the officer or employee shall receive from the state, or the county, city, or other political subdivision, his normal pay. (1957 c 236 1)

According to RCW 73.16.033, any person who is a resident of this state and who voluntarily or upon demand vacates a position of employment to determine his physical fitness to enter, or who actually does enter upon active duty or training in the Washington national guard, the armed forces of the United States, or the United States public health service, shall, provided he meets the requirements of RCW 73.16.035, be reemployed forthwith. The employer need not reemploy such person if circumstances have so changed as to make it impossible, unreasonable, or against the public interest for him to do so. This section shall not apply to a temporary position.

If such a person is still qualified to perform the duties of his or her former position, he or she shall be restored to that position or to a position of like seniority, status, and pay. If he or she is not so qualified as a result of disability sustained during his or her service, or during the determination of his or her fitness for service, but is nevertheless qualified to perform the duties of another position under the control of the same employer, he or she shall be reemployed in such other position: Such position shall provide like seniority, status, and pay, or the nearest approximation thereto consistent with the circumstances of the case (1953 c 212 2). See also BPPM 60.56.

11. ~~8.~~ Leave for Jury Duty

Faculty members are entitled to leave for jury duty. Those not entitled to exemption by state statute shall serve with neither gain nor loss in compensation. The jury fee to which they are entitled shall not be deducted from their University salary.

12. ~~9.~~ Leave for Testimony at Trials and Hearings

University employees, as all citizens, have a duty to provide accurate information to adjudicatory bodies. The purpose of this policy is, to the extent proper and permissible, to alleviate the burdens of subpoenaed testimony and to permit expert testimony to be provided through arrangements made directly between faculty and litigants. Where faculty are subpoenaed because of facts gained within the course of University duties, arrangements for providing expertise to litigants should be reviewed to assure the University's interests are protected.

a) Voluntary Expert Testimony

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Voluntary expert testimony is governed by the Policy on Compensated Outside Service by Faculty Members.

b) Subpoenaed Expert Testimony.

In the course of his or her professional duties, a faculty member may develop facts based upon his or her specialized expertise. Such knowledge may cause him or her to become subject to a subpoena for testimony that is essentially expert in nature. In such cases, he or she may request permission from his or her immediate supervisor to testify as a voluntary expert witness and negotiate an arrangement and fee for such testimony. Normally, the faculty member's request to testify under such an arrangement will be granted unless the testimony 1) might involve the University in the litigation as a party; 2) is likely to damage the reputation of the University; or 3) is so closely connected to duties specifically directed by the University that it would be improper to permit testimony in a private capacity. If the faculty member is not granted permission to testify as a voluntary expert, he or she shall testify as part of his or her University duties and be reimbursed through the established process for actual expenses incurred. The University has the right to determine proper fees for testimony rendered on University time, and the fees shall accrue to the University. If permission to testify under a negotiated arrangement is granted, such activity is treated as voluntary expert testimony and is governed by the Policy on Compensated Outside Service by Faculty Members. Faculty, supervisors, and department chairpersons should consult the Office of the Attorney General when faculty are served with subpoenas relating to performance of University duties.

c) Nonexpert Testimony Pursuant to Subpoena.

A faculty member appearing as a nonexpert witness pursuant to an effective subpoena shall serve with neither gain nor loss in compensation; therefore, any statutory witness fee paid for such testimony shall be returned to the University. See also BPPM 60.56.

13. Military Leave and Civil Duty for Indefinite Faculty

Indefinite faculty are eligible for civil duty, military training or leave as provided by state law.

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14. ~~10.~~ Leave without Pay

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For important service to the state or to the United States, leave of absence without pay ordinarily will be granted to faculty members. Leave without pay for other reasons, such as graduate or professional study or acceptance of foundation grants, exchange professorships, and consulting appointments, may be granted. A faculty member applying for a grant, professorship, or appointment must secure the approval of the immediate administrative officer, and dean and VCAA (dependent on college and campus as defined in section III C) prior to submitting the application. Leave, if granted, normally will be for a period not exceeding one year. Faculty members on leave-without-pay status do not earn annual or sick leave.

If a faculty member chooses to strike against the University or otherwise not perform assigned responsibilities, he or she shall inform the immediate administrative superior of such intention at least twenty-four (24) hours in advance of action. Going on strike and/or otherwise willfully failing to perform regular duties shall be considered an automatic request by a faculty member for leave without pay. Such a request will normally be granted for the period during which the faculty member is not on duty. When the faculty member fails to perform assigned responsibilities, without providing notification of intent to strike, the principal administrative officer, after consultation with the immediate administrative officer, will determine whether that person is on strike.

These provisions shall not prejudice the right of the University to initiate disciplinary action in accordance with the regulations provided. See also BPPM 60.56.

Leave without pay for indefinite faculty must be requested by memorandum to the immediate supervisor. Reasons for the leave and the beginning and ending dates must be included in the request. If an extension is necessary, a second request should be submitted. The request should include a statement of intent to return to Washington State University for a like period of time. The period of leave cannot exceed the period of current appointment.

15. ~~11.~~ Professional Leave

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Professional leaves may be granted to faculty members in recognition of meritorious service and/or scholarly achievement in teaching, research, and creative activity. Applications for professional leaves will be considered only from faculty members on permanent appointment (academic or annual) who have completed at least five years of active service for Washington State University at the time the leave is to be effective. The amount of prior service on temporary appointment at Washington State University applicable to professional leave will be determined by the provost. Leave requests must be submitted through the department chair or immediate administrative officer, followed by the dean and VCAA (dependent on college and WSU campus as defined in section III C) prior to the provost.

Faculty members on professional leave are relieved from teaching, research, administrative, and committee functions for the leave period so that full time may be devoted to the purpose for which the leave is granted. Given the importance of promotion and tenure cases, faculty on professional leave should be notified about and participate in priority matters including review and voting for promotion and tenure cases, elections, and hires, as requested. Professional leaves are to be used for specified projects to further professional study or development and must be of advantage to the University in terms of improved instruction, research, or public service. Leaves may not be granted to faculty members when a major purpose of such leave is the enhancement of the faculty member's private business. Neither are leaves granted to faculty members whose primary purpose is working toward an advanced degree. Under unusual circumstances, professional leave may be awarded for a meritorious project that may incidentally lead to attainment of a degree; in such cases, leave is awarded on the basis of the proposed project itself without reference to the acquisition of the advanced degree.

A faculty member is expected not to engage in other employment during the period of professional leave for which University salary is paid. The sum of the professional leave salary and any salary provided by grants and stipends cannot exceed the University salary for the leave period. Reimbursements for travel and related expenses (including cost-of-living adjustments) for grantees and dependents are not considered salary items.

Professional leave may be granted for periods up to two (2) semesters or twelve (12) months for faculty on academic or annual appointment, respectively. Faculty on academic appointment may receive one hundred percent (l00%) of base salary for leaves of one semester or seventy-five percent (75%) of base salary for leaves of two (2) semesters. Faculty on annual appointments may receive one hundred percent (100%) of base salary for leaves of six (6) months or seventy-five percent (75%) of base salary for leaves of twelve (12) months. Faculty on academic appointment who are granted paid leaves of more than one (1) semester but less than two (2) semesters will be paid at a monthly rate which is the average of 4.5 months at one hundred percent (100%) and any additional months at fifty percent (50%). Faculty on annual appointments who are granted paid leaves of more than six (6) months but less than twelve (12) months will be paid at a monthly rate which is the average of six (6) months at one hundred percent (100%) and any additional months at fifty percent (50%). In any case, the monthly rate of pay received from the state during the leave period may not exceed the average salary rate of the highest paid quartile of teaching faculty on academic year appointments (RCW 28b.10.650). Faculty on professional leave earn

annual or sick leave. Extra compensation for services as a department chair or other administrative officer is discontinued during a professional leave.

Professional leaves cannot be granted where the ongoing program of instruction, research, or extension will be jeopardized, and leaves cannot result in an additional dollar cost to the University. Administrative supervisors must certify that leaves will not affect the unit programs or result in additional costs.

Faculty members receiving professional leaves in a fiscal year can postpone them to a subsequent fiscal year only at the University's request or because of the unexpected temporary unavailability of laboratory, library, consultant, or other resources required by leave projects. Otherwise, if faculty members wish to delay leaves into the next fiscal year, new applications must be submitted to be considered with others received at the later time.

A faculty member receiving a professional leave must agree to return to active duty as a member of the faculty for a period at least equal to the length of the leave. Faculty members must submit a written report of their activities during the leave through their department chair or appropriate immediate administrator to their dean and VCAA (dependent on college and WSU campus as defined in section III C with a copy forwarded to the provost by the appropriate budget authority (dean or VCAA). These reports are due on the following April 1 for those who return from leave on or approximately January 1 and on the following November 1 for those who return from leave on approximately August 16.

Specific guidelines for making application for professional leave are available from the Office of the Provost. Completed applications are considered by the provost. In some cases, the provost refers leave applications to the Faculty Status Committee for its recommendation. Final approval is given by the provost.

16. ~~12.~~ Retraining Leave

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Retraining leave may be granted to faculty members in recognition of previous meritorious service and for previous scholarly achievement in teaching, research, or service. The purpose of retraining leave is to provide opportunities for tenured faculty to prepare themselves for beginning new educational programs, or for continuing existing ones, within specific areas of the University that are experiencing, or expect to experience in the future, declining enrollments. Subject programs may be assigned to a department or unit in which a faculty member is currently a part or may be assigned otherwise. In any event, the department or unit must clearly demonstrate a need for added personnel having specific qualifications.

Procedures for applying for retraining leave are available in the Office of the Provost. A faculty member is eligible for retraining leave provided he or she expects to serve Washington State University for at least five (5) years following the leave and before retirement. Completed applications are considered by the provost who subsequently approves or disapproves the application. A person accepting retraining leave is obligated to enter into a written and signed agreement with Washington State University stipulating that he or she shall return to University employment following completion of the leave for a period at least as long as the leave period.

Leave may be granted for up to two (2) semesters or one (1) year, respectively, for academic or annual year appointees. Salary policies and rates are the same as those for professional leave except that, when retraining is a condition of continued employment, remuneration shall be at one hundred percent (100%) of base salary.

17. Professional/Retraining Leave for Indefinite Faculty

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Indefinite faculty are not eligible for professional or retraining leave. However, time spent in temporary positions may (upon approval of the appropriate administrative officers and the provost) be credited toward leave if the employee acquires a permanent position.

18. ~~13.~~ Leave with Pay

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Leave with pay for the purpose of official duties or service in behalf of the University may be authorized by the principal administrative officer in charge or, in the case of principal administrative officers, by the provost. After two (2) years of completed service, a faculty member may request ten (10) working days of special leave with pay. This must be approved by the provost prior to leave. Further requests may be made after each additional two (2) years of completed service. See also BPPM 60.56.

19. ~~14.~~ Emergency Leave

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Emergency leave is intended to apply only in the case of death in the family or of a household member or comparable emergency.

Family member, for the purpose of Emergency Leave, is defined as employee's parent, spouse, child, grandparent, grandchild, sister, brother, stepbrother, stepsister, brother-in-law, sister-in-law, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepchild, stepparent, and child in custody of and residing in the home of the employee.

Household members are defined as persons who reside in the same home who have reciprocal duties to and do provide financial and/or emotional support for one another. This term shall include, but is not limited to, foster children and legal wards. The term does not include persons sharing the same general house when the living style is primarily that of a dormitory or commune.

A comparable emergency is defined as a severe or life-threatening illness or injury to a domestic partner, family, or household member when not otherwise eligible for coverage under FML or other medical leave provisions of the University.

Such leave, with pay, may be granted to a faculty member by the dean and VCAA (dependent on college and WSU campus as defined in section III C) or other principal administrative officer in charge, provided the regular duties of the person concerned are assumed by other staff members without additional expense to the University. Up to five (5) working days of leave shall be granted for each emergency and may be extended to ten (10) working days with authorization of the provost or his or her designee. See also BPPM 60.56.

20. Suspended Operations

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In the case of natural or national emergency, when the president of the University declares suspended operations, temporary faculty who are not required to work will use annual leave or leave without pay.

21. ~~15.~~ Leave of Absence in Relation to Continuing Employment and to Tenure

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Grant of leave of absence to an employee for any purpose does not constitute or imply, on the part of the University, any greater obligation to resume or continue such employment than had the employee not been granted leave, nor does grant of leave of absence involve any additional tenure obligation on the part of the University. However, especially meritorious service to the state or nation will be taken into consideration.

When applicable, faculty members on professional leave, military leave, leave for jury duty, leave for testimony at trials and hearings, and leave with pay, earn annual and sick leave. Faculty members on leave without pay do not earn annual or sick leave. Whether time spent on leave without pay is included in time in rank applicable toward tenure should be determined when leave is approved. Washington State rules require faculty to submit leave reports to Human Resource Services on a monthly basis.

III E. Termination Of Employment

A faculty member's employment at the University may be terminated in any of the following ways:

1. Non-reappointment

Terminal Appointments (Fixed Term) and Contingent (Indefinite Term) Appointments.

For a faculty member with an appointment carrying a terminal date, the appointment ends on the specified terminal date, unless positive action is taken to reappoint that faculty member. It is recommended that the faculty member's administrative head send out a courtesy notice of non-reappointment.

Continuous Appointments.

For a faculty member with an appointment with no contractual end date, employment may be terminated at any time consistent with their employment contracts and this section, with or without cause. A non-reappointed faculty member will be advised in writing by the administrative head as soon as it has been decided that the appointment is not to be renewed. This decision shall be made by the administrative head with the approval of the appropriate appointing authority. This notification will be given to the faculty member in accordance with the following:

Type of Appointment	Year of Employment	Minimum Advance Notice in Calendar Months
Annual (twelve-month)	1	3
Annual (twelve-month)	2	6
Annual (twelve-month)	3 or more	12
Academic (nine-month)	1	3*
Academic (nine-month)	2	6*
Academic (nine-month)	3 or more	9*

*Excluding three summer months

These notice provisions shall not apply in situations involving extraordinary circumstances, such as financial exigencies or elimination of function.

2. Resignation

A member of the faculty with teaching responsibilities is expected to complete the academic year unless the appointment is for a shorter term. Any member of the faculty with teaching responsibilities who has decided to terminate services with the University is expected to notify his or her dean in writing at the earliest possible opportunity, but not later than March 15. A faculty member without teaching responsibilities is expected to give at least two (2) months' notice, and principal administrative officers are expected to give at least four (4) months' notice. The faculty member may properly request a waiver of this requirement of notice in case of hardship or in a situation where he or she would otherwise be denied substantial professional advancement or other opportunity.

Unless otherwise mutually agreed, a faculty member who terminates service without giving due notice or who fails to complete an academic year or other term for which he or she may have been employed, except under extraordinary circumstances, is regarded as having broken the terms of the contract of employment with the University.

Breach of contract may place the University in a position of hardship in meeting its responsibilities to its students and services to the state. Such action is regarded also as a breach of professional ethics. A

complete account of any irregular resignation may be written into the permanent record of the person concerned.

Resignations should be submitted as early as possible and must be submitted in writing at least sixty (60) calendar days prior to the separation date. Indefinite and fixed term faculty may properly request a waiver of the notice requirement in case of hardship or in a situation where they would otherwise be denied substantial professional advancement or other opportunity.

3. Under Extraordinary Circumstances

a. Financial Exigency

Termination of a tenured appointment or any other appointment before the end of the period of appointment may be based on financial exigency or the discontinuance of a program or department of instruction, research, or service.

A financial exigency exists when the president or designee, after consultation with the principal administrative officers and with the Faculty Senate Steering Committee, Faculty Senate Budget Committee, and Faculty Affairs Committee, has determined and declared that a budgetary crisis, legislative mandate, and/or other causes constitute the exigency, and that determination has the concurrence of the Board of Regents. The president will recommend one or more groups of faculty members to review proposed terminations, and the Faculty Senate Steering Committee and Faculty Affairs Committee will approve the appointments to the committee. Criteria for judgments determining where termination of appointments may occur will be developed and distributed to the faculty. The criteria will include considerations of institutional needs and educational policy, including affirmative action, as well as faculty status and length of service.

For indefinite and fixed-term faculty, notification to the employee(s) involved must be delivered in writing sixty (60) calendar days prior to the terminal date; or in cases where the terminal date of the current appointment necessitates an interval of less than sixty (60) calendar days, termination will be concurrent with the effective terminal date of the current appointment. If a decision to discontinue a program is rendered during the summer months and a verbal expectation of employment has been given to an indefinite or fixed term faculty member, notice will be delivered in writing as far in advance as possible that employment will not be available for the coming school year.

b. Discontinuation of a Program

If the University determines that a budget reduction, reallocation of resources, realignment of academic priorities, or other comparable extraordinary circumstance should be met in whole or in part, by discontinuing a program with the result that faculty positions are eliminated, the provost shall simultaneously provide a written notice of the proposed action to the Faculty Senate Steering Committee, the Faculty Affairs Committee, and the dean and faculty of the affected program.

The notice shall state the rationale for the proposed action in light of long-range institutional considerations and include the documentation used by the provost in making the proposed action. Types of documentation used may include any of the following: reports from periodic reviews of the program; accreditation reviews of the program; performance data gathered and maintained by the program, department, school, college, or campus; and any other information that reflects on the program and/or long-range institutional considerations.

The notice shall inform recipients of the procedures in the Faculty Manual for responding to the proposed action. The notice and relevant documentation may be provided in hard copy or electronically.

Faculty who are in the affected program shall have fifteen (15) business days from the date the notice is sent to submit a written response, individually or collectively. The response shall include additional documentation, if any, relied upon by the faculty. Faculty responses and relevant documents shall be submitted in writing, either hard copy or electronically, to the provost, and shall be due in the Provost's Office at 5:00 p.m. PST on the 15th business day and shall be copied to the Faculty Senate Steering Committee and the Faculty Affairs Committee.

The Faculty Senate Steering Committee shall schedule a meeting of the Faculty Senate at which affected program faculty will be provided an opportunity to present their response. An opportunity will also be provided at the meeting for discussion of the proposed action by Faculty Senate members and other interested parties. The Faculty Senate Steering Committee may limit the speaking time at the meeting for each individual in order to allow all who wish an opportunity to speak. The meeting shall occur within sixteen to twenty (16 to 20) business days from the date the notice is sent by the provost.

Following the meeting, the Faculty Affairs Committee and the Faculty Senate Steering Committee, and/or their designees, shall have eight (8) business days to submit written comments to the provost. The provost shall consider these comments before making a final decision on discontinuation of the program(s) in question.

c. Placement in Another Unit

Before an appointment is terminated because of discontinuance of a program of instruction, research, or service, the institution will make reasonable and good faith efforts to transfer the affected faculty member to a suitable position for which he or she is qualified. If relevant qualifications are equal, priority will be given to tenured faculty according to higher rank. Terms of the new position will be negotiated with the faculty member.

The University's obligation under this section shall not cease until the end of the faculty member's notice period, unless a reasonable offer of employment was made and rejected.

d. Reappointment After Termination

If an appointment is terminated before the end of the period of appointment because of financial exigency or because of discontinuance of a department or program of instruction, research or service, the released faculty member's appointed position will not be filled by a replacement within a period of three (3) years, unless the released faculty member is offered suitable reappointment and thirty (30) calendar days to accept or decline reappointment.

e. Notice Period

Termination may be effective for all faculty, including those on academic-year appointments, on any day of the calendar year. Tenured faculty members holding annual (twelve-month) appointments shall be entitled to receive at least twelve calendar months' notice in advance of termination for reasons of financial exigency or discontinuance of a department or program of instruction, research or service. Tenured faculty members holding academic-year (nine-month) appointments shall be entitled to at least nine calendar months' notice in advance of termination for reasons of financial exigency or discontinuance of a department or program of instruction, research or service, provided that the three summer months, not part of the usual academic year (May 16 to August 15 under the current academic calendar) shall not be included when computing notice requirements. Nontenured faculty members shall be entitled to minimum advance notice of termination of services for reasons of financial exigency or discontinuance of a

department or program of instruction, research or service in accordance with the table in III.E.1 ~~following:~~

~~Type of Appointment~~	~~Year of Employment~~	~~Minimum Advance Notice in Calendar Months~~
~~Annual (twelve-month)~~	~~1~~	~~3~~
~~Annual (twelve-month)~~	~~2~~	~~6~~
~~Annual (twelve-month)~~	~~3 or more~~	~~12~~
~~Academic (nine-month)~~	~~1~~	~~3*~~
~~Academic (nine-month)~~	~~2~~	~~6*~~
~~Academic (nine-month)~~	~~3 or more~~	~~9*~~

~~*Excluding three summer months~~

Where less than the required notice is given prior to termination, the faculty member shall be entitled to receive at the time of termination one-twelfth of his or her current annual salary, on an annual appointment, or the faculty on an academic year appointment shall be entitled to one-ninth his or her current annual salary for each month less the required notice. The University may, at its option, make regular monthly severance pay payments from the date of termination until the expiration of the appropriate notice period, commencing the date notice of termination is given, unless there is an agreed settlement on or before the termination date of the total amount of severance pay to be paid to the faculty member.

In the event that a faculty member who has received notice of termination for reasons of financial exigency or discontinuance of a department or program of instruction, research or service secures new employment prior to the effective date of the termination, he or she shall provide the University with immediate notice, including the effective date of new employment. In these cases, the University shall waive the requirements for resignation notice that would otherwise apply.

f. Appeal Procedures

1. Each faculty member notified of termination for reason of program discontinuance or financial exigency shall have the right to appeal to the Faculty Status Committee (FSC) regarding whether the financial exigency or program discontinuance is bona fide or the faculty member was properly identified as a member of the eliminated program; and the university's efforts to place the faculty member in another suitable position for which he/she is qualified. An appeal regarding the determination of exigency or program discontinuance, or identification of a faculty member within a program must be filed within thirty (30) calendar days of the date on the faculty member's notice of termination. An appeal regarding efforts to place the faculty member in a suitable position must be filed within thirty (30) calendar days of the final decision on placing the faculty member in a suitable position. Grounds for all appeals include substantial procedural irregularity, inadequate consideration, and/or violation of the faculty member's academic freedom.

2. If an appeal is filed with the Faculty Status Committee, the committee shall determine its own procedures for reviewing the matter, in a manner consistent with state and federal law, shall conduct its review as expeditiously as possible, and shall report its findings and recommendations to the president, or designee, and to the faculty member appealing, within one hundred twenty (120) calendar days after the appeal is made. The committee may elect to count only days of the academic year in the one hundred twenty (120) day period as long as the president's decision can be rendered before the termination date of the faculty member. Following the faculty member's receipt of the FSC report he/she shall have fifteen (15) calendar days to provide the president with a written response to the report. The president shall

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consider both the FSC report and the faculty member's response, if any, in making a final decision and shall notify the faculty member of that decision within thirty (30) calendar days after receiving the FSC report. See the table below.

Faculty Status Committee Investigation: 120 calendar days

Faculty Member's Written Response: 15 calendar days

President's Final Decision: 30 calendar days

4. For Cause: Violation of the Faculty Code of Professional Ethics or Faculty Conduct Subject to University Discipline

See Section II.F, II.G, II.H.

5. For Cause: Physical and Mental Health Reasons

A faculty member may be suspended or have his or her appointment terminated when physical or mental conditions prevent the faculty member from performing the essential functions of his or her position. Normally, solutions to such matters would be resolved through efforts of department chairs and unit heads, deans, appropriate central administrators, and the University Ombudsman. When these efforts do not result in a satisfactory solution, the procedures described below shall be followed. In all matters related to this issue, the University's policies on accommodation of persons with disabilities and all applicable laws shall be followed; to the extent those provisions may be inconsistent with the procedures set forth in this section, the provisions of this section shall be modified to conform with those other strictures. Human Resource Services should be consulted on issues related to the disabilities laws.

The informal and formal procedures, if needed, shall parallel the procedures for disciplinary cases, except as follows. A Statement of Inability to Perform Essential Job Functions Due to Physical and Mental Health Reasons would replace the Statement of Charges. The Statement of Inability to Perform Essential Job Functions Due to Physical and Mental Health Reasons would be in the context of quality of performance due to physical and mental health reasons rather than violations, or if the latter, only incidentally so. Any suspension or termination would be for physical or mental health reasons.

If a formal hearing procedure is necessary, a Hearing Panel will be chosen by the Faculty Status Committee and will be comprised of three members, at least two of whom will be members of the faculty or University Health and Wellness Services chosen with regard to the mental health problems at hand. The charge of the hearing panel is to determine that a physical or mental health problem underlies inadequate performance. The panel may or may not further identify the specific health problem.

The ultimate disposition may be suspension or termination. Such disposition shall not preclude the opportunity for a faculty member to receive salary continuation as provided by the University's insurance program. In cases of suspension there may arise a need for reconsideration if physical and mental evidence warrant. Reconsideration would be made at the request of the faculty member or immediate supervisor no more frequently than once each year and granted at the discretion of the same (if feasible) hearing panel.

In a given health situation, it may be that the need for the special procedure above may not be identified until after various stages of disciplinary procedures have been followed; in that case, in the discretion of the Faculty Status Committee (during informal procedures) or of the Hearing Committee (during formal procedures), the procedures of this hearing panel may be adopted. At any stage of the procedures whatsoever, the faculty member may ask that the special physical and mental health procedures be considered for adoption.

In all cases in which a Termination for Cause due to Physical and Mental Health may be pursued, the faculty member should be referred to the Human Resource Services Benefits unit to be informed of Retirement because of Health Condition, and possible benefits associated therewith.

6. For Cause: Unsatisfactory Performance

Indefinite research faculty compensated by extramural grant funding may be terminated if their performance is deemed unsatisfactory by the principal investigator of the research grant or contract to which their salary is charged. Indefinite faculty have access to advice from the Office for Equal Opportunity, the University Ombudsman, and the Faculty Status Committee.

III F. Retirement

1. Retirement Age

There is no mandatory retirement age for Washington State University faculty. Eligibility for a monetary benefit from the faculty member's retirement plan is determined by the rules of the plan the individual is participating at the time of the separation from employment.

Retiring prior to one's federally defined full retirement age will reduce Social Security benefits.

Eligibility for medical, dental and or life insurance after retirement is determined by the Health Care Authority rules. A Medical Expense Plan benefit may be available to non-teaching, non-research faculty who accrue sick leave.

Faculty members hired prior to July, 2011, who are at least age 62, with at least 10 years of service may be eligible for a Supplemental Retirement Plan benefit at the time or retirement.

Notification of retirement should be provided within the same time frame identified in the Resignation section. Information is available from Human Resource Services online at www.hrs.wsu.edu/Benefits/ .

2. Retirement Because of Health Condition

In the event an employee may no longer be able to perform the duties of his/her position due to a serious health condition, he/she may be eligible for Retirement. If this were to occur prior to the individual reaching age 62, and if he/she had at least 10 years of service, he/she may be eligible for a Supplemental Retirement Plan benefit, and other insurance options. If an individual pursued a retirement because of health condition, he/she will follow the processes identified in the WSU Retirement Plan and/or it Guidelines and Directives, perhaps in lieu of the termination for cause due to Physical and Mental Health Reasons.

The faculty member should be referred to the Human Resource Services Benefits unit to discuss this option.

3. Phased Retirement System

Washington State University Phased Retirement Plan is a program designed to give participants in the WSU Retirement Plan an opportunity for pre-retirement reduction of full-time service while gradually phasing into retirement over a period of years. Phased retirement is intended to support the University's excellence. It permits the University to retain the services and contributions of senior faculty and administrative professional staff while enabling participants to continue to remain in their profession and to build additional financial security for the future. The Phased Retirement Plan provides an opportunity for individual career flexibility and forms an important part of the long-range personnel resource

management of the University. The Plan also assists in diversifying the University's work force by releasing positions and funds that can contribute to renewing its personnel resources. The WSU Retirement Plan Phased Retirement Plan is a voluntary and mutually agreed upon arrangement between the University and the participant.

The Phased Retirement Guidelines, which include eligibility criteria for participation is available on the Human Resource Services web site at www.hrs.wsu.edu, under "Retirement Information" within the Benefits link.

4. Indefinite Faculty

Indefinite faculty who have been reappointed beyond their original appointment and who intend to retire should address a letter to their immediate supervisor and to the Human Resources Benefit Unit if the employee has paid into a retirement system through the University. Notice of retirement at the end of the current appointment should be submitted as early as possible. A minimum of sixty (60) calendar days' notice is appropriate

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III G. Emeritus Faculty Appointment

1. Eligibility

Emeritus rank is granted in recognition of service to Washington State University.

To be eligible, faculty must be either age sixty or older with ten or more years of service at the University or have completed twenty-five (25) or more years of service to the University, AND have held an eligible non-tenure or tenure track rank at Washington State University for a period of at least five (5) years prior to leaving the University.

Upon retirement, the chair or director will inform Human Resource Services to assign the eligible retiring faculty members ranks to emeritus faculty rank. Human Resource Services will note this designation on the retirement Personnel Action Form (PAF), if the assignment has occurred by the time the form is initiated.

2. Notification of Granting of Emeritus Rank

A letter of recognition will be sent by the provost to each faculty retiree named to an emeritus rank.

3. Privileges of Emeritus Rank

The Emeritus rank shall entail continued campus courtesies including the options to

1) use library and recreational facilities;
2) receive publications sent to active faculty and members of the Alumni Association;
3) participate in contract, grant, and other scholarly endeavors;
4) negotiate with academic chairs or directors for office space, laboratory space, and computer (retain internet, e-mail, and other cloud services available to faculty at large) and facility access as available;
5) participate in academic convocations, commencements and other academic endeavors; and
6) request that their names be retained in the University catalog until their death.

Emeritus faculty status is the last earned rank that will be accorded to eligible faculty upon their retirement. Emeritus faculty are encouraged to remain an important part of the University. Department chairs and unit directors are encouraged to assist emeritus faculty in maintaining a continuing relationship

with the department, school, college, and University as is feasible and mutually acceptable. “The Ethics in Public Service Act (RCW 42.52) provides that state employees cannot use state resources for personal benefit or their state positions to obtain special privileges.”

Section IV: University Policies Affecting Faculty

IV A. Procedures And Records

1. Payroll Procedures

Each employee signs an Employee's Withholding Exemption Certificate, Form W-4, as required by the United States Treasury Department, before being placed on the payroll. Ordinarily, a faculty appointee will have received this form, together with a copy of the Faculty Manual prior to the start of employment. The Form W-4 is to be completed, signed, and returned promptly to Payroll Services. The social security number is a basic identifying number in the Washington State University payroll system and must be shown on the Form W-4 if the employee has a number. A copy of an application for a social security number may be submitted with the Form W-4; an employee will not be placed on the payroll until a social security number is received. For other purposes, disclosure of the faculty member’s social security number shall be voluntary, and refusal to disclose that number shall not be grounds for denying a faculty member any right, benefit or privilege provided by law. If the faculty member refuses to disclose his or her social security number for such other purposes, the University shall assign a random number to that faculty member for its record-keeping purposes.

Payment for annual leave for faculty who retire, resign, or terminate their employment and who are entitled to a lump sum payout for accrued annual leave will be paid on the first payroll date following the last day worked. Faculty who retire, resign, or terminate their employment, and who are not entitled to a lump sum payout for accrued annual leave will be maintained on the payroll until the accrued annual leave is exhausted with usual payroll procedures applicable. academic-year faculty do not earn annual leave.

An employee may sign an authorization in Payroll Services to have the payroll check sent directly to a bank. If no authorization is signed, the check will be sent to the employee's home address. In either case, the check will be mailed on official University pay dates established in conjunction with the state legislature or by regulation. These dates are listed in the Payroll Documents Schedule. (For information about this schedule see the BPPM 55.04) Washington State University is prohibited by law from paying salary in advance.

2. Personnel Records

A permanent cumulative personnel record is maintained for each member of the faculty. Material submitted by deans and department chairs, pertinent correspondence, and other information also become part of the cumulative record. Anonymous communications relating to faculty members are not made a part of the personnel files.

3. Faculty Work Load

Washington State University does not specifically prescribe a division of workload for each faculty member, but, each unit is obligated to specify the proportion of duties that individual faculty will devote to teaching, research/creative activity, and service.

IV B. Policies On Waiver Of Tuition And Fees For Permanent Employees

The objective of this policy is to allow half-time and full-time permanent employees of Washington State University to take advantage of educational opportunities for both professional and personal fulfillment and development. This policy is consistent with chapter 82, laws of 1979 of the state of Washington (RCW 28B.15.558).

1. Eligibility and Enrollment Restrictions

a) Eligibility

(1) Faculty, on permanent, half-time to full-time, nine or twelve-month appointments are eligible

(2) Faculty on temporary, full-time, nine- or twelve-month, USDA/Agriculture Research and ROTC appointments are eligible

(3) Employees who are not eligible for the tuition and fee waiver are faculty on adjunct appointment; retired faculty, undergraduate and graduate assistants, associates, or others holding positions with student status

b) Limitations

(1) Up to six (6) credits in any one semester or four (4) credits in the summer session (including audited course work and courses offered at any of the Washington State University campuses) may be taken by eligible employees under the provisions of this tuition waiver

(2) Eligible employees desiring to take more than six (6) credits in a semester or four (4) credits in the summer will pay regular tuition and fees for all credits

(3) Tuition-exempt employees will be admitted to classes when space and facilities are available; i.e., in cases requiring limitations of class size, tuition-exempt employees will have lowest priority

(4) Tuition-exempt employees will have the responsibility for paying a non-refundable five ($5.00) dollar registration fee, plus any special course fees laboratory, late registration, and so forth

(5) Tuition-exempt employees are not eligible for student benefits under this program

2. Implementation of the Program

The tuition waiver applies to all courses except internships and courses numbered 499, 600, 700, 702, 800 and tutorials, private lessons or practicums; Extended Degree Program or flexible enrollment courses; those designated as supplemental or self-sustaining, whether or not the course work is job-oriented.

a) Procedures

(1) Authorization for the employee to take classes must be given by the immediate supervisor and/or the head of the department or unit. The appropriate personnel officer from Human Resource Services (French Administration 139) must determine the employee's eligibility to take classes and sign the authorization form

(2) At the discretion of the employer, an employee authorized to take a class that is job-related may or may not be required to make up the time

(3) When a full-time employee is authorized to take a class that is not job-related, the supervisor should arrange, in a cooperative effort, for the employee to make up work missed during the employee's absence to attend class

(4) The employee should provide a copy of his or her class schedule to the supervisor so arrangements can be made to maintain the employee's work responsibilities while he or she is attending class

IV C. Policy On Pursuit Of Advanced Degrees At Washington State University

In special circumstances faculty members may pursue programs of study leading to advanced degrees at Washington State University. Requests to do so are considered on a case-by-case basis by the dean of the Graduate School and the Graduate Studies Committee. Approval is subject to all rules and regulations of the Graduate School and requires the concurrence of the Graduate Studies Committee. Review of applications will include consideration of factors such as

1. Abstention from service on the Washington State University Faculty Senate, Graduate Studies Committee, and Research and Arts Committee
2. Avoidance of situations which may constitute a conflict of interest
3. Impact upon the unit in which a faculty member is appointed
4. Preparation in advance of admission of a general program of study with a stated timeline and
5. Abstention from pursuit of degrees in units which are administratively related to the faculty member's unit.

IV D. Policy On Compensated Outside Service By Faculty Members—Consulting

1. General

Washington State University encourages worthwhile professional outside services by faculty.

Full-time faculty members are compensated for full-time service to the University in instruction, research, public service, extension, or combinations of these responsibilities. The University expects that each full-time faculty member will assume a proper share of the functions and responsibilities of the department, college, or other equivalent administrative unit, and the University.

University employees, as consultants, can be valuable resources to government, industry, and public and private organizations. The University encourages consulting that does not interfere with the employee's performance of University duties and when no conflict of interest exists. Under certain circumstances and within certain limits, a faculty member may receive compensation for outside professional service work beyond the scope of prescribed duties.

2. Guidelines

The following guidelines are intended to provide for certain employees to engage in a limited amount of outside work for pay and to protect the integrity of the employee-public university work relationship.

a) Consulting

Consulting, which must be consistent with the University's mission and enhance the faculty member's professional development, includes consulting, advising, research, demonstrating, or teaching for others in areas of professional competence for which the faculty member is employed by Washington State University. Not included is appearance on the program of a scientific or scholarly meeting attended mainly by professional peers or outside profit-making business activities engaged in for personal monetary gain. Some such activities are covered in section IV.E Extended Professional Activities.

b) Non-Interference with Professional Duties

Outside work must not interfere with a faculty member's normal official University duties, including those non-classroom responsibilities expected of all faculty members.

c) Remuneration

Compensation for outside work includes salaries, fees, honoraria and gifts beyond actual expenses. No compensation may be accepted by faculty members for tutoring students in courses they teach.

d) Solicitation

Attempts to arrange outside work must be consistent with state law (RCW 42.52 especially 42.52.120 and .160) and University policy.

e) Limit and Approval

The University values faculty-student exchanges and high quality of performance of duties. Therefore, without special consent of the dean or other comparable unit administrator, and of the provost, on recommendation of the department chair, full-time faculty are allowed to spend the equivalent of one day per week in outside work for each week worked equivalent to the entire year of employment. All outside work must be disclosed promptly and reported annually by the faculty member to the department chair or comparable unit administrator. Such work by a department chair or dean must be reported to the provost. These provisions do not apply to full-time faculty on nine-month appointments outside periods of obligated service.

Part-time faculty members may be self-employed or may accept additional employment outside the University as long as the employment inside of and outside of the university do not exceed a full-time position.

The department chair, or other comparable unit administrator, must determine in each specific case whether outside professionally related service activities by an employee are interfering with official University duties. If, contrary to expectation, such activities prove in the judgment of the department chair or comparable unit administrator to interfere with prescribed standard University duties and obligations, the faculty member must either seek an acceptable revision of outside work activities or apply for a partial or full leave of absence. A faculty member deemed not to be meeting University obligations will be dealt with as provided in the Faculty Manual.

f) Use of Facilities

University facilities (equipment, materials, space, or clerical service) may not be used in connection with compensated outside professionally related service work.

g) Responsibility

The University assumes no responsibility for the competence or performance of a faculty member who engages in outside work for compensation. No such responsibility may be implied in any advertising or contractual documents. University stationery may be used only for official University business.

IV E. Extended Professional Activities

1. General

The policies and procedures of WSU should allow the expertise of University faculty and staff to be available to society without interfering with University programs or academic freedom, and without leading to conflict of interest.

A University employee's commercial involvements may at times go beyond ordinary relationships arising from normal duties, professional affiliations, and consulting agreements and thus may not be covered by University policies on extra compensation, patents, and copyrights. These extended involvements also raise the possibility of conflicts of interest, constraints on the free exchange of information, or excessive diversion from the employee's primary responsibilities to the University. The following policy and procedures for disclosure and approval of extended professional activities apply to extended involvement and permit supervisors flexibility for dealing with unusual situations.

As used in this section, the word supervisor means chair and dean or director for faculty who are not administrators; dean or director for chairs; the provost for deans, directors, and vice provosts; the president for vice presidents and the provost; and the unit head (chair, dean, director, vice president, provost, or president) for staff. Supervisors bear responsibility for approval of activities under this section. However, as part of the approval process, supervisors should review their actions with the provost.

2. General Provisions

a) Activities for which approval shall be obtained under this policy include the following:

(1) Ownership of substantial equity in a commercial enterprise that carries on activities closely related to the employee's area of University work

(2) Holding a line management position in such a commercial enterprise

(3) Participation in the day-to-day operations of such a commercial enterprise

(4) Assumption of an important continuing role in the scientific or technical aspects of such a commercial enterprise

(5) Transfer, for personal gain, to a commercial enterprise of nonpatented technology or potentially marketable information developed in University research programs

In case 5, approval from the Intellectual Property Committee as well as the supervisors is required.

b) Activities for which approval need not be obtained under this policy include the following:

(1) Minor holding of stocks

(2) Uncompensated service on boards of directors and, in some instances, compensated service on company boards when this service does not conflict with the employee's University obligations

(3) Ownership of or equity in a corporation used solely for the employee's consulting as reported under the policy on extra compensation

The supervisor may determine that outside activities of certain temporary or part-time employees do not conflict with the University position and therefore exempt them from the requirements of this section.

c) Requests for approval of such commercial involvements must disclose

(1) Nature of the relationship with the commercial entity

(2) Short- and long-term commitment of time and effort

(3) Financial aspects, including extent of compensation, equity, indirect or potential economic value

(4) Expected benefits to the commercial entity

(5) Expected benefits to the employee and to the University

d) Supervisors should consider the following factors for acceptability of such requests:

(1) The relationship should benefit the employee and the University

(2) The relationship should not interfere with the employee's primary obligations to the University, nor should it detract from the integrity of the University; in particular, there should be no conflict of interest as defined in RCW 42.52

(3) The employee's total time commitment during periods of obligated service, averaged over the term, to commercial involvements and outside work of all kinds should not exceed one day a week

(4) There must be no anticipated distortion of academic programs or direction of students, the protection of whose intellectual property should receive special attention

(5) There must be free access to the results of all research conducted at the University

(6) With rare exceptions, holding a line management position or participating in day-to-day operations in a commercial entity should not be approved for full-time employees; employees may engage in such activities if their appointments to the University are at an appropriate level less than full time

(7) If the applicant for approval is a department chair or program director, the request should be consistent with unit goals, which the supervisor should determine by consulting representative members of the unit

e) The information disclosed by the employee and a record of the supervisor's action on the employee's request shall be transmitted to the provost and placed in the employee's file where it will be protected from public disclosure to the extent permitted by law. Moreover, the supervisor shall not disclose financial aspects of the request except to his or her own supervisors.

3. Appeals

Negative decisions by the supervisors may be appealed to the provost. When this occurs, the provost shall establish a suitable review process in consultation with the Faculty Status Committee. The appeal shall be filed within fifteen (15) business days of the decision and the provost shall reply within thirty (30) business days after receiving the appeal.

4. Evaluation

a) By November 1, each employee who in the preceding year has had commercial involvements in areas related to his or her University responsibilities approved under the provisions of this section shall submit

a summary of those activities to the approving supervisor(s) with a copy to the provost. Review may result in revision of activities based on apparent or emerging conflicts with University policy

b) Before the end of each fall semester, the deans, directors, and vice presidents shall review employee commercial involvements, as treated in this section and reported under l, and prepare an evaluative report for the president

c) The summaries and reports required in items a) and b) may be combined with those prescribed for outside consulting. See also BPPM 60.44

IV F. Intellectual Property

1. Introduction

a) Intellectual property is the inherent value produced by human creativity and invention, protected by law from unauthorized exploitation by others, and includes patents, copyrights, trademarks, plant variety protection certificates, and other proprietary information.

b) The University's patent and copyright policies are intended to encourage a healthy atmosphere conducive to research and development through a system of rewards and incentives for the creation of intellectual property while at the same time giving proper consideration to the responsibilities that the University has as a public land-grant university.

c) The strength of the University lies in its employees. The University's policies can provide invaluable assistance in bringing employee ideas to development and fruition within a framework of mutual trust and collegiality.

d) These policies are intended to spell out the responsibilities of the University and its employees and establish a framework for ethical conduct. While employees are encouraged to consider the potential market value of their inventions, they shall not be held liable for failing to recognize a potentially patentable invention. Nothing in this policy shall be construed as abridging a faculty member’s academic freedom in the classroom.

e) Employees of Washington State University may create copyrightable works, patentable, and otherwise protectable discoveries. In some cases, it is desirable in the public interest to seek University intellectual property protection for these works and discoveries. Commercialization through licensing the use of the property provides an opportunity for both income to the inventor and support for further University research and scholarship.

f) This Intellectual Property Policy applies to all University employees. For the purposes of this Intellectual Property Policy, “employee” shall be defined as any person receiving compensation for service, or any person volunteering services for the benefit of the University. Employees shall include, but not be limited to, faculty, administrative and professional personnel, classified staff, research fellows, staff assistants, and all other student employees. “Faculty” shall be defined as permanent and temporary teaching, research, service, extension, library, or graduate teaching and research assistants, visiting scientists, and postdoctoral researchers. The uncompensated activities of students in furtherance of their education shall not be considered service that benefits the University within the meaning of this policy unless an agreement exists to the contrary.

g) All employees accept the terms of these policies as conditions of employment or gratis association. Employees shall agree to execute an assignment of their future patentable works and discoveries to the University. These policies may be modified by the administration with approval from the Board of Regents after consulting with faculty and staff of the University.

2. Applicable Laws

a) Federal law governs the creation of intellectual property. The United States Constitution, Article III, Section 8, gives to Congress, in order to promote the progress of science and the useful arts, "the power to grant, for limited periods of time, to authors and inventors, the exclusive right to their respective writings and discoveries." The Copyright Act, in Title 17 of the United States Code, sets out the requirements by which an author of literary, artistic, and similar works may obtain copyright protection, and provides that in the case of a "work made for hire," the employer is the author for copyright purposes, 17 U.S.C. § 201(b). The Patent Act, in Title 35 of the United States Code, sets out the requirements by which inventors of new and useful processes, machines, manufactures, or compositions of matter may obtain patent protection.

b) The Washington State Ethics Law (Ethics Law), RCW 42.52, and the rules promulgated pursuant to the law, restrict the use of state resources for private purposes, and state employees are individually responsible for complying with this law. For Ethics Law purposes as it relates to this policy, state employees are defined as all faculty, staff, and students employed by the University. The Ethics Law provides that "No state officer or state employee may employ or use any person, money, or property under the officer's or employee's official control or direction, or in his or her official custody, for the private benefit or gain of the officer, employee, or another," RCW 42.52.160. However, the Ethics Law allows state officers and employees to receive "honoraria" if "authorized by the agency where they serve." Honoraria is defined in the Ethics Law to mean "money or thing of value offered to a state officer or state employee for a speech, appearance, article, or similar item or activity in connection with the state officer's or state employee's official role," RCW 42.52.010(11).

c) Consistent with the Ethics Law, this policy authorizes University employees, under defined circumstances, to retain ownership to certain intellectual property created with University resources. Additionally, this policy authorizes University employees to receive royalty payments from commercialization of certain University-owned intellectual property that they created.

3. Intellectual Property Committee

a) The Intellectual Property Committee serves as an advisory committee to the vice president for research on all University intellectual property (i.e., patent, copyright, trademark, and proprietary information) especially with regard to University policy on these matters. All members of the committee shall hold confidential all matters coming before the committee regarding specific intellectual property.

b) The composition and tenure of the Intellectual Property Committee shall be

(1) Six faculty with three-year terms, one of who will be appointed chair. The Faculty Senate may suggest faculty members to be considered by the president.

(2) Two deans or associate deans of the colleges for three-year terms.

(3) One member of the administrative and professional personnel or staff, with a three-year term.

(4) The director of the Office of Commercialization (OC) who serves as secretary to the committee, and the director of the Office of Research Support and Operations. Both directors act as ex officio members to the committee.

(5) The vice president for research, who serves as an ex officio member of the committee.

c) The quorum required for voting at a committee meeting must be no fewer than five voting members; three of whom must be faculty.

4. Office of Commercialization

a) The Office of Commercialization (OC) (http://commercialization.wsu.edu) serves the University and its employees by promoting the transfer of technologies, encouraging the disclosure of intellectual

property, conducting preliminary reviews of commercial potential of invention disclosures, and determining copyright and patent protection and licensing of intellectual property, OC manages invention disclosures, patenting , license agreements, marketing efforts, federal reporting, and royalty income. The professional staff includes the director, program administrative manager, and technology licensing associate(s).

IV G. Patent Policy

An invention may be a design, process, code, biological material, or device that shows novelty, usefulness, and non-obviousness. A patent is a contract between the inventor and the government to allow the inventor exclusive rights to make, sell, or use the invention for a definite period of time (generally 20 years from the filing date). Plant Variety Protection, international Plant Variety Rights, and international patents are other forms of invention protection. Transfer of biological material, software source code, or proprietary information may be protected through confidentiality agreements. For further information about patents, refer to the U.S. Patents and Trademarks Office at http://www.uspto.gov/ .

1. Scope of Policy

a) This policy applies to potentially patentable discoveries and proprietary information which are developed using Washington State University equipment, supplies, facilities, employee time, or proprietary information, or which relate directly to the University's business, research, or development. The University will be assigned ownership in patents and other tangible research property developed by its employees as a result of their University research or employment. The policy and the patentable discoveries are administered by the University through its Office of Commercialization (OC). The University does not claim rights in inventions for which no equipment, supplies, facilities or proprietary information was used and which was developed entirely on the employee's own time.

2. Sponsored Research

a) Where the invention has been developed through research sponsored by a grant or contract with the federal government (or its agencies), it must be reported to the agency and the agency joins the University to determine distribution of the rights in the invention, to determine if patent prosecution should be sought, and how the patent should be administered or disposed of in the public interest. The WSU Office of Grant and Research Development (OGRD) is responsible for the submission and acceptance of sponsored projects to the University. For further information, you may refer to OGRD's home page at http://www.ogrd.wsu.edu /.

b) Where private industry or foundations have sponsored research, licensing of patents or other intellectual property shall be negotiated between the sponsor and the University, or the University's designee where appropriate. The University will strive to protect the financial interests of all and ensure that the University retains the traditions of self-governance and academic freedom. The University, on behalf of its constituent colleges, schools, or departments, will not accept grants or enter into agreements for the support of instruction or research that confer upon an external party the power to censor, unduly delay, or exercise effective veto power over either the content of instruction or the publication of research. Publication of research findings may temporarily be delayed in order to protect patent rights or permit the research sponsor to review the proposed publication for the sole purpose of identifying proprietary information furnished by or belonging to the sponsor.

c) The University normally retains ownership of property developed under sponsorship agreements and will negotiate rights to license the property. The proprietary rights of the University and of the University's employees shall be subject to the agreement between the sponsor and the University or its designee. Agreements with outside sponsors shall be approved by the vice president for research or his or her designees.

3. Disclosure of Potentially Patentable Discoveries

a) Prior to employment by the University and for the protection of the employee's interests at the time of employment, each new employee shall disclose to OC all inventions previously developed or being developed by the employee for the purpose of establishing his or her ownership rights to developments made.

b) While employed at the University, employees shall disclose patentable inventions and discoveries to OC for review. The director of OC will provide assistance in filling out forms for disclosure. Invention Disclosure forms may be found at http://www.oipa.wsu.edu/Documents/IDF/Invention_Disclosure .

4. Patent Ownership

a) The University or its assignee shall own the rights to all patentable property and other tangible research and scholarship developed as a result of University employment, or when the equipment, supplies, facilities, employee time or proprietary information of the University are used. After the employee terminates his or her Washington State University employment and is re-employed elsewhere, the University or its assignee retains ownership of subsequent inventions where the invention is a direct outgrowth of the University's business or University research and development.

b) Under the federal patent and trademark legislation of 1980 (35 U.S.C. § 200 et seq.), the University has the right of first refusal to title in inventions made in the performance of federal grants and contracts. The University or its assignee will assert title to and attempt to license inventions made with federal government funds so that the Congressional purpose of fostering the development of industry in the United States will be furthered.

c) For any patentable inventions and other discoveries in which the University, its assignee, or a sponsor has an interest, the employee shall execute promptly all assignments, waivers, and other legal documents necessary to vest in the University, its assignee, or the sponsor any and all rights to the invention, including assignment of any patents or patent applications.

5. Intellectual Property Inventorship and/or Ownership Appeals

This section applies to WSU faculty researchers, and should be construed to be consistent with the Executive Policy (EP) on Intellectual Property (IP). That EP applies to employees, graduate and undergraduate students participating in WSU research, and others who contribute to the creation of intellectual property and/or dispute the inventorship and/or ownership of intellectual property arising from WSU research.

NOTE: All notices, documents and appeals for the internal dispute resolution process outlined below must be submitted to the director of the Office of Commercialization (DOC) who will then deliver those to the appropriate unit/entity.

When inventorship and/or ownership is questioned, the Office of Commercialization (OC) will determine whether the IP is owned by the University, by the employee, jointly by two or more inventors, jointly by the University and the employee, by a third party or by an outside sponsor. If the OC determines that a third party has an ownership interest in the IP and that University also has an interest in the IP, the OC shall notify that third party and negotiate percentages of respective inventorship and/ or ownership. In such instances, if the OC deems it to be in the best interests of the University to release its rights to the invention, the OC may do so.

When a dispute regarding IP inventorship and/or ownership arises among the WSU faculty researchers, employees, graduate and undergraduate students or others participating in WSU research, the procedure below will be used to resolve the dispute. This procedure also applies to disputes regarding copyright and plant varietal disputes.

The researchers or others involved in the dispute are encouraged to try and resolve the dispute among themselves prior to pursuing the procedure outlined below. If the dispute is resolved, the matter reverts to OC for IP protection and commercialization as appropriate ("standard processing"). If the dispute is not resolved, it moves forward with the procedure outlined below.

(i) Determination by OC

(a) To initiate this process, at least one party to the dispute must deliver, in writing, a request for dispute resolution to the DOC. Within 5 business days of the receipt of the dispute resolution request, the DOC will notify the dean(s) of the affected college(s) and request the dean(s) review (and resolve if possible) the dispute within thirty (30) business days. If the dispute is resolved, the matter reverts to OC for standard processing. If the dispute is not resolved, it moves forward with the procedure outlined below.

(b) The DOC will review the basis of the dispute, which may include, without limitation, interviews, evidence obtained and other available information and make a determination. The OC will then prepare a written report, which includes a proposed resolution and/or recommendations and a determination, and present that report to the vice president overseeing commercialization activities.

(c) The DOC shall complete their review and determination of the dispute, or request additional time, within forty-five (45) business days of a dispute being returned to OC from the dean(s). If the DOC asks for additional time, the DOC must make a determination within thirty-five (35) additional business days, absent good cause for additional extensions. The vice president for research (VPR) has the authority to grant extensions. Extensions should be for a limited time to facilitate prompt dispute resolution.

(d) Within five (5) business days after receiving the report from OC, the vice president overseeing commercialization shall send written notice to the disputing parties of the DOC's determination.

If the disputing parties accept the DOC's determination, the matter reverts to OC for standard processing. If they do not accept the DOC's determination, one or more of the parties may send a timely appeal to the DOC as provided in Section 5.ii.a below. When an appeal is received, the dispute shall then proceed to the appeal procedure outlined below.

If the dispute is not appealed in a timely manner, the matter reverts to the OC for standard processing.

(ii) Process for appeal of OC determination

(a) The disputing parties shall have thirty (30) calendar days from the date the Office of Research mailed notice of the OC determination to deliver a request for appeal to the DOC. The DOC shall send the appeal to the Intellectual Property committee (IPC). The appeal shall be heard by the IPC within twenty business days of the notice of the appeal.

The IPC shall make a determination based on the hearings/interviews, evidence obtained and other available information within thirty (30) business days after the first IPC hearing of the appeal unless extension s are approved for good cause by the VPR.

The IPC may appoint an ad hoc sub-committee to gather evidence and make an initial recommendation. That recommendation must be made within sixty (60) business days. The sub-committee shall have an odd-number of members and the members must be selected as follows:

- One member of the IPC from, or related to, the college/non-academic unit from where the dispute arose, nominated by majority vote of the IPC; if no member of the IPC is from the affected college(s) or non-academic unit, the dean or head of the affected college or non-academic unit will appoint an individual from that college or non-academic unit.
- One member of the IPC to be selected from a college or non-academic unit distinct from the college/unit where the dispute originates, nominated by majority vote of the IPC.

- Two faculty members nominated by the VPR, one from the affected or related to the college/unit and one from a college or unit distinct from the affected college/ unit.
- Associate dean for research of at least one of the affected colleges.
- One representative from a non-academic unit nominated by the VPR.

The DOC and OC staff members may not be appointed to the sub-committee but may provide consultation and expertise upon the sub-committee's request. The sub-committee will analyze the information available, gather additional evidence as needed, and prepare a summary of its recommendation to the IPC.

The IPC will review the summary report and provide a Decision of Record to the VPR within twenty (20) business days of the sub-committee's report to the IPC. The Decision of Record shall include findings of fact and a determination of the dispute.

The disputing parties will be notified of the Decision of Record within five (5) business days of its determination by the VPR. If the disputing parties accept the Decision of Record, the matter reverts to the OC for standard processing. If not accepted, one or more of the parties to the dispute can appeal the Decision of Record by delivering a notice of appeal to the DOC within five (5) business days of the disputing parties being notified of the Decision of Record. The appeal shall be filed with the DOC who will forward the appeal to the VPR. The Decision of Record is appealable only for the following reasons:

(i)Substantial deviation from procedure;

(ii)Erroneous interpretation of policy;

(iii)Decision not supported by evidence that is substantial; or

(iv)Decision is arbitrary and capricious.

(b) The VPR shall review the record and issue the final decision ("Final Agency Decision") within five (5) business days of receiving the appeal. Alternatively, the VPR can request additional information from the IPC be provided to the VPR within thirty (30) business days and after review of that additional information enter a decision within five (5) business days after the receipt of the additional information which then becomes the Final Agency Decision.

(c) Following the exhaustion of this internal appeal process, the disputing parties will have recourse to settle inventorship and/or ownership by binding arbitration administered by the American Arbitration Association (AAA) under AAA Patent Arbitration Rules or by binding arbitration administered by an equivalent entity mutually agreed upon by all parties. The disputing party shall file the claim with any Washington office of the AAA within thirty

(30) business days of the VPR 's Final Agency Decision, and provide a copy of filing the claim to the Office of the VPR within the same time. Each party shall bear its own costs of the arbitration unless otherwise ordered by the arbitrator. The arbitrator 's decision will be final and binding ("Final Binding Decision"). Following the Final Binding Decision, the matter reverts to OC for standard processing.

(iii) Assignment responsibilities

After the determination by OC and exhaustion of the employee's right of internal and external appeal, any employee with an inventorship and/or ownership interest in the IP shall execute all necessary documents including assignment following standard processing per Section IV.G.5

(a) In the event an appeal results in ownership by the employee, the University shall formally release all claims to the employee's invention.

6. Publication and Disclosure to Third Parties

a) Once an invention is identified as potentially patentable, premature publication, public use, or disclosure of an invention can jeopardize the rights of the employee, or the university or its assignee to secure patent protection - particularly patent protection in other countries. In close consultation with the employee inventor and for the benefit of employee inventor, University, and possible licensee, there shall be no publicity or disclosure concerning the invention until patent applications have been filed. the OC shall act in a timely fashion in such cases so as to not unreasonably delay employee publications. All publicity, public reports, interviews, news releases, speeches, public disclosures, or public demonstrations of the invention subsequent to the filing of the application shall have prior clearance in writing from the University or its assignee.

b) This section shall not be applicable to sponsorship agreements that impose different obligations on disclosure.

7. Management of Patents

Patent protection, prosecution and commercialization through licensing are complex and expensive endeavors requiring active participation by the inventors and the University over a period of twenty (20) years after patent filing. For inventions that were enabled through sponsored research, the federal, state, or private sponsoring agency must be notified and allowed the right to patent the invention. If there was no enabling sponsored research, or the sponsor or the University declines to pursue the invention, then the invention rights will be returned to the inventor.

8. Division of Patent Royalties

a) All monetary proceeds from the commercialization of University-owned inventions are the property of the University or its assignee. The University or its designee will collect and distribute royalties, fees, equity interests, or dividends to inventors and the University in accordance with the procedures established by the University.

(1) The University or its designee will deduct the costs of obtaining and maintaining legal protection, for each invention, to arrive at "adjusted income" unless other arrangements, agreed to by all parties that share in the income, are made by the relevant campuses, research unit or program in advance of the expense and agreed to with the OC. Such arrangements may include contracted marketing, licensing and business development. In such cases, any agreed upon expenses will be deducted to arrive at adjusted income.

(2) The Office of Commercialization will deduct twenty percent (20%) from adjusted income and the remainder will be "net income." This deduction is directed toward covering the expenses (excluding direct patent expenses) for administering the OC and provides initial funds for patent prosecution for other inventions without obvious commercial partners.

(3) Net income will be distributed according to the following schedule.

Cumulative Net Income	Inventor/Contributor	University
$1-$10,000	100%	
Above $10,000	50%	50%

University's portion of the share will be distributed as follows:

30% to the University

20% to the college and department (or relevant campuses, research unit, or Program when appropriate) to be equally split between the two

(4) With consideration to other University priorities and policies, the University or its designee will distribute one-third of its share to the Office of the Vice President for Research to be invested in further research and technology efforts for the University, one-third of its share to be managed and maintained by the OC as an "enforcement fund" to be used for legal claims against University intellectual property, and the remaining one-third of its share to be used by the OC towards a "commercialization fund" to be reinvested in commercialization activities and projects.

(5) The OC enforcement fund allocation will be deducted only when necessary to maintain a $150,000 balance for all inventions under this section; the distribution to the OC Enforcement Fund will cease while the Fund maintains a $150,000 balance and the University share will then be distributed equally to the vice president for Research and the OC Commercialization Fund. Any enforcement expenses incurred above $150,000 would be shared by all parties that share in the income, in the proportion of their share of income, for that specific invention and will be deducted as legal expense in step IV.G.8.a.1. Any net proceeds, after expenses, earned as a result of enforcement will be used to first replenish the enforcement fund. Any net proceeds remaining after replenishing the Enforcement Fund will be added to adjusted income.

An advisory body comprising a representative from each of the inventor/creator/breeder groups contributing to the OC enforcement fund and other appropriate faculty and administrators will make recommendations on the use of the OC enforcement fund to the president via the Office of Commercialization. The president may then make recommendations to the Board of Regents who have the final authority to initiate a legal action on behalf of WSU.

b) In the event of multiple inventors, the inventors will agree among themselves as to the distribution of the income accruing to the inventors; distribution of the inventors' share shall be made only upon receipt of a signed agreement among the inventors.

c) The University or its designee may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to inventions or Copyrighted Works. Any equity interests acquired pursuant to this section shall be held and managed by the Washington State University's designee. Neither the Washington State University nor its designee acts as a fiduciary for any person concerning equity nor other consideration received under the terms of this regulation. Upon liquidation, the proceeds from the equity interests held by the University designee will be distributed according to the schedule in section IV.G.8.a.

9. Public Released Agricultural Research Center Plant Varieties

a) The research and development, patent or plant variety protection, and public release of plant varieties requires the cooperation of the plant breeder(s), funding agency (USDA), Variety Release Committees, WSU Agricultural Research Center (ARC), Washington State Crop Improvement Association (WSCIA) or similar commodity groups, and the OC. The distribution of research fees and royalties will follow this schedule:

b) Seed Propagated Crops

(1) In the case of contracted marketing, licensing and business development, all monies remaining after contractor expense will be distributed to WSU.

(2) The University or its designee will then deduct the costs of obtaining and maintaining legal protection, for each plant variety to arrive at "adjusted income".

(3) Ten percent (10%) of the adjusted income capped at twenty thousand ($20,000) per fiscal year per seed propagated variety, will be retained by the OC as an "enforcement fund for all Seed Propagated Crops" to be used for legal claims against University intellectual property related to seed propagated crops to arrive at "net income". The OC Enforcement Fund allocation will be deducted only when necessary to maintain a one hundred fifty thousand ($150,000) balance for all seed propagated crops; ten percent (10%) of the adjusted income distribution to the OC Enforcement Fund will cease while the Fund maintains a one hundred fifty thousand ($150,000) balance and the adjusted income will then be equal to the net income. Any enforcement expenses incurred above one hundred fifty thousand ($150,000) would be shared by all parties that share in the income, in the proportion of their share of income, for that specific seed propagated variety. Any net proceeds, after expenses, earned as a result of enforcement will be used to first replenish the Enforcement Fund. Any net proceeds remaining after replenishing the Enforcement Fund will be added to adjusted income.

An advisory body comprising a representative from each of the inventor/creator/breeder groups contributing to the OC Enforcement Fund and other appropriate faculty and administrators will make recommendations on the use of the OC Enforcement Fund to the president via the Office of Commercialization. The president may then make recommendations to the Board of Regents who have the final authority to initiate a legal action on behalf of WSU.

(4) Seventy percent (70%) of the net income will be distributed to the Agricultural Research Center for enhancement of seed propagated variety programs in consultation with the breeders that generated the income for this category.

(5) The remaining thirty percent (30%) of the net income will be distributed

10% to the OC

10% to WSU-ARC

10% to plant breeder(s)/contributor(s)

c) Vegetatively Propagated Crops

(1) In the case of contracted marketing, licensing and business development, all monies remaining after contractor expense will be distributed to WSU.

(2) The University or its designee will then deduct the costs of obtaining and maintaining legal protection, for each plant variety to arrive at "adjusted income".

(3) Ten percent (10%) of the adjusted income, capped at twenty thousand ($20,000) per fiscal year per vegetatively propagated variety, will be retained by the OC as an "enforcement fund for all vegetatively propagated crops" to be used for legal claims against University intellectual property related to vegetatively propagated crops to arrive at "net income". The OC enforcement fund allocation will be deducted only when necessary to maintain a one hundred fifty thousand ($150,000) balance for all vegetatively propagated crops; ten percent (10%) of the adjusted income distribution to the OC enforcement fund will cease while the fund maintains a one hundred fifty thousand ($150,000) balance and the adjusted income will then be equal to the net income. Any enforcement expenses incurred above one hundred fifty thousand ($150,000) would be shared by all parties that share in the income, in the proportion of their share of the income, for that specific vegetatively propagated variety. Any net proceeds, after expenses, earned as a result of enforcement will be used to first replenish the Enforcement Fund. Any net proceeds remaining after replenishing the Enforcement Fund will be added to adjusted income.

An advisory body comprising a representative from each of the inventor/creator/breeder groups contributing to the OC enforcement fund and other appropriate faculty and administrators will

make recommendations on the use of the OC enforcement fund to the president via the Office of Commercialization. The president may then make recommendations to the Board of Regents who have the final authority to initiate a legal action on behalf of WSU.

(4) Fifty percent (50%) of the net income will be distributed to the Agricultural Research Center for enhancement of vegetatively propagated variety programs in consultation with the breeders that generated the income for this category,

(5) The remaining fifty percent (50%) of the net income will be distributed as follows:

10% to the OC

10% to WSU-ARC

30% for breeder(s)/contributor(s)

IV H. Copyright Policy

The United States government grants a copyright to the author or creator of original works of authorship. Copyrights for works created after January 1, 1978, are granted for the term of the author's life and an additional seventy (70) years. In the case of a work made for hire, the term of the copyright is ninety-five (95) years from the year of first publication or one hundred twenty (120) years from the year of creation, whichever expires first. The copyright allows the author or persons assigned rights for the author to rightfully withhold others from copying or using the works without permission. A copyright is automatically secured when the work is created or "fixed" in a tangible medium. No publication or registration or other action in the Copyright Office is required; however, it is required that a copyright be registered before a lawsuit is brought. Refer to the U.S. Copyright Office at http://lcweb.loc.gov/copyright for further information.

1. Copyright Policy Objectives

The University encourages the publication of scholarly works as an inherent part of its educational mission. In this connection, it acknowledges the right of faculty, staff, and students to prepare and publish, through individual initiative, architectural designs, photographs and slides, illustrations, computer software, multimedia presentations, sound recordings, video productions, telecasts, music, grant proposals, scholarly publications, and other material. The following statement of University policy on ownership of copyrightable material is provided to clarify the respective rights and responsibilities of individuals and the University in this important area. OC will administer the policy.

2. Copyright Ownership

a) University Ownership of Copyrighted Works

(1) Work Made for Hire. Except as otherwise provided in the Employee Ownership of Copyrighted Works section of this Policy, IV.H.2.b of this manual or as otherwise provided in WSU policy, the University shall own all copyrightable works that were created as a "work made for hire." "Work made for hire," as defined by the Copyright Act, includes (1) works prepared by University employees within the employee's scope of employment, or (2) works not created within the employee's scope of employment but that are specially commissioned by the University pursuant to a written agreement that is signed by both the University and the employee.

(2) Sponsored Agreements. The University shall have the right to perform its obligations with respect to copyrightable works, data, prototypes, and other intellectual property under any contract, grant, or other arrangement with third parties, including sponsored research agreements, license

agreements, and the like. When a work is created in a sponsored program, employees shall assign all rights to the University unless otherwise required by the sponsored agreement necessary to facilitate obligations under grants and contracts.

(3) The employee shall own copyrightable works unrelated to the employee's University employment responsibilities that are developed on an employee's own time and without University support or use of University facilities.

b) Employee Ownership of Copyrighted Works

(1) The University shall not assert ownership in the following works created by employees within the employee's scope of employment including, but not necessarily limited to, the following:

(a) scholarly material,
(b) educational material (e.g., text books),
(c) art works,
(d) musical compositions
(e) sound recordings
(f) dramatic and nondramatic literary works, and
(g) creative works fixed in a film, video, or other media.

unless (1) substantial kinds or amounts of University resources, as defined below, were used to create the works; (2) the works are created pursuant to a written agreement between the employee and the University; or (3) the works are created pursuant to the terms of a third-party sponsored agreement, contract, or grant to the university.

(2) Substantial University Resource Use Resulting in University Ownership. The University shall assert an ownership interest for works identified in the previous paragraph to which the University contributes substantial kinds or amounts of resources. Each department or unit of the University is required to propose for the approval of the provost or his/her designee, a description of what department specific resources should not constitute substantial kinds or amounts of University resources, which may or may not include computers and software routinely distributed to faculty in the department to perform the faculty's duties to the University, see form on the Office of Commercialization website, http://commercialization.wsu.edu/Resources/. Unless the provost has approved such departmental exceptions, substantial kinds or amounts of resources shall mean the use of staff or clerical time other than peer review; provision of university funding specifically for or in support of the development of the work; and provision of equipment, facilities, and supplies, beyond that which is usually provided for meeting employment obligation. Substantial kinds or amounts of resources shall not include professional leave provided to faculty.

Use of equipment, facilities, and supplies that are usually provided for faculty to meet employment obligations typically include, but are not necessarily limited to, office space, a computer and peripherals including a printer and software and resources included at http://commercialization.wsu.edu/Resources/ that may be unit specific in a department proposal as provided above, which has been approved by the provost or designee. Note: When a service center is open to use by the public through a facility use agreement or contract, the faculty's use of the service center on the same terms and conditions available to the public is not considered a significant resource.

c) Student Writings. Students employed by the University in any capacity are covered by the terms of this policy. In addition, where a student receives financial aid or remuneration under a sponsored research, training, or fellowship program, his or her rights in copyrightable material are limited by the terms of the

University agreement with the sponsoring agency. The University has no ownership rights in copyrightable material developed by students who are not employees.

d) Patentable Works. Some works, particularly certain types of computer programs, may qualify for patent as well as copyright protection. An author, upon recognizing that one of his or her works is of this kind, is responsible for disclosing it to the OC for a determination of (i) ownership and (ii) whether the University wishes to seek patent protection should ownership be vested in the University. OC, following the procedures set out in the University's patent policy, will make these determinations. If ownership of such a work is vested in the University under the patent policy, but the University decides not to protect the work, ownership and disposition of the work is then determined in accordance with this Policy. If Faculty wish to appeal the OC's or its staff's decisions, the procedure set out in section IV.G.5 of the Patent Policy shall be followed.

3. Administration of the Copyright Policy

a) Disclosure. Material subject to copyright and owned by the University under the circumstances set forth in the Copyright Policy, IV.H should be promptly disclosed to the OC.

b) Determination of Ownership in Unclear Cases. Such determinations will be made by the OC and will follow the guidelines set out in section IV.H.2. Either the University or the author may initiate this review.

c) Distribution of Royalties. See the Division of Copyright Royalties, IV.H.5.

d) General Advice and Assistance. Contact the Washington State University, Office of Commercialization, WSU Research and Technology Park, Pullman, WA 99164-1802, telephone (509) 335-5526.

4. Management of Copyrights

a) The University will retain ownership of its copyright interests for development by the OC or other University publishing units or colleges, e.g., Office of Publications and Printing, Educational Telecommunications and Technology, Information Technology, or the Extended Degree Program. The University may select a managing agent and execute any necessary assignments to the managing agent.

b) Copyright registration is simple. Software commercialization through sale or licensing may be complex and expensive requiring active participation by the authors and the University.

5. Division of Copyright Royalties

a)

(1) The University or its designee, the OC, will deduct the costs of obtaining and maintaining legal protection for each copyrighted work to arrive at "adjusted income."

(2) The University or its designee, the OC, will deduct twenty percent (20%) from adjusted income. This deduction is directed toward covering the expenses for administering the OC.

(3) The University or its designee, the OC, will reimburse the appropriate University unit, including the OC, for expenses advanced in developing and distributing the copyrighted work, e.g., distance learning courseware. The remaining income is the net income.

(4) Net Income for each copyrighted work will be distributed to authors and/or creators and/or contributors as identified in Patent Policy, Division of Patent Royalties, IV.G.8.

b) In the event of multiple authors, the authors will agree among themselves as to the distribution of the income accruing to the authors; distribution of the authors' share shall be made only upon receipt of a signed agreement between the authors.

c) The University or its designee may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to Inventions or Copyrightable Works. Any equity interests acquired pursuant to this section shall be assigned to the Washington Research Foundation or a designee of the University for management. Neither the Washington Research Foundation nor the University or its designee acts as a fiduciary for any person concerning equity or other consideration received under the terms of this regulation.

6. Division Of Copyright Royalties On University Owned Copyrights Managed By Another University Unit (University Publishing Units Or Colleges)

The University unit manages collection and distribution of all net monetary proceeds from commercialization of University- owned copyrighted works managed by a University unit other than the OC. When practicable and consistent with any related agreements, the University unit may collect and distribute royalties, fees, proceeds from equity interests, or dividends to authors and the University in accordance with the royalty distribution guidelines agreed to by the parties. Distribution of the University share of the net income from commercialization will be as outlined in section IV.H.5.a, unless other contractual arrangements are agreed to by all parties, including the managing unit or college, who are eligible to share in the income from the copyrighted works.

7. Division Of Copyright Royalties On University Owned Copyrights Managed By An Agent Other Than The OC And Another University Unit

The University manages and distributes all net monetary proceeds from commercialization of University-owned copyrighted works managed by an agent other than the OC or another University unit, including University Publications. When practicable and consistent with any related agreements, the University or its managing agent may collect and distribute royalties, fees, proceeds from equity interests, or dividends to authors and University in accordance with the royalty distribution guidelines agreed to by the parties. If University has contracted that the works are to be managed by a third-party as provided in section IV.H.4.a, that managing agent shall be entitled to deduct its contracted fee from those proceeds prior to the University receiving its share of the monetary proceeds. Distribution of the University share of the net income from commercialization will be as outlined in section IV.H.5.a, unless other contractual arrangements are agreed to by all parties, including the managing unit or college, who are eligible to share in the income from the copyrighted works.

IV I. Use of Faculty Authored, Edited Or Prepared Scholarly Material

Faculty members are expected to educate our students using the best scholarly materials and knowledge available. In some cases, this will result in faculty producing materials, such as textbooks or unpublished laboratory manuals, for student purchase. Requiring the use of faculty authored materials must only be done to promote appropriate educational goals. It must not be done for personal benefit or to obtain special privileges for faculty (See the Ethics in Public Service Act, RCW 42.52). Faculty members may not sell any materials directly to students. Students may be required to use textbooks or other material written by WSU faculty only if:

- the faculty member receives no financial gain from sales to WSU students, or
- the materials are printed and copyrighted by a recognized publishing house and either in widespread use in other institutions or with evidence of independent external review by peers, or
- the materials are reviewed and approved for use by a group designated by the Faculty Senate Executive Committee. A request for review and approval must be submitted every five (5) years or at the issuance of a new edition or whichever comes first.

IV J. Trademarks

University trademarks include the names, designs, logos, and colors for "Washington State University", "WSU", "Cougars", "Go Cougs", "Ask Dr. Universe", and others. Permission of the University is required before use of these trademarks. Commercial use requires licensing and payment of royalties. Royalty income from licensing of University and athletic trademarks is administered by the Washington State University Foundation. The trademarks officer may be contacted at http://marketing.wsu.edu/staff/index.html .

From time to time other University trademarks are registered for software, plant varieties, or devices in conjunction with their patent or copyright protection. These trademarks may generate royalty through commercialization. Net royalty income received by the University or its designee shall be distributed according to the schedule used for Patents, IV.G.8, or for Plant Varieties, IV.G.9, as appropriate.

IV K. Faculty Involvement And Residual Rights In Films, Videotapes, And Other Instructional Media

Washington State University may transmit or reproduce by television, radio, or other means, for local or general distribution, news and general information programs prepared by Washington State University on which faculty members have appeared. The negotiation of a contractual agreement between the responsible faculty member(s) and the University is handled through the provost.

Nothing in this policy shall be construed as abridging a faculty member's academic freedom in the classroom.

IV L. Business Policies And Procedures

Many additional policies and procedures which may affect faculty are included in the BPPM which is available online. Among the policies covered in detail in that manual are the following.

1. Use of Name and Logo

The name Washington State University and its logo are the exclusive property of the institution and consequently, should not be used in support of claims or advertisements by any outside organization without permission of the president. Research grants from commercial concerns are given in accordance with a memorandum of understanding which states that the name of the University or any of its departments shall not be used in connection with advertising except by permission.

Faculty members publish a considerable number of reports in the form of bulletins, circulars, scientific articles, monographs, and books, some of which are copyrighted and others which are not. Material from such recognized publications is, of course, quotable, and proper recognition should be given both to the individual author and to the publishing institution of quotations.

University stationery may be used only for official University business. No report or statement relating to private consulting or other services may use the name of Washington State University or be attributed to it. The use of official titles for personal gain or publicity is not appropriate procedure. See BPPM 60.44.

2. Project Funds From Outside Sources

The University encourages individual investigators, departments, and other units to seek financial support for research and other scholarly and creative activities from sources outside the funds ordinarily available to the Board of Regents. Numerous organizations, governmental units, and other agencies offer support for research programs. Demonstrated ability and recognized professional standing of an individual or group constitute the most important means of attracting financial assistance.

Policies and procedures relative to projects supported by outside agencies have been established. A copy of these policies is included in the BPPM. All proposals for research, academic, scholarly, creative, instructional, extension, and service activities require approval of the chair of the department, the dean of

the college, and the vice president for research, to whom the authority has been delegated for giving final University approval to all such proposals. Aid in the preparation of proposals to external agencies is available through the Office of Grant and Research Development. Before an application is forwarded to an external agency, this office is responsible to ensure approval of all concerned units.

Acceptance of any grant, gift, or contract resulting from such proposals must be approved and confirmed in writing by the vice president for finance and administration, and copies of all pertinent documents must be deposited with this officer and the dean concerned.

3. Faculty and Staff Travel

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Authorized travel by University employees is subject to state regulations and to such budgetary and travel regulations as are established by the University, as well as by certain units thereof. Expense of travel not within the scope of these regulations will not be reimbursed from University funds nor from any funds administered by it. For purposes of these regulations, in-state travel includes only travel within the state of Washington.

Travel authorization forms should be submitted to the principal administrative officer via channels established by the respective units for the contemplated travel by all employees, BPPM 95.01.

4. Applicant Travel

It is often important that potential faculty members be invited to the campus for interviews. A recommendation for each such visit is to be submitted to the principal administrative officer on the Personal Professional Service Request form. Following approval of this recommendation, the invitation to come to the campus should be sent by the department chair, dean, or director concerned. It should include a statement that travel expenses will be reimbursed at a rate not to exceed round-trip, coach airfare. See BPPM 95.01.

5. Equipment

All equipment purchased by or given to the University or to one of its departments is the property of Washington State University and not the property of a department or other unit. Priority in the use of a piece of equipment ordinarily is held by the department that purchased it out of its department funds. No individual has any proprietary interest in property of the University, nor are University buildings available for the permanent or continuing storage of employee personal property not used in official operations. Property continuously stored in University buildings is presumed to be state property. Department chairs and principal administrative officers are responsible for maintaining inventories of equipment and are the custodians of the property assigned to their respective units. University equipment may not be borrowed by or loaned to an individual for private use. The controller is authorized to rent certain items of equipment at times not needed in University operations.

6. Purchasing

All purchases by any unit of the University must be arranged through the Division of Purchasing prior to acquisition of the merchandise or equipment by the University or by one of its employees. Forms as furnished by the purchasing manager must be used to place purchase orders. Purchasing procedures are prescribed by state law and regulation and must be observed by all units of the University. The acquisition or custody of property not covered by normal purchasing procedure should be reported to the vice president of business affairs.

7. Cash Received by Employees outside Controller's Office

Except for those departments traditionally considered as vendor departments, no department can sell goods or services to students, employees, other departments, or the general public without obtaining specific authority from the assistant vice president for finance and administration. The procedures for handling cash sales must be coordinated with the controller. Washington State University receipts and

invoices or other receipts or invoice documents approved by the controller must be used by all departments to record payments or charges immediately upon receipt. All payments made to employees handling accounts and sales of produce, poultry, trees, and other property of the University, or for which the University is responsible, are to be deposited intact within a week with the Office of the Controller. Cash, checks, or other payments totaling one hundred dollars ($100) or more are to be deposited daily. The department must be responsible for providing adequate safeguards for cash.

(Departments may take charge sales only when authorized by the Office of the Controller.)

8. Approval of Contracts and Memoranda of Agreements

The vice president for finance and administration, or designee, the assistant vice president for finance and administration, is the contracting officer for the University. Each agreement or arrangement that any unit of the University or any employee wishes to enter into which, if made, would commit the University to any obligation, financial or otherwise, must formally documented in a contract or memorandum of agreement. These contracts or memoranda of agreement must be approved and signed by the assistant vice president for finance and administration. Persons wishing to negotiate such an agreement should, with the approval of their dean or director, discuss it in principle with the assistant vice president for finance and administration in advance or at least in the early stages of negotiation. A sufficient number of copies of each proposed contract or memorandum of agreement should be routed to the assistant vice president for finance and administration to permit the retention of one copy in the permanent contract files, BPPM 70.21.

9. Bonding of Employees

Every member of the faculty and staff is bonded in the amount of one hundred thousand ($100,000) as an employee of the state of Washington. It is not consistent with University policy for any employee to handle funds for any other organization as a part of his or her duties as a University employee.

~~Section V. Policies And Procedures For Indefinite Term And Fixed Term Faculty~~

~~Washington State University employs a number of indefinite term and fixed term faculty. In no instance should temporary employment be used to jeopardize Washington State University's commitment to equal opportunity in employment and affirmative action. Parts A, B and C of Section III of this manual apply equally to indefinite term and fixed term faculty.~~

~~V A. Types of Non-tenure Track Appointments~~

~~Non-tenure track faculty appointments may be divided into three categories: (1) terminal appointments with specific end dates determined by the nature of the assigned task, funds or contracts (i.e., Fixed Term); (2) contingency appointments, with end dates, in which continued employment is determined by specific contingencies (Indefinite Term); and (3) continuous appointments.~~

~~1. Terminal Appointment Definition~~

~~Terminal appointments end on specific dates. Reappointment is dependent upon renewal of funding or contracts, extension of the assigned tasks, and positive action taken to reappoint the incumbent. The offer of such a position implies no obligation on the part of the University to continue employment beyond the termination date of the temporary appointment; such decisions lie solely within the University's discretion.~~

~~Types of terminal appointments are contracts for a specified period, teaching positions to cover unexpected enrollments in courses, visiting faculty appointments, grant-funded positions, summer appointments, adjunct and non-service appointments, appointments to teach courses offered through Extended University Services, exchange faculty appointments, appointments of persons who have not~~

~~attained permanent visas or citizenship, research associate positions, internships, and positions occurring because of permanent employees' leaves or separations.~~

~~2. Contingency Appointment Definition~~

~~In addition to termination dates, hiring actions for contingency appointments include a statement that continuing employment is contingent upon specific qualifications. If the contingency specifies a date by which some action must be complete and if the specifications are not met, the University has no obligation to the employee beyond the contingency date. Employees hired on one- to three-year contracts are in this category, as are employees holding temporary visas who will become eligible for permanent positions upon requisite changes in immigration status.~~

~~3. Continuous Appointment Definition~~

~~The faculty member holds an appointment with no contractual end date. Continuous appointment faculty may be terminated with or without cause.~~

~~4. Hiring Policies And Procedures~~

~~Information regarding recruitment, including special circumstances for grant employees, periodic advertisement to establish temporary applicant pools, and details regarding adjunct and visiting appointments may be found in the BPPM 60.11 and/or the Office for Equal Opportunity Recruitment Manual.~~

~~V B. Establishment of Positions~~

~~As in the case of permanent faculty positions, indefinite positions must be established prior to advertisement or personnel reclassification. To establish an indefinite position, a memo of request, position action, and a job description is addressed to the provost and routed through the normal administrative channels to the Budget Office and Office for Equal Opportunity. The responsibility for final decisions about faculty positions resides with the provost and no action on those positions may be taken without the approval of that office or the appropriate designee.~~

~~1. Periods of Appointment~~

~~Periods of appointment will vary depending upon the particular situation. Indefinite academic (nine-month) appointments usually occur within the August 16 through May 15 academic year. If the appointment occurs between the period May 16 through August 15, it is called a summer appointment unless the employee is involved in instructional duties, in which case it is called a summer session appointment. All summer appointments and summer session appointments are indefinite. Annual (twelve-month) appointments are differentiated from academic appointments in that they occur during the period July 1 through June 30 or any portion of that period and are usually noninstructional positions. Only annual appointees accrue annual leave. Those appointed with temporary research titles may be appointed at any time for any period up to two (2) years.~~

~~2. Relocation Expenses~~

~~Relocation expenses for indefinite faculty are not allowable on state funds by state law. If the hire includes moving on other than state funds, a statement must be included on the Personnel Action Form and the necessary departmental requisition sent to Purchasing. The employee may not set up his or her own move. Further information may be obtained from the Purchasing Office.~~

~~3. Temporary Long-Term~~

~~Faculty hired on a contingency basis may be granted permanency if they meet certain criteria such as completion of a terminal degree. These appointments may be established for up to three years.~~

~~Understandings of this nature must be written into the comments sections of the Personnel Action forms and permanent positions must be identified at the time such agreements are made. A statement must be made on the Personnel Action Form if the time spent in the temporary appointment is to be credited toward tenure eligibility.~~

~~In the case of international indefinite appointees, a statement that the appointee will be eligible for consideration for permanent appointment with requisite changes to his or her immigration status and identification of a permanent position should accompany the initial appointment. Such faculty may be appointed to three-year terms.~~

~~V C. Titles~~

~~1. Career Track Faculty~~

~~Career track faculty may hold continuous, one (1) to five (5) year fixed term (with or without a rolling horizon), or contingent contracts. Career track faculty may be reappointed upon satisfactory evaluation as measured by annual performance review with the possibility for fixed term contracts to be converted into rolling horizon contracts of up to five (5) years based on college/department needs; a one-year terminal appointment may be given prior to completion of a longer term if the annual review is below satisfactory. The responsibilities for career track faculty should fall into one of the following designations (sub-tracks): Clinical, Research, Scholarly, or Teaching.~~

~~Career track appointments must include a specified sub-track title in the appointment (e.g., *clinical* assistant professor, *research* associate professor, or *teaching* professor).~~

~~All career track appointments should align with current Washington Administrative Code Regulations (WAC 250-61-100).~~

~~Appropriate department-specific *working titles* for each of the appointments within the career track do not have to include the track or sub-track designation and may be determined by each college. For example, colleges may elect that working titles be listed simply as assistant professor, associate professor, or professor, with no mention of tenure track versus career track, or sub-track. All working titles should be listed in the college's tenure and promotion guidelines.~~

~~a) Academic Faculty~~

~~1. Clinical Sub-track~~

~~Clinical faculty are those whose primary responsibilities are clinical practice and/or the supervision and clinic-based instruction of professional students, interns, residents, and/or fellows. Many, but not all, will have significant expectations in one or more of the following areas: (a) research, scholarship, or creative activity, (b) teaching, (c) outreach, (d) educational leadership, (e) administration, or (f) academic service. For example, these faculty may also play a role in the pre-clinical/pre-clerkship phases of the professional curriculum and/or perform clinical research. Promotion in this subtrack is based on significant achiement and/or a national/international recognition for excellence in clinical practice, teaching, educational leadership, and/or scholarship.~~

~~Appointments are as Clinical Assistant Professor, Clinical Associate Professor, or Clinical Professor.~~

~~2. Research Sub-track~~

~~Faculty in the research sub-track are in non-tenure track research appointments who predominantly conduct research, scholarship, or creative activity and who may serve as principal or co-principal investigators on grants or contracts administered by the university. Typically, the institution has made a commitment of office and research space. Start-up funds and salary may be provided. However, departments and colleges may expect these faculty members to provide all or significant portions of their own salary through extramural funding. The terms for start-up, space, and salary will generally be negotiated during the hiring process, although those terms can be renegotiated by the institution or the faculty member. In general, these faculty will have no significant teaching or service expectations unless those responsibilities are negotiated and commensurate funding support is provided. Promotion in this sub-track is typically based on traditional measures of research or scholarship, i.e., publication, extramural funding, and national or international reputation.~~

~~Appointments are as Research Assistant Professor, Research Associate Professor, or Research Professor.~~

~~3. Scholar Sub-track~~

~~Faculty in the scholar sub-track are those who have significant responsibilities in at least two of the following areas: (a) teaching, (b) student advising, (c) research or scholarship, (d) creative activity, (e) outreach, (f) practice, (g) educational leadership, (h) administration, or (i) academic service. Most faculty in this sub-track will have a significant teaching or student advising responsibility. However, carrying a large teaching or advising load and receiving good student ratings is not sufficient for promotion in this sub-track. Applicants for promotion are expected to demonstrate a scholarly approach to teaching, evidence of teaching effectiveness, and achievement or recognition in one or more of the additional areas (e.g., research/scholarship, educational leadership, outreach, etc.).~~

~~Appointments are as Scholarly Assistant Professor, Scholarly Associate Professor, or Scholarly Professor.~~

~~4. Teaching Sub-track~~

~~Faculty in the teaching sub-track are those whose primary responsibility is teaching or student advising and with little or no additional expectations in research, scholarship, creative activity, leadership, or academic service. Faculty with a teaching appointment will often have large teaching commitments according to their assignment and contract. In some colleges, teaching may involve teaching in a clinical setting. Promotion criteria will be determined by the department and college but should include evidence of teaching effectiveness and innovation.~~

~~Appointments are as Teaching Assistant Professor, Teaching Associate Professor, or Teaching Professor.~~

~~**b) Library Faculty**~~

~~Career Track library faculty have primary responsibilities centered on library services for the university community, research, scholarship, and service. The duties of career track library faculty may be more specialized than those of tenure track library faculty.~~

~~Appointments are as Librarian 2.~~

~~**c) Extension Faculty**~~

~~Career Track extension faculty are responsible for extending the research and knowledge bases of Washington State University to communities of place and practice across the state.~~

~~Appointments are as career track faculty with designated sub-track as Clinical, Research, Scholarly, or Teaching and with the rank of Assistant Professor, Associate Professor, or Professor.~~

~~2. Short-Term Faculty~~

~~Short-term faculty may hold one-semester to three (3) year fixed term or contingent contracts. The equivalent of a master's degree or higher is normally required. Alternative credentials will be approved in consultation with unit faculty, by the administrative head, and by the provost or chancellor. The responsibilities and appointments for short-term faculty fall into one of the following designations:~~

~~**a) Lecturer**~~

~~A Lecturer position is considered non-permanent or part time and is typically a short-term teaching contract. A lecturer's primary responsibility is teaching, including in a clinical setting. These appointments can be renewed indefinitely at the discretion of the University.~~

~~**b) Visiting Faculty**~~

~~Visiting faculty are fixed-term appointees who are faculty members or professionals from another institution for purposes of teaching, collaboration, or research. They are normally expected to return to their own institutions at the expiration of the appointment and are appointed as visiting faculty. Whenever a department plans to employ or host a foreign professor, researcher, or scholar, it is important to contact the Office of International Programs regarding arrangements for the appropriate immigration status.~~

~~**c) Adjunct Faculty**~~

~~Faculty who may hold positions with employers other than WSU and are appointed temporarily to WSU faculties. Adjunct faculty provide various types of service/teaching within individual colleges according to established criteria and may be approved as graduate faculty with roles as specified in the program bylaws. They are appointed as adjunct faculty.~~

~~**d) Adjoint Faculty**~~

~~Faculty who may hold positions with employers other than WSU and are appointed temporarily to WSU faculties. Adjoint faculty provide various types of research/scholarship and/or creative activity within individual colleges according to established criteria and may be approved as graduate faculty with roles as specified in the program bylaws. They are appointed as adjoint faculty.~~

~~**e) Affiliate Faculty**~~

~~Affiliate faculty are comparable to an adjunct appointment except that the person is already a WSU employee (faculty or administrative professional) and has been invited to serve in a faculty role in a program other than the one paying their salary. They are appointed as affiliate faculty.~~

~~**f) Research Associate**~~

~~Research associates are faculty in short-term appointments who support the research being conducted at the University. Positions may also include research, scholarship, creative activity, teaching, administration, outreach, or service.~~

~~**g) Postdoctoral research associate**~~

~~Postdoctoral research associates are persons who have earned a doctorate and are employed temporarily to support research.~~

~~V D. Advancement in Rank~~

~~Only under extraordinary circumstances will a person be considered for promotion to the next rank prior to the end of his or her fifth year of service in rank, with the promotion, if granted, awarded at the end of the sixth (6) year. At the time if the faculty member elects to seek promotion, the college/department will conduct an intensive promotion style review that involves all career-track, tenure-track, and tenured faculty in the college/department at or above the rank applied for. An individual college/department, at its discretion, may require external reviews in line with its specific mission. Faculty may also remain at their current rank and be reappointed to subsequent terms at that rank after their sixth year of service provided satisfactory performance continues.~~

~~V E. Setting Salaries, Extra Compensation, And Annual Review~~

~~1. Salary Criteria~~

~~Indefinite faculty salaries are negotiated based upon education, experience, market value, and merit. Salary averages for permanent faculty are distributed to the deans' offices the second semester of each year and may be used as benchmarks for determining salaries for indefinite faculty.~~

~~2. Annual Review and Salary Increases~~

~~Indefinite term faculty who will continue and fixed term faculty eligible for rehire at the end of their contracts must be included in the formal annual review process – this includes adjunct faculty on less than .5 appointments. Faculty performance will be reviewed annually through one of the following three procedures:~~

- ~~an abridged review~~
- ~~a comprehensive review~~
- ~~an intensive review.~~

~~Annual reviews give faculty the opportunity to highlight, reflect on, and obtain feedback about their accomplishments over the past calendar year and how this work enhances their overall career. Annual reviews are to provide the following information as appropriate:~~

- ~~An appraisal of each faculty member's progress towards promotion, if the faculty member is eligible for promotion.~~
- ~~A rating of each faculty member's annual (or biennial) performance in the context of his or her cumulative work.~~

~~Reviews will be differentiated as follows:~~

~~Faculty normally undergo comprehensive and abridged reviews in alternate years.~~

~~Faculty eligible for promotion are strongly encouraged to request an intensive review, in lieu of a comprehensive or abridged review, every four (4) to six (6) years to help prepare materials for promotion. Notice of the request to undergo an intensive review by the faculty member must be communicated by the due date set by the chair. It is within the authority of the chair or dean to recommend an intensive review, but it is the faculty member's purview to choose between an intensive or comprehensive review.~~

~~If a faculty member receives an annual review rating of less than satisfactory, all subsequent annual reviews will be comprehensive or intensive until a rating of satisfactory or better is achieved.~~

~~In the years in which a faculty member is due an abridged review, it is the prerogative of the faculty member or the chair, in consultation with the dean, academic director, or other supervisor, to elect a comprehensive review as warranted.~~

~~Abridged Review~~

~~***Purpose and Criteria.*** Abridged reviews are intended for faculty who continue to perform at or above expectations. They normally occur the year following a year in which the faculty member received an annual review rating of satisfactory or above on a comprehensive or intensive review.~~

Submission. By the due date set by the department chair (or academic director), the faculty member will submit a curriculum vitae and a short description of his or her accomplishments since the previous annual review.

Procedure. The abridged review is performed by the chair, except on campuses where the review is performed by the academic director in consultation with the chair.

Results. Each abridged review will result in a written report sent by the chair (or academic director) to the dean and the faculty member reviewed. The report sent to the faculty member should include an invitation to meet face-to-face with the chair (or academic director) if the faculty member so desires. Reports will contain an annual review rating of either

- satisfactory or better
- less than satisfactory.

If the annual review rating is "less than satisfactory," the written report must include an explanation for the decision, and all subsequent annual reviews will be comprehensive or intensive until a rating of satisfactory or better is achieved.

Comprehensive Review

Purpose and Criteria. Comprehensive reviews are intended to evaluate the performance of the faculty member and to provide feedback relative to university and department expectations. Each comprehensive review will consider the faculty member's accomplishments and contributions since the last comprehensive or intensive review in the context of his or her cumulative performance. All faculty will undergo comprehensive reviews either annually or biennially.

Submission. By the due date set by the chair (or academic director), each faculty member is expected to provide a curriculum vitae that includes information relevant to their job description. This may include, but is not limited to, information concerning education, instructional performance, research activities and publications, awards, professional experience, service activities, and affiliations, as well as a summary of his or her activities since the last comprehensive or intensive review.

Procedure. The comprehensive review is performed by the department chair, except on campuses where the review is performed by the academic director in consultation with the chair.

Results. Each comprehensive review will result in a written report from the chair (or academic director) to the dean and the faculty member who was reviewed. The report sent to the faculty member should include an invitation to meet face-to-face with the chair (or academic director), if the faculty member so desires. Reports will contain:

- The faculty member's percentage appointment and primary responsibilities
- Whether the review is based on an annual or biennial time frame
- A summary and written evaluation of the faculty member's performance in each of his or her areas of responsibility, since the last comprehensive or intensive review, viewed in the context of his or her cumulative performance
- An assessment of the faculty member's progress toward promotion, when applicable
- An annual review rating assigned to the faculty member's performance according to one of the following categories:

- ~~especially meritorious performance~~
- ~~strong performance beyond satisfactory~~
- ~~satisfactory~~
- ~~some improvement needed~~
- ~~substantial improvement needed.~~

~~If an annual review rating of "some improvement needed" or "substantial improvement needed" is assigned, then the report will include a list of goals and expectations intended to help the faculty member achieve a "satisfactory" or above annual review rating at the next review, which must be comprehensive or intensive. The list should clearly identify areas in which performance is deemed deficient and specific recommendations to correct the deficit.~~

~~Optionally, the report may also contain:~~

- ~~An evaluation of the faculty member's progress toward previously set goals and expectations, as approved by the chair~~
- ~~A list of goals and expectations to be evaluated at the next comprehensive review~~
- ~~Additional comments, if any, from the faculty member's immediate supervisor.~~

~~Faculty on three to five year appointments may have their appointments reduced to one year if a rating of "substantial improvement needed" is assigned.~~

~~Intensive Review~~

~~***Purpose and Criteria.*** The intensive review is a two part review that includes a comprehensive review and a career progress review. The comprehensive review is the same as that described above. The career progress review evaluates the progress of the candidate towards promotion, provides feedback relative to university and department expectations, identifies relevant deficiencies, and offers recommendations that may assist the candidate in determining future work. Faculty who are eligible for promotion are strongly encouraged to request an intensive review every four (4) to six (6) years.~~

~~***Procedures***. The intensive review contains two parts, each with its own rating.~~

~~The comprehensive portion of the intensive review is performed by the chair, except campus locations where the review is performed by the academic director in consultation with the chair, and matches the procedure for the comprehensive review outlined above.~~

~~The career progress portion of the intensive review is coordinated by the chair and normally requires participation from all faculty and administrators eligible to perform promotion evaluations for the candidate.~~

~~***Submission.*** By the due date set by the chair, each candidate is expected to provide a curriculum vitae that includes information relevant to their job description. This may include, but is not limited to, information concerning education, instructional performance, research activities and publications, awards, professional experience, service activities, and affiliations, as well as copies of select publications and a teaching portfolio. He or she may submit, in addition, a context statement, a research statement, and descriptions of his or her external and institutional service activities. A summary of his or her activities since the last comprehensive or intensive review should also be provided.~~

Results. Each intensive review will result in two reports: a comprehensive review report and a career progress report. In addition, the chair will meet face-to-face with the candidate to discuss both reports.

The comprehensive review report is sent by the chair (or academic director) to the dean and to the faculty member who is being reviewed. The rating given in the comprehensive review report will serve as the annual review rating anywhere an annual review rating is used.

The career progress report is prepared by the chair and should reflect the views of the faculty eligible to vote on the candidate's promotion. This report should highlight the candidate's strengths and weaknesses and include recommendations for improvement. The candidate should be advised according to the following categories:

Well prepared. The candidate is encouraged to seek promotion at the next opportunity.

Satisfactory. The candidate appears to be building an appropriate profile, but has not yet achieved the standards expected for promotion.

Improvement needed. The candidate should review the criteria for promotion and the career progress report carefully, and seek advice from other faculty in the university and his or her discipline.

The chair should provide the candidate with a copy of the career progress report prior to the face-to-face meeting.

Faculty on three to five year appointments may have their appointments reduced to one year if a rating of "substantial improvement needed" is assigned on the comprehensive review portion of the intensive review.

Faculty Responses to Annual Review Evaluations

After receiving the annual review report, the chair shall provide the faculty member a minimum of ten (10) business days to sign the report, indicating that he or she has had the opportunity to read the report and to discuss it with the chair and/or appropriate faculty supervisors at campuses, research and extension centers, or other distant locations. A faculty member's dissent regarding content of the report may be appended to the signed report. When a dissent is appended, the faculty member must receive written acknowledgement within fifteen (15) business days that the statement has been reviewed by the chair's immediate supervisor (normally the dean). At the same time that a response is sent to the faculty member, the chair's supervisor will forward to the provost the annual review, the faculty member's response to that review, and the supervisor's response to the faculty member. After receiving this information, the provost has an additional fifteen (15) business days to provide a written acknowledgement to the faculty member and chair's supervisor that he or she has reviewed all of the statements. For faculty located on campuses, a faculty member's dissent will first be routed through the chancellor (or his/her designee) for review before forwarding it to the dean.

Information sent to the Provost's Office

The collection of annual review forms for each college or unit will be forwarded to the provost, along with a roster of all faculty required to undergo an annual review, indicating whether the review was intensive, comprehensive, or abridged, and the ratings assigned.

Merit-Based Salary Increases

~~If a merit-based raise is available, it will be based on the two most recent annual review reports, with two exceptions:~~

~~(1) For recently appointed faculty members who do not yet have two annual review reports, the merit portion of their salary increase will be based on the available reports.~~

~~(2) If more than two years have passed since a merit increase was available, the raise will be based on the annual review reports since the last merit increase was available.~~

~~Ordinarily, salary increases for both annual and academic-year employees will take effect on the same date.~~

~~3. Extra Compensation~~

~~Indefinite faculty have the same constraints as permanent faculty in respect to earning extra compensation. See the BPPM 60.44.~~

~~V F. Rights And Privileges~~

~~1. Benefits~~

~~a. Insurance~~

~~The University makes available group medical/dental insurance, salary continuation insurance (long term disability), life insurance, and other benefits. Eligibility for these programs is determined by the State of Washington Public Employee's Benefits Board (PEBB). Generally, full time and half time faculty, who are anticipating to be employed for an academic year, or equivalent thereof, are eligible for the PEBB benefit package. Other eligibility criteria may be applicable, including stacking concurrent employment with more than one Washington state higher education institution. Industrial insurance (worker's compensation) covers all employees. (Consult the Benefits and Disability Services links for details of these programs found on the Human Resource Services website, http://www.hrs.wsu.edu).~~

~~b. Retirement~~

~~Participation in a retirement plan is available to any faculty member who is employed at least half time for one semester, or equivalent period.~~

~~The WSU Retirement Plan has been established by the Board of Regents under authority provided by laws of the state of Washington for the purpose of providing retirement incomes and related benefits to eligible faculty and employees. It is a defined contribution 403b plan.~~

~~Beginning July, 2011, The Teachers Retirement System Plan 3 is another retirement plan in which new hires are able to participate. This 401a plan is a hybrid defined contribution/defined benefit plan.~~

~~Washington State University also offers faculty voluntary retirement plans to which employees may make additional non-matched retirement contribution up to the IRS maximum limits.~~

~~For details on the retirement plans, see the Benefits link on the Human Resource Services website at www.hrs.wsu.edu.~~

~~2. Unemployment Compensation~~

~~Under applicable state laws and Department of Employment Security regulations, indefinite faculty who are expected to be rehired for consecutive years are not eligible for unemployment benefits during summer months. Persons included in annual review will be denied unemployment benefits unless departments produce Personnel Action Forms indicating separation from University service.~~

~~V G. Leave~~

~~1. Leave Accruals~~

~~Indefinite faculty must be employed for at least half time (.50 FTE) for one (1) semester on academic appointment or six (6) months on annual appointment to be eligible for sick leave and (if eligible) annual leave. Full-time annual appointees earn 14.67 hours of annual leave per month based on full-time equivalence. Academic- and irregular-term employees are not eligible for annual leave accruals. Eligible faculty earn eight hours of sick leave per month, based on full-time equivalence. Indefinite appointees who work at least one (1) month during the summer earn sick leave. Hourly appointees are not eligible for leave benefits. Employees who had accrued leave prior to the adoption of this policy may retain their current leave balances until the hours are depleted or until they separate from University service.~~

~~2. Holidays~~

~~Indefinite faculty are eligible for all University holidays that occur during their period of appointment. Half-time or greater annual appointees on at least four-month appointments are eligible for the personal holiday.~~

~~3. Leave Usage and Payoff~~

~~No state employee may use leave before it is earned. Indefinite faculty must request leave prior to taking it through their immediate supervisors. Generally, leave will be allowed unless a serious lapse in the project will occur or unless classes cannot be covered by alternate personnel. An indefinite faculty member may use eight hours per month of accrued paid leave (including sick leave) for up to four (4) months during parental or disability leave without pay to maintain eligibility for University-sponsored insurance benefits.~~

~~Normally, indefinite faculty cannot be paid for accrued annual leave and cannot transfer accrued annual leave to an appointment with a different funding source.~~

~~4. Sick Leave~~

~~With the exception of the circumstances described above, sick leave may be used only in case of illness or temporary disability of the indefinite faculty member or a member of his or her immediate family or household. Sick leave for more than ten (10) working days must be verified by a physician except in the case of childbearing and adoption in which case six (6) weeks of sick leave is allowable. If more time is required, the employee must supply a physician's statement. An illness of more than three (3) working days and a visit to a physician may qualify the employee for Family and Medical Leave. Human Resource Services will determine eligibility for such leave and the University must inform the employee at the time leave is taken if it will be so designated.~~

~~5. Work-Related Illness or Injury~~

~~Benefits for work-related illness, accident, or injury are provided in accordance with the state of Washington's Workers' Compensation Act. Indefinite faculty pay one-third of the medical aid premium expense through payroll deductions. Any job-related accident or injury should be reported to the immediate supervisor, and the Benefit and Payroll Services through an Accident Injury or Occupational Illness report as soon as possible. If an employee receives compensation from State Industrial Insurance~~

for a job-related injury, a like amount will be deducted from the next paycheck and a portion of reported sick leave will be reinstated. The Benefit and Payroll Services can provide clarification of this regulation.

6. Emergency Leave

Indefinite faculty are eligible for emergency leave under the same provisions as permanent faculty. See section III.C.14.

7. Professional/Retraining Leave

Indefinite faculty are not eligible for professional or retraining leave. However, time spent in temporary positions may (upon approval of the appropriate administrative officers and the provost) be credited toward leave if the employee acquires a permanent position.

8. Military Leave and Civil Duty

Indefinite faculty are eligible for civil duty, military training or leave as provided by state law. See section V.G.7-V.G.8.

9. Leave Without Pay

Leave without pay must be requested by memorandum to the immediate supervisor. Reasons for the leave and the beginning and ending dates must be included in the request. If an extension is necessary, a second request should be submitted. The request should include a statement of intent to return to Washington State University for a like period of time. The period of leave cannot exceed the period of current appointment.

V H. Waiver of Tuition And Fees For Full-Time Temporary Employees

Temporary employees on at least half-time appointment may enroll, on a space available basis, with full waiver of tuition and fees in no more than six (6) hours in one semester or four (4) hours in the summer session. They must pay a five dollar ($5) registration fee plus any special course fees such as laboratory or late registration. This rule applies to total enrollment, and audits are included in the maximum permitted in any semester or summer session.

V I. Suspended Operations

In the case of natural or national emergency, when the president of the University declares suspended operations, temporary faculty who are not required to work will use annual leave or leave without pay.

V J. Obligations

1. Code of Ethics

Indefinite and fixed-term faculty are considered officers of the University and as such must observe the Faculty Code of Professional Ethics, II.C.1, and the Conduct Regulations, II.F.3. Within the parameters of their positions, they are expected to respect and defend free inquiry of associates, acknowledge contributions of others, show due respect for the opinions of others, set an academic example, accept their share of responsibilities for governance of the University, and protect institutional integrity by close observance of published regulations and policies in order to increase the effectiveness of the entire University community. Indefinite and fixed-term faculty have the rights, privileges, and obligations of all citizens. They should make personal and private speech or actions clearly separate from University sanction, and as citizens of the University community, they are responsible for the promotion of free inquiry and public understanding of academic freedom.

2. Patents and Copyrights

Indefinite and fixed-term faculty are subject to the same patent and copyright policies as are permanent faculty. See IV.F.H.

~~Washington State University may transmit or reproduce by television, radio, or other means, news and general information programs prepared by or participated in by indefinite and fixed term faculty. The negotiation of a contractual agreement between the responsible employee and the University is handled through the provost.~~

~~V K. Termination~~

~~Employment may be terminated in any of the following ways:~~

~~1. Non-reappointment~~

~~Terminal Appointments (Fixed Term) and Contingent (Indefinite Term) Appointments.~~

~~For a faculty member with an appointment carrying a terminal date, the appointment ends on the specified terminal date, unless positive action is taken to reappoint that faculty member. It is recommended that the faculty member's administrative head send out a courtesy notice of non-reappointment.~~

~~Continuous Appointments.~~

~~For a faculty member with an appointment with no contractual end date, employment may be terminated at any time consistent with their employment contracts and this section, with or without cause. A non-reappointed faculty member will be advised in writing by the administrative head as soon as it has been decided that the appointment is not to be renewed. This decision shall be made by the administrative head with the approval of the appropriate appointing authority. This notification will be given to the faculty member in accordance with the following:~~

~~Type of Appointment~~	~~Year of Employment~~	~~Minimum Advance Notice in Calendar Months~~
~~Annual (twelve-month)~~	~~1~~	~~3~~
~~Annual (twelve-month)~~	~~2~~	~~6~~
~~Annual (twelve-month)~~	~~3 or more~~	~~12~~
~~Academic (nine-month)~~	~~1~~	~~3*~~
~~Academic (nine-month)~~	~~2~~	~~6*~~
~~Academic (nine-month)~~	~~3 or more~~	~~9*~~

~~*Excluding three summer months~~

~~These notice provisions shall not apply in situations involving extraordinary circumstances, such as financial exigencies or elimination of function.~~

~~2. Resignations~~

~~Resignations should be submitted as early as possible and must be submitted in writing at least sixty (60) calendar days prior to the separation date. Indefinite and fixed term faculty may properly request a waiver of the notice requirement in case of hardship or in a situation where they would otherwise be denied substantial professional advancement or other opportunity.~~

~~3. Under Extraordinary Circumstances~~

~~Termination of an indefinite and fixed term faculty appointment before the end of the period of appointment may be based on financial exigency or discontinuance of a program or department of instruction, research or service. Under the circumstances described in section III.E.3, notification to the employee(s) involved must be delivered in writing sixty (60) calendar days prior to the terminal date; or in cases where the terminal date of the current appointment necessitates an interval of less than sixty (60) calendar days, termination will be concurrent with the effective terminal date of the current appointment.~~

~~If a decision to discontinue a program is rendered during the summer months and a verbal expectation of employment has been given to an indefinite or fixed term faculty member, notice will be delivered in writing as far in advance as possible that employment will not be available for the coming school year.~~

~~4. For Cause: Violation of the Faculty Code of Professional Ethics or Conduct Regulations~~

~~See Section III.F. Disciplinary Process/Procedures~~

~~5. For Cause: Physical or Mental Health Reasons~~

~~See Section III. E.5.~~

~~6. For Cause: Unsatisfactory Performance~~

~~Indefinite research faculty compensated by extramural grant funding may be terminated if their performance is deemed unsatisfactory by the principal investigator of the research grant or contract to which their salary is charged. Indefinite faculty have access to advice from the Office for Equal Opportunity, the University Ombudsman, and the Faculty Status Committee.~~

~~V L. Retirement~~

~~Indefinite faculty who have been reappointed beyond their original appointment and who intend to retire should address a letter to their immediate supervisor and to the Human Resources Benefit Unit if the employee has paid into a retirement system through the University. Notice of retirement at the end of the current appointment should be submitted as early as possible. A minimum of sixty (60) calendar days' notice is appropriate.~~

~~1. Retirement Age~~

~~There is no mandatory retirement age for Washington State University faculty. Eligibility for a monetary benefit from the faculty member's retirement plan is determined by the rules of the plan the individual is participating at the time of the separation for employment.~~

~~Retiring prior to one's federally defined full retirement age will reduce Social Security benefits.~~

~~Eligibility for medical, dental and or life insurance after retirement is determined by the Health Care Authority rules. A Medical Expense Plan benefit may be available to non-teaching, non-research faculty who accrue sick leave.~~

~~Faculty members hired prior to July, 2011, who are at least age 62, with at least 10 years of service may be eligible for a Supplemental Retirement Plan benefit at the time of retirement.~~

~~2. Retirement Because of Health Condition~~

~~In the event an employee may no longer be able to perform the duties of their position due to a serious health condition, they may be eligible for retirement. If this were to occur prior to the individual reaching age 62, and if they had at least 10 years of service, they may be eligible for a Supplemental Retirement Plan benefit, and other insurance options. If an individual pursued a retirement because of health condition, they will follow the processes identified in the WSU Retirement Plan and/or it Guidelines and Directives. The faculty member should be referred to the Human Resource Services Benefits unit to discuss this option.~~

Section VI~~I~~: Revision Of Preceding Sections

Revision of the preceding sections of this Faculty Manual may be proposed by any unit of the University or by any member or group of members of the faculty. All proposals shall be submitted in writing to the executive secretary of the Faculty Senate. Proposals ordinarily shall be reviewed by the Faculty Affairs

Committee, but may be reviewed by the Faculty Status Committee and sent with the reviewing committee's recommendation to the Senate Steering Committee. The Senate Steering Committee shall inform the president of the recommendations prior to action by the Senate. The Faculty Senate shall submit its recommendations to the president, who has final responsibility, as delegated by the Board of Regents, for revisions or changes in the Faculty Manual. The executive secretary of the Faculty Senate shall be responsible for informing the University community of approved changes in the Faculty Manual and for adding these changes to the published revisions of the Faculty Manual at appropriate intervals.

Genetics and Epigenetics
connecting organisms and their environments

Joanna L. Kelley

Associate Professor

School of Biological Sciences



Joanna L. Kelley

Associate Professor, Washington State University (2018-)
Assistant Professor, Washington State University (2013-2018)
Postdoctoral Scholar, Genetics, Stanford University (2010-2013)
Postdoctoral Scholar, Human Genetics, University of Chicago (2008-2010)
PhD, Genome Sciences, University of Washington (2003-2008)
BA, Mathematics and Biology, Brown University (1999-2003)

Highlights

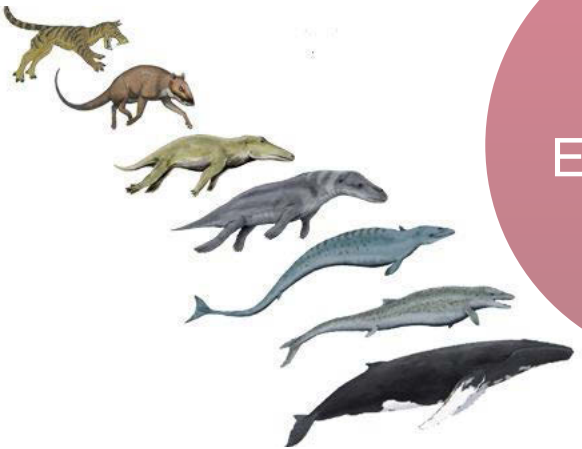
National Academy of Sciences invited speaker (2020)
National Institutes of Health invited speaker (2019)
Associated Students of WSU Exceptional Professor Award (2018)
WSU College of Arts and Sciences Early Career Award (2017)
Society for Molecular Biology and Evolution Allan Wilson Award for Independent Research Excellence (2016)
WSU Outstanding Honors Thesis Advisor Award (2016)

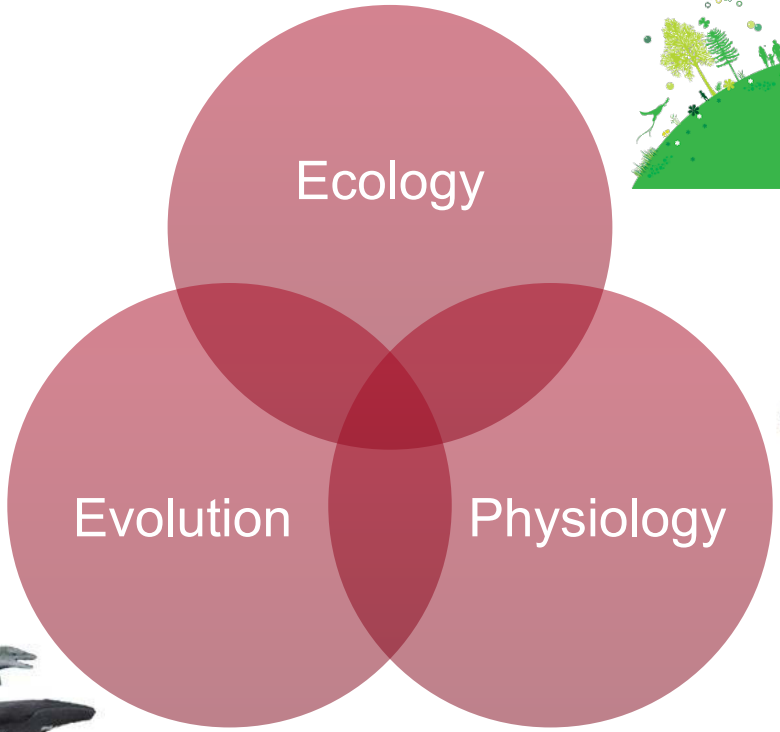
Funding

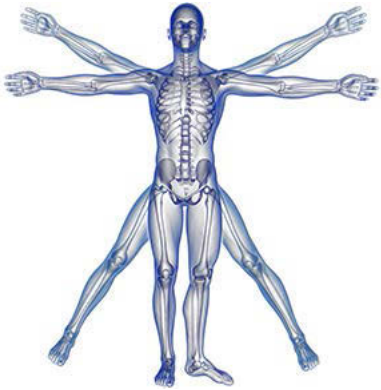
Multiple National Science foundation grants (totaling >$2 million)

School of Biological Sciences











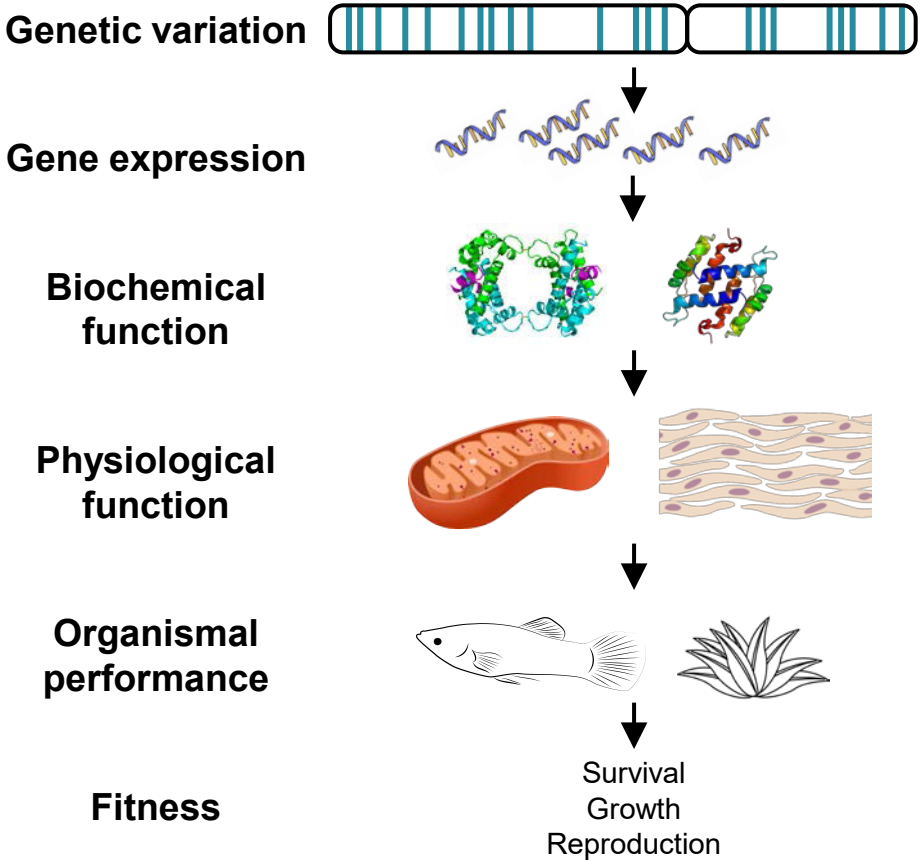



How do organisms diverge and adapt to the wide range of environments they encounter?

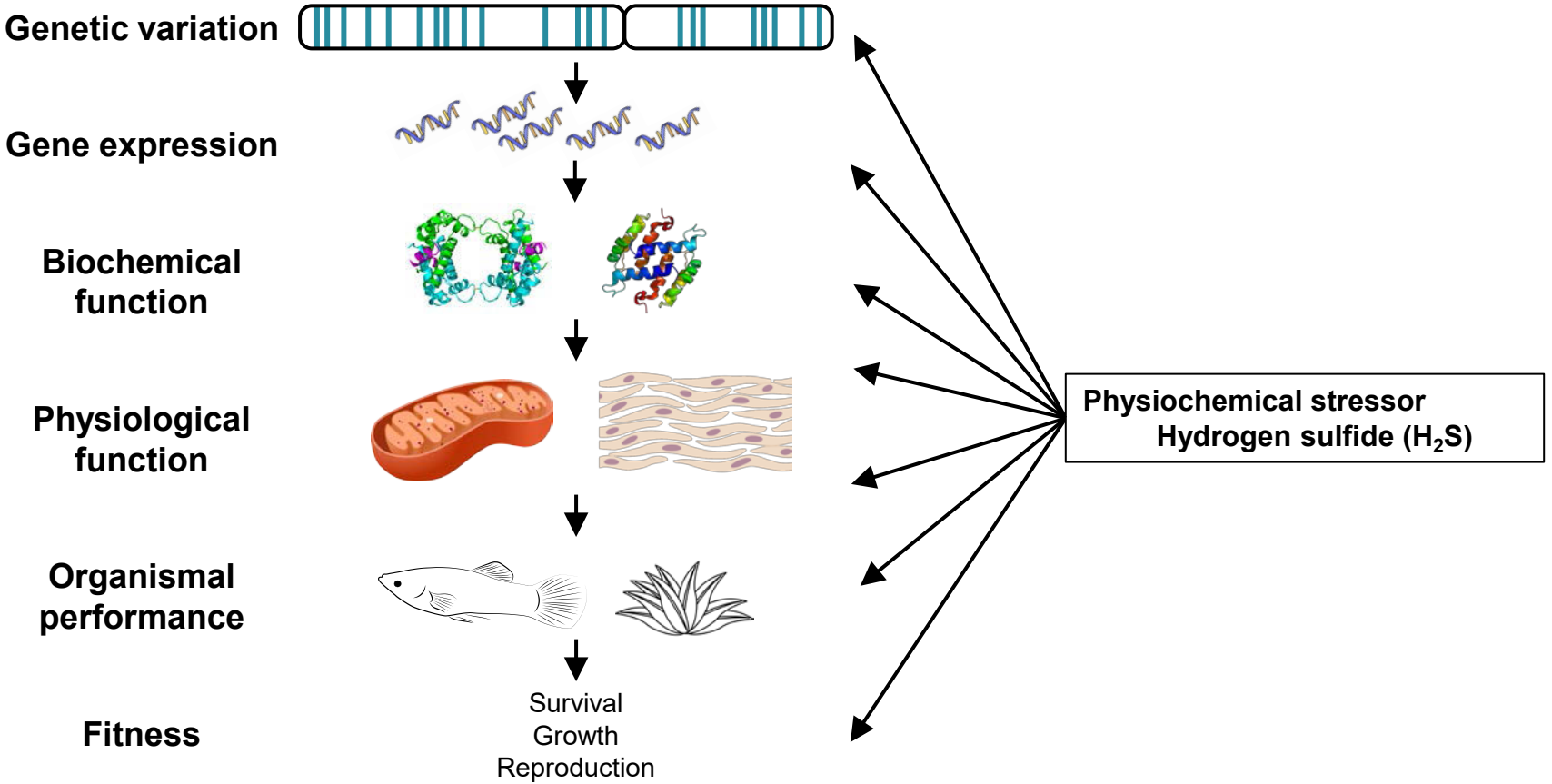




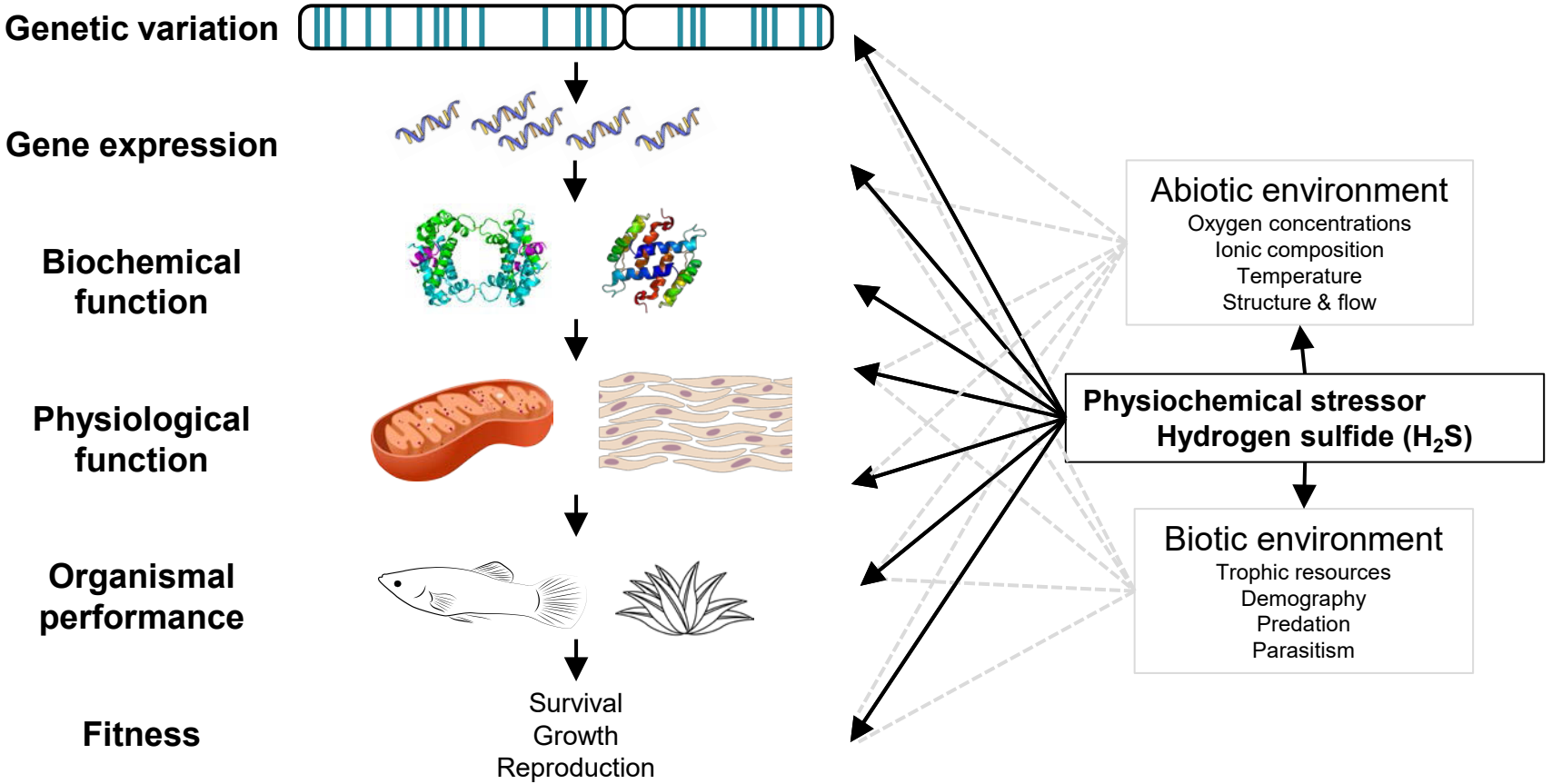

Understanding how organisms function in the context of their environment



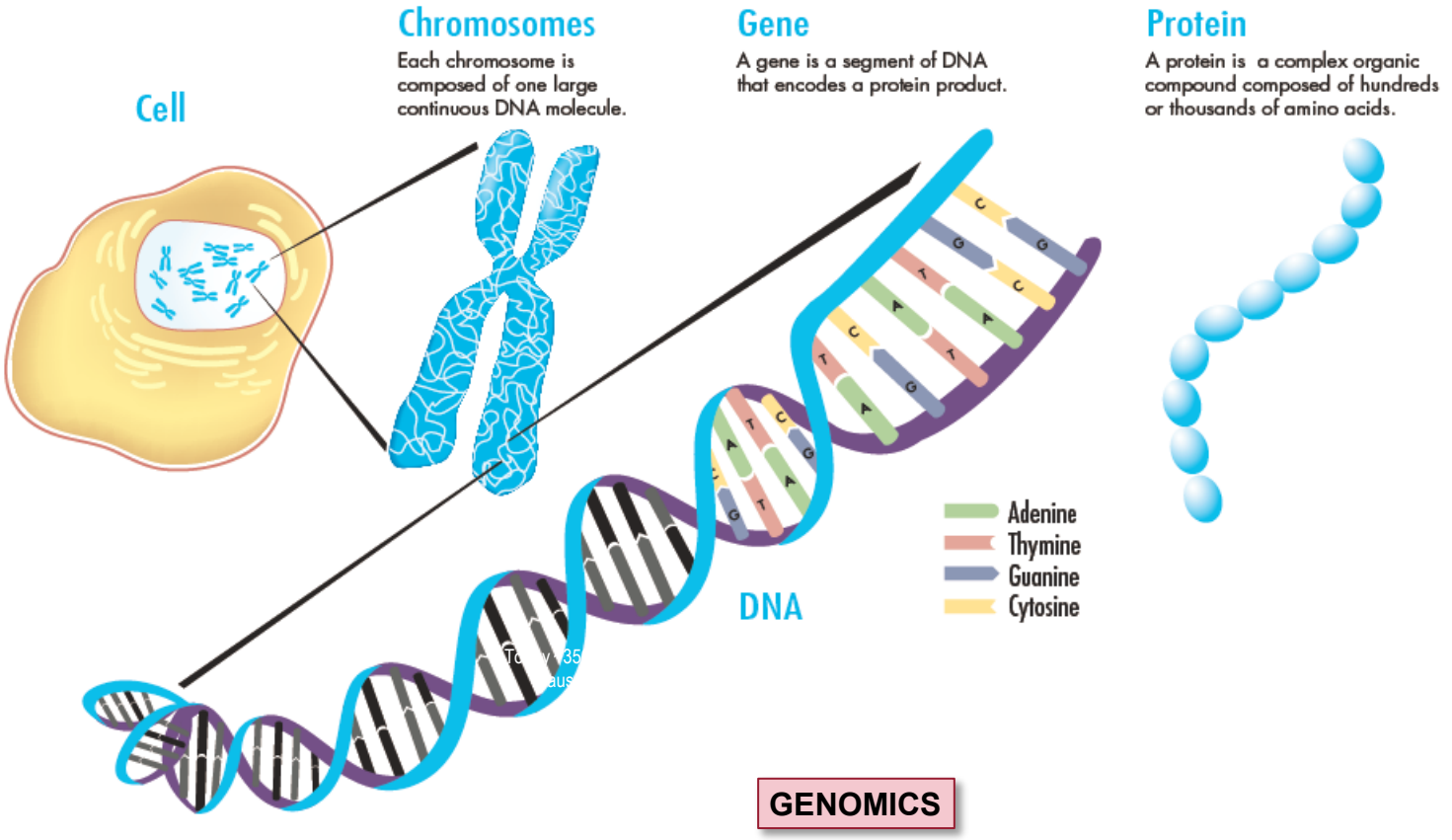
Understanding how organisms function in the context of their environment



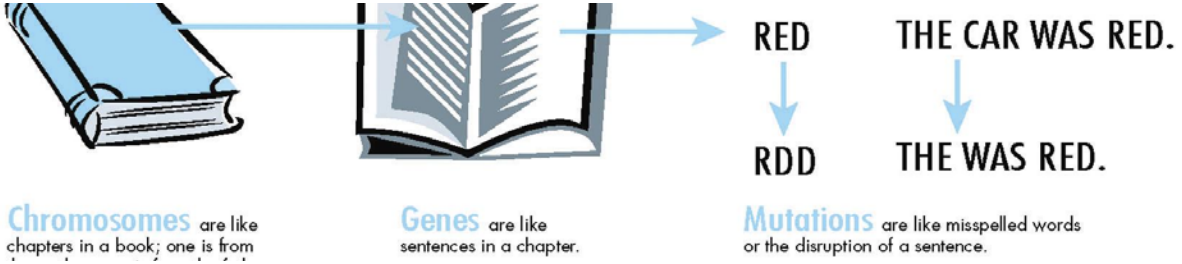
Understanding how organisms function in the context of their environment



What is a genome?



Genetic Variants



Chromosomes are like chapters in a book

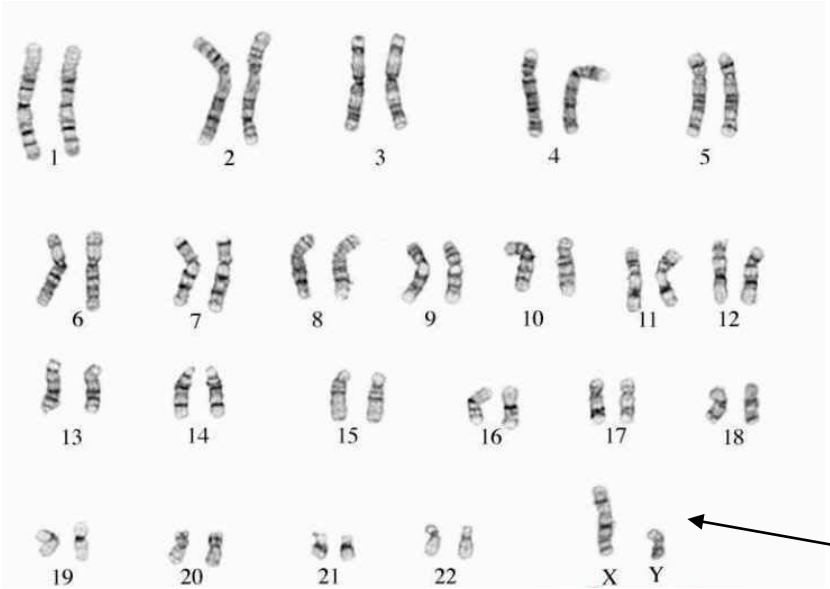
Genes are like sentences in a chapter

Genetic variation (or mutations) are like misspelled words or missing sentences

- Any two individuals are 99.9% identical in their DNA
- The 0.1% of unique DNA is what makes us different

Human Genome

- The entire set of genetic information is called our genome
- A single genome consists of 3.2 billion base-pairs of DNA, spread across 23 chromosome pairs.



The recent progression of sequencing technologies







Information flow from the genome

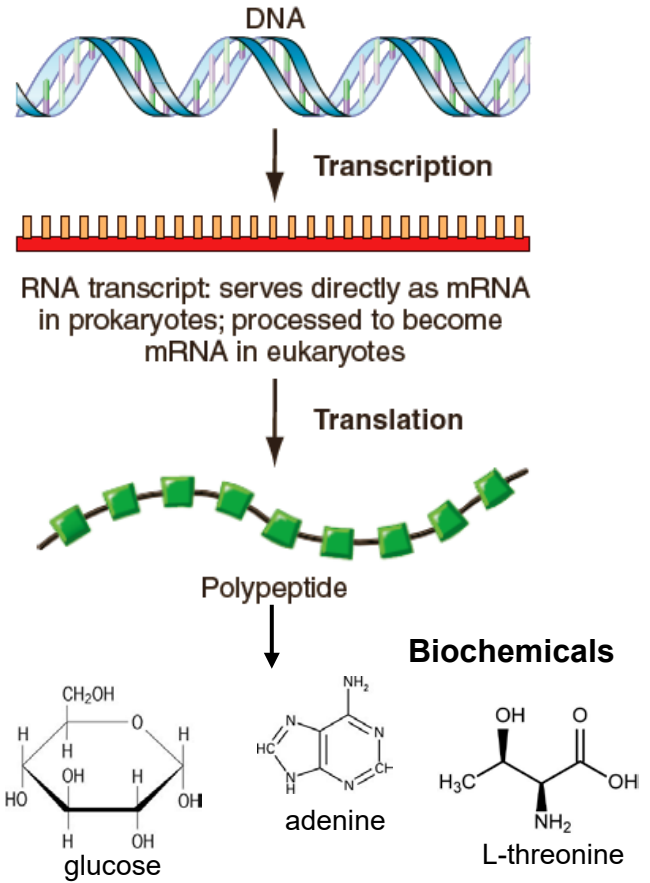
Genome

Epigenome

Transcriptome

Proteome

Metabolome



What is the epigenome?

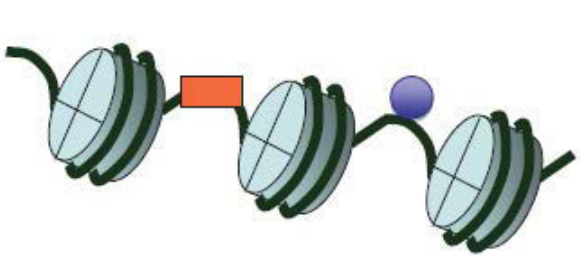


Epigenetic modification alters which genes are on or off

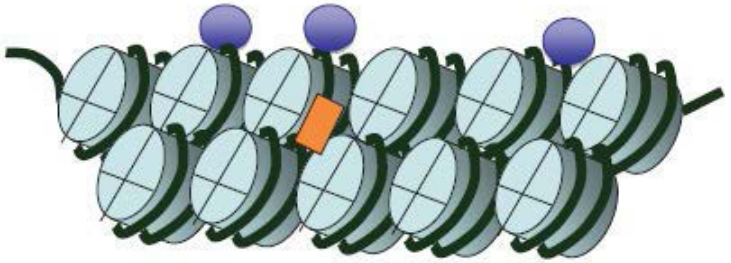


ON

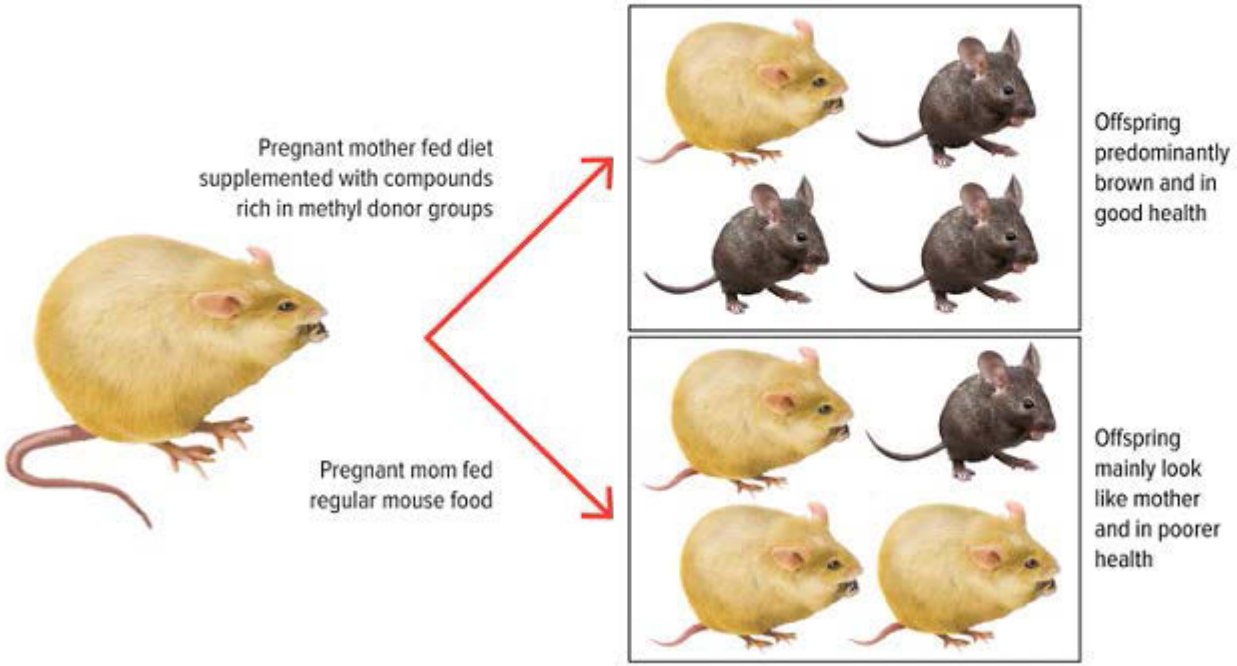
OFF

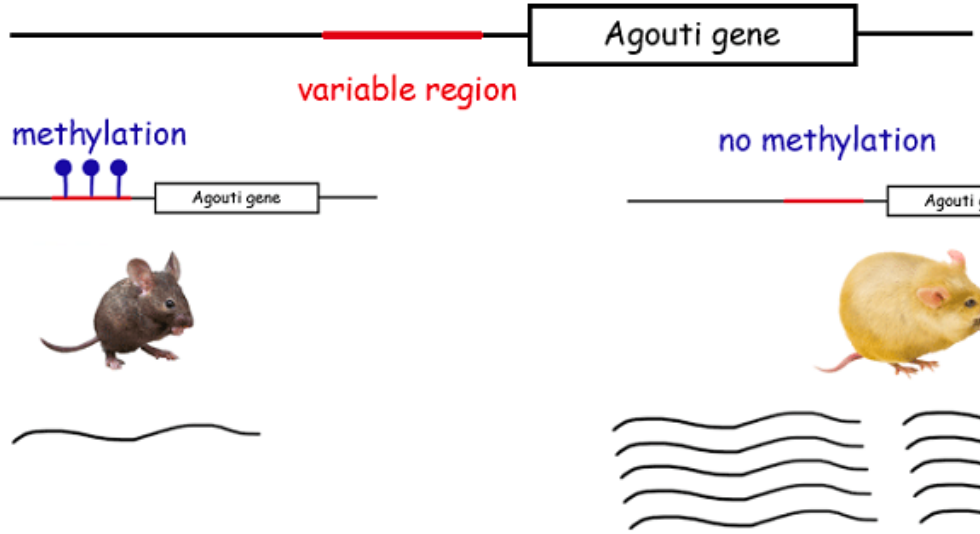


vs.



How can we explain these results?





* agouti mRNA briefly made during development;
* mother's diet supplies methyl donor groups;
* agouti gene silenced by methylation remainder of mouse life.

healthy mouse with brown fur

* agouti mRNA made during development;
* mother's diet does not supply methyl donor groups;
* agouti gene is continually active, producing mRNA throughout mouse life.

mouse with yellow fur
develops obesity and diabetes during adulthood

Organisms in extreme environments as the framework to study evolution

- Extreme environments are often replicated
- Strong and constant selective pressures
- Often leads to similar phenotypes
- Opportunity to study closely-related non-adapted populations







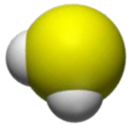


Hydrogen sulfide (H_2S) is a strong and constant selective pressure

- Naturally occurring in volcanic regions
- Acute toxicity in micromolar (5-40 μM) concentrations
- Inhibits oxygen transport and cellular respiration
- Causes and aggravates hypoxia
- Biomedical implications and applications



H_2S concentrations in sulfidic springs up to 1100 μM

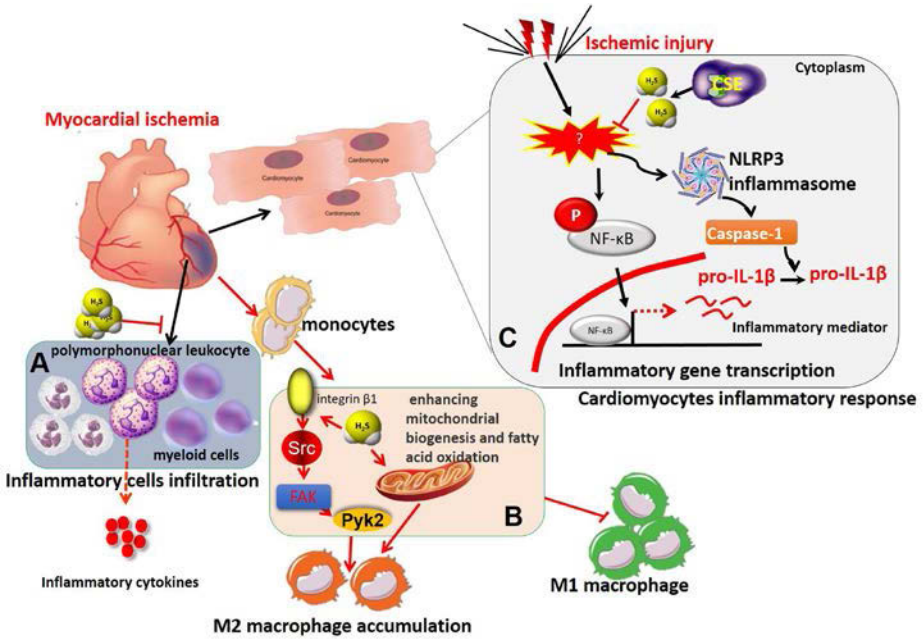


Tobler et al. 2006, *Extremophiles*

Biomedical implications and applications of H_2S

- Byproduct of cysteine metabolism
- Modulator of physiological processes
  - Vasodilation
  - Control of inflammation
- Induces suspended animation in rats

- Imbalances in H_2S homeostasis
  - Linked to cardiovascular diseases and hypertension
  - Reperfusion injury and circulatory shock
  - Inflammation
  - Diabetes



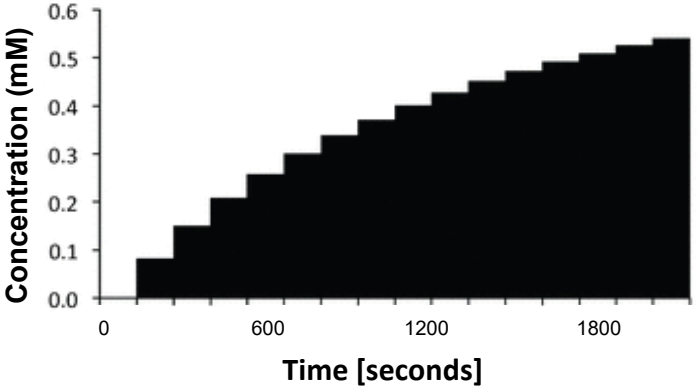


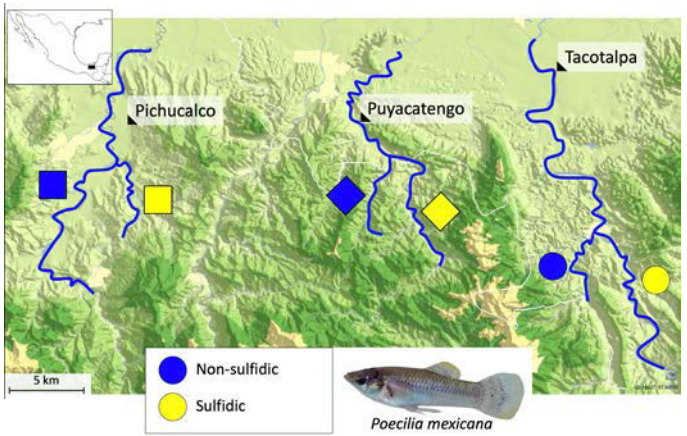
Poecilia mexicana
Mexico

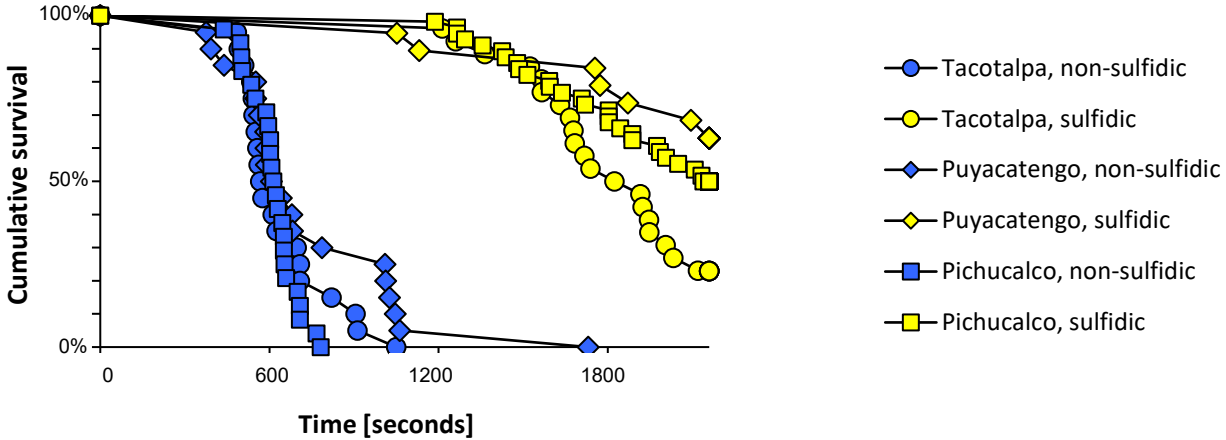


Fish in the *Poecilia mexicana* species complex have colonized H_2S-rich springs

Survival in hydrogen sulfide varies between populations







Tobler et al. 2011, *Evolution*

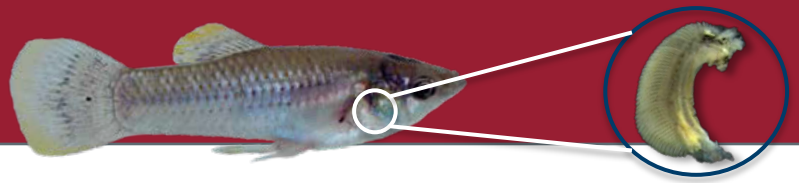




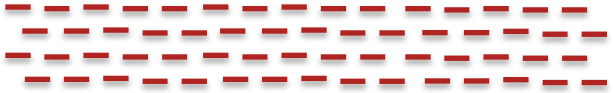








RNA-sequencing



Map to reference genome



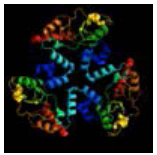
Quantify transcript abundance



Identify allelic variants

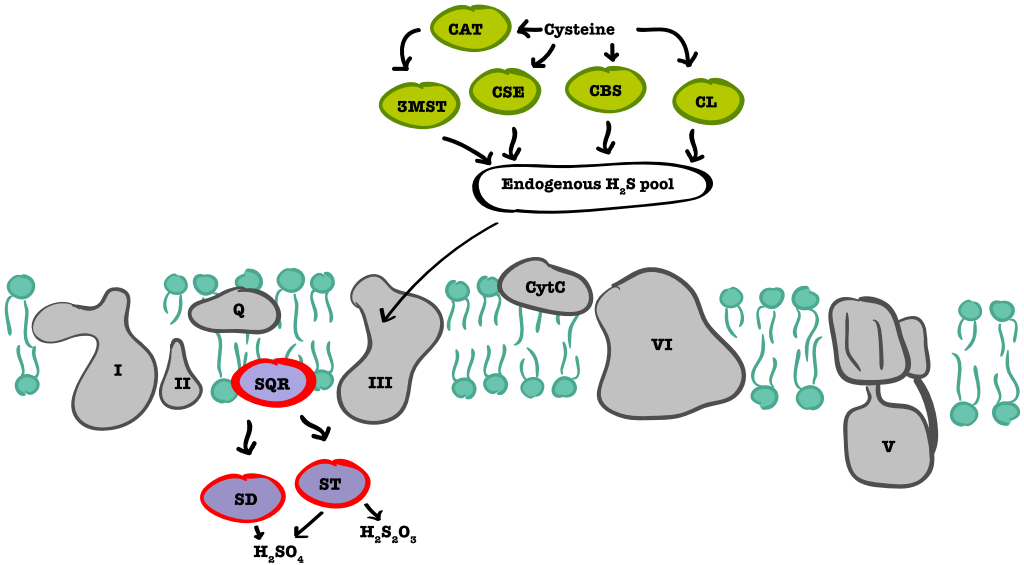
```
GATGCTCGAA TATAGCTACCGACGA    TACTGAT
GATGCTCGAA TATCGCTACCGACGA    TACTGGT
GATGCTGGAA TATAGCTACCGACGA    TACTGAT
GATGCTGGAA TATCGCTACCGACGA    TACTGCT
```

Functional annotation





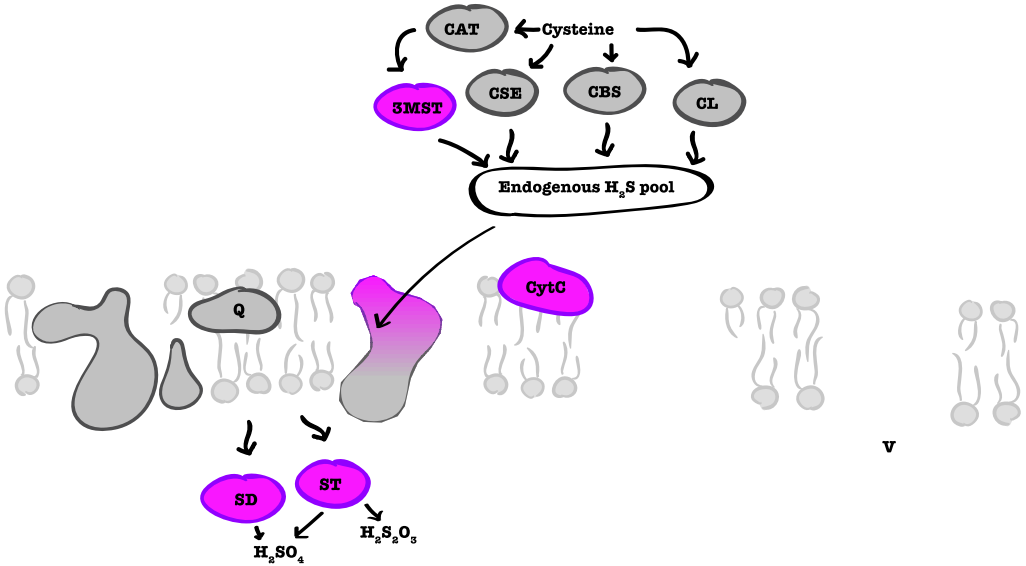
Predicted genetic changes between sulfidic and non-sulfidic ecotypes



- Modification of cytochrome c oxidase (COX), a major target of H_2S toxicity
- Up-regulation of enzymes detoxifying H_2S
- Down-regulation of enzymes producing H_2S within the body
- Differential regulation of other molecular targets

RNA-sequencing of sulfidic and non-sulfidic populations revealed differential expression of some predicted genes

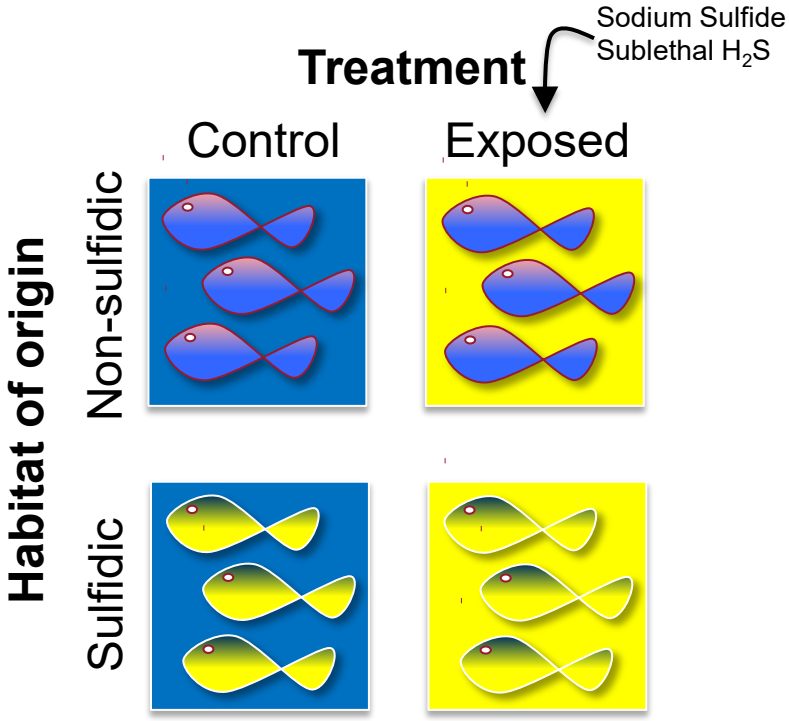
up-regulated in all sulfidic populations



- No evidence for down-regulation of genes related to H_2S production
- Significant up-regulation of genes related to detoxification
- Consistent up-regulation of complex III and cytochrome c
- Are differences in gene expression evolved or plastic?

What differences in gene expression between ecotypes are evolved versus responses to the environment?

- Common garden rearing experiment for two of the *Poecilia mexicana* populations
- Exposure experiment of **lab-raised** fish to sulfidic and non-sulfidic conditions
- Determine the role of phenotypic plasticity versus heritable differences in gene expression

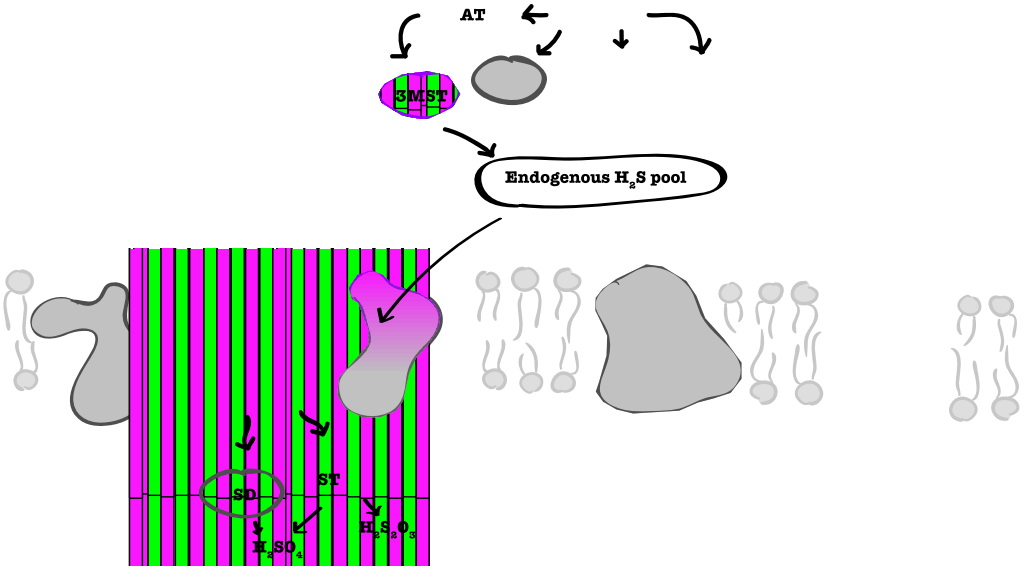


Passow et al 2017 *Molecular Ecology*

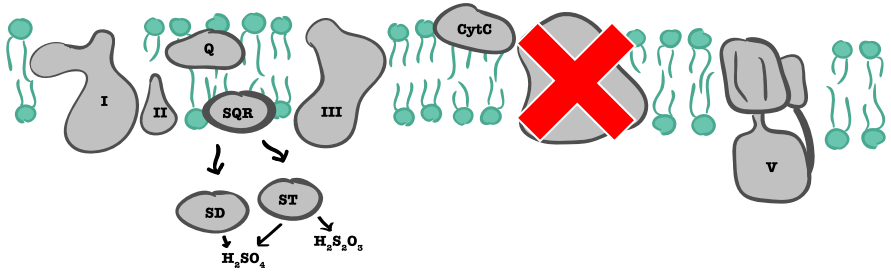
Evidence for *evolved* changes in gene expression

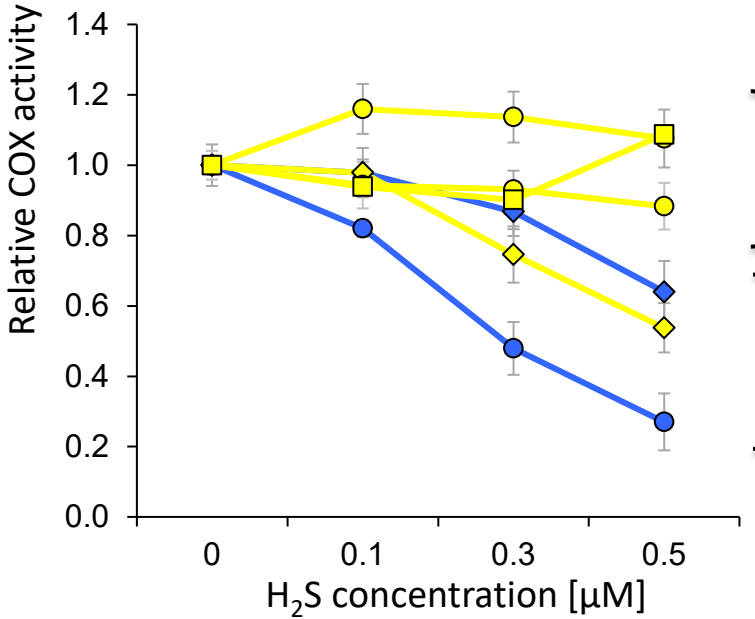
up-regulated in all sulfidic populations

up-regulated and evidence for evolved changes in expression



Reduced sensitivity to H_2S in some populations





Convergently evolved amino acid change, evidence for selection

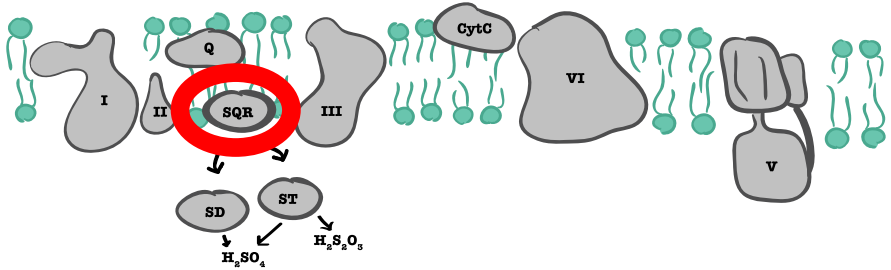
No evidence for selection

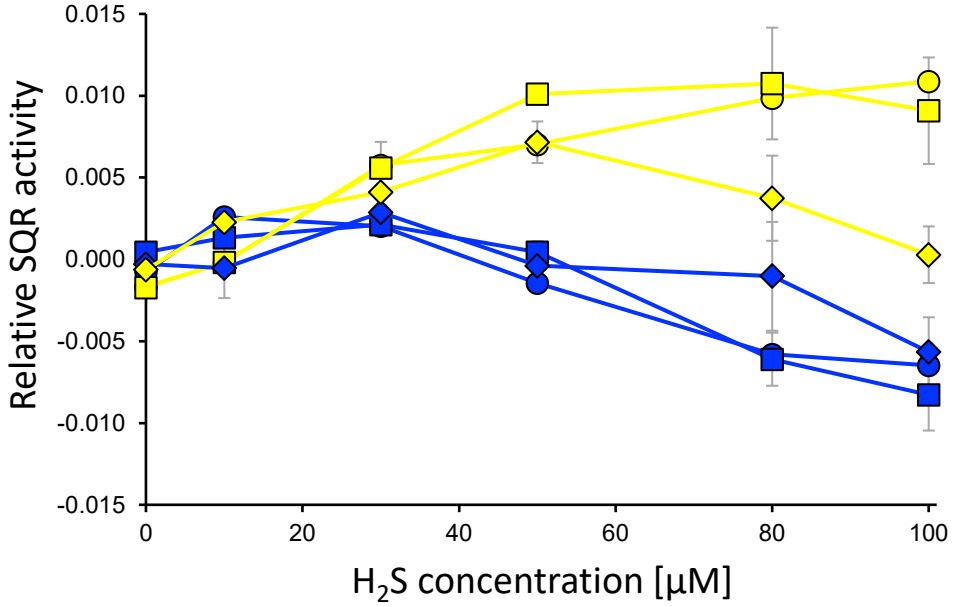
Non-sulfidic

Sulfidic

Pfenninger et al. 2013, *Nat Commun*

Increased enzymatic H_2S oxidation by SQR in sulfidic populations





Non-sulfidic

Sulfidic

Barts, *unpublished*

Gambusia affinis
Oklahoma



Gambusia holbrooki
Florida



Poecilia mexicana
Mexico



Gambusia hubbsi
Bahamas



Limia sulphurophila
Dominican Republic



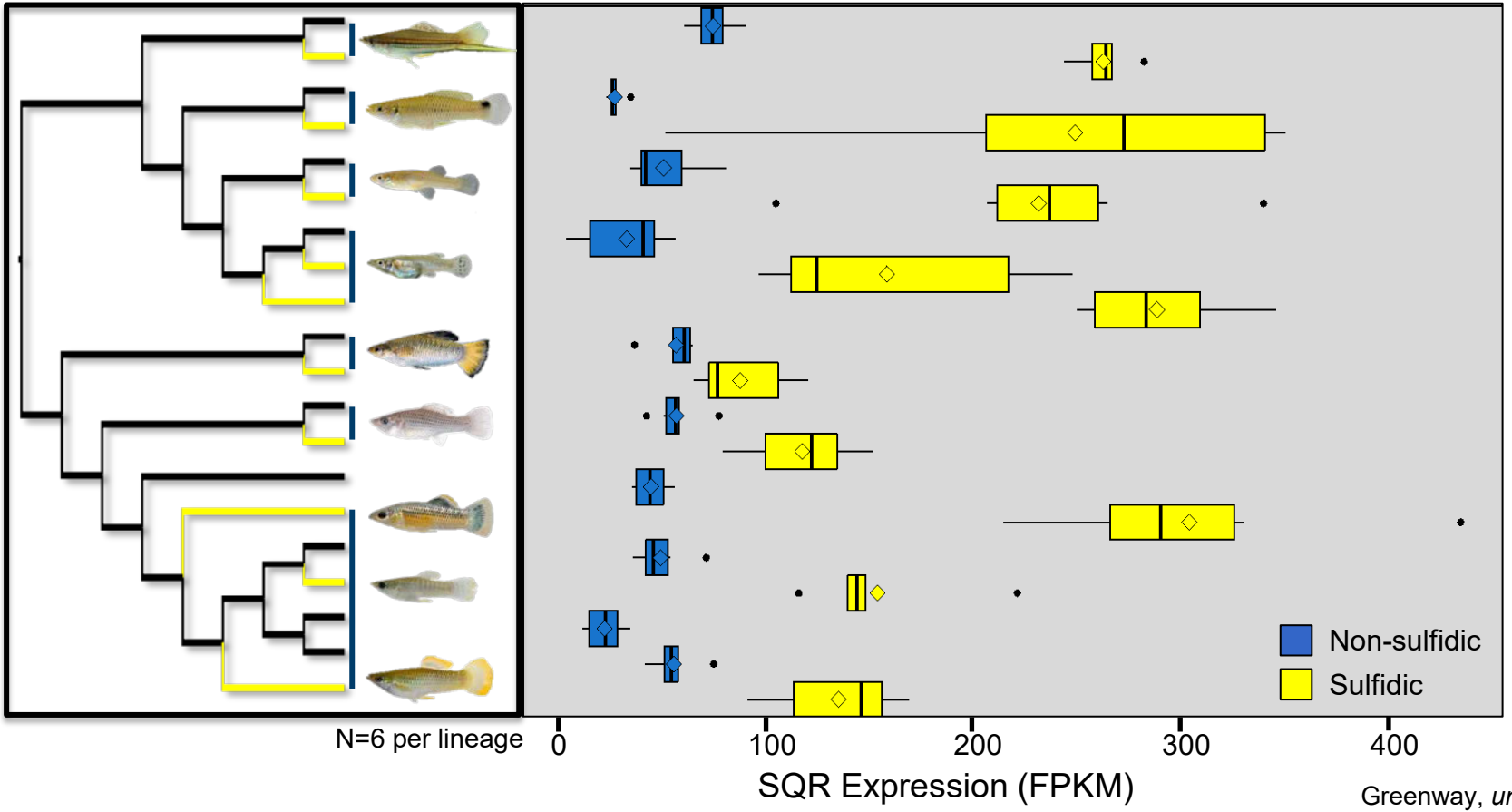
Poecilia & Gambusia
Mexico



Poecilia reticulata
Venezuela



Detoxification genes are consistently expressed at higher levels in H_2S adapted fishes



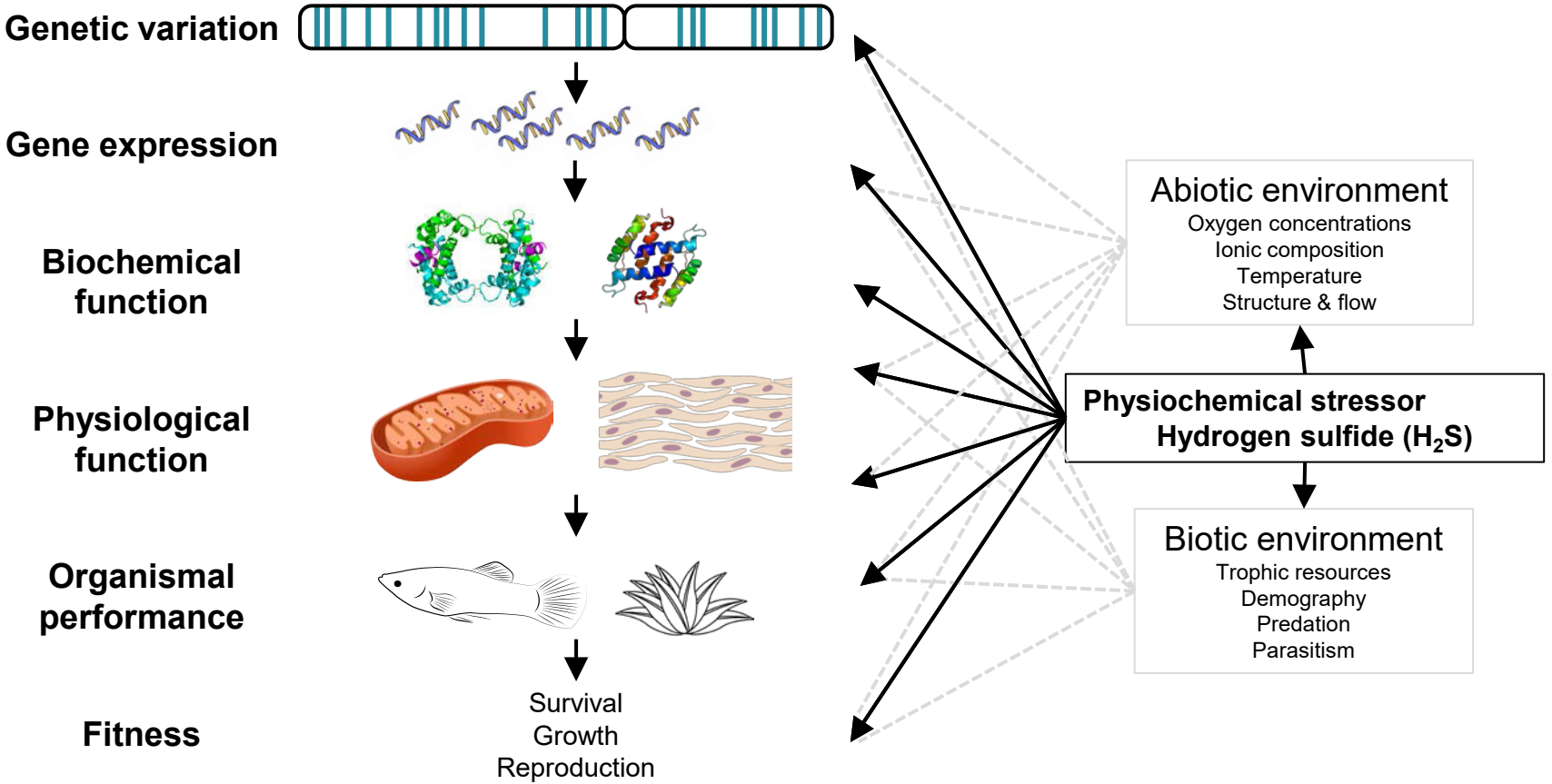
Greenway, *unpublishe*

Lessons learned and opportunities

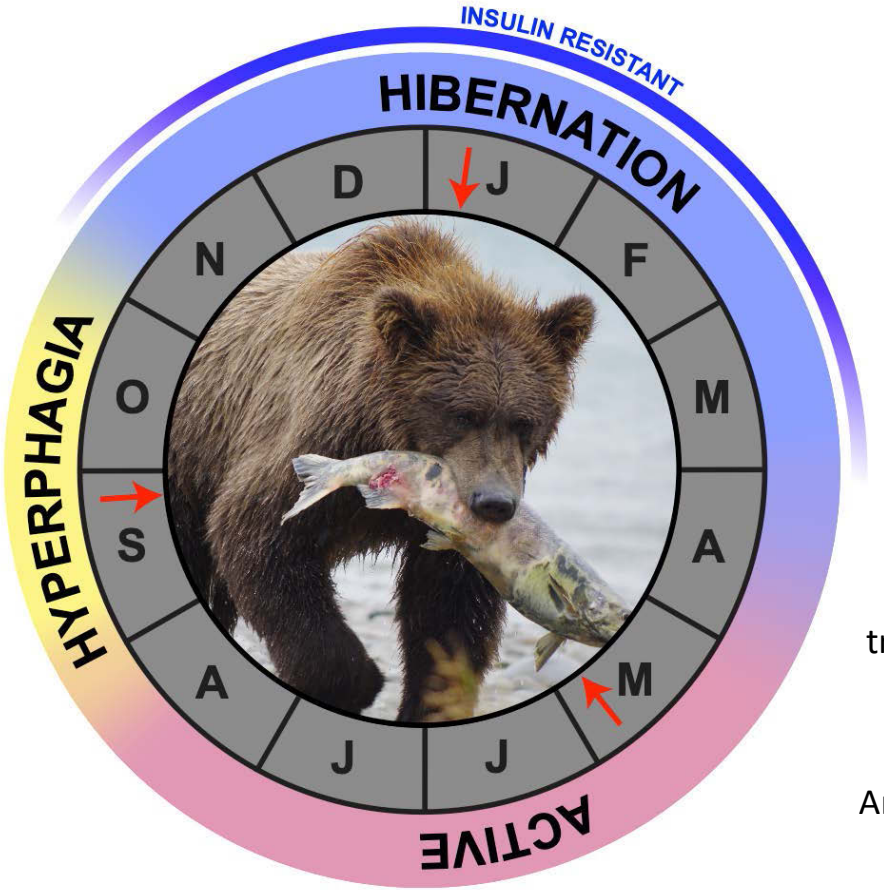
- Detoxification and resistance are important mechanisms for H_2S survival
- Adaptation to H_2S is largely predictable - but there seem to be multiple ways to solve the problem
- Convergent shifts in expression in all sulfide spring fishes

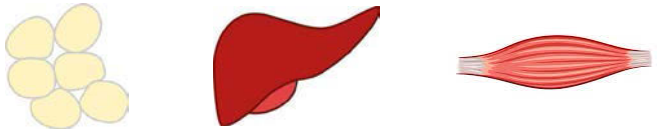
- Natural variation gives unprecedented ability to understand complex phenotypes
- Replicated environments or replicated phenotypes across large taxonomic scales provide a framework for understanding evolutionary processes

Understanding how organisms function in the context of their environment

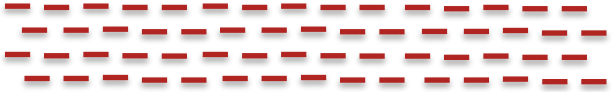


Sampling during critical time points to capture transcriptional variation in insulin responsive tissues





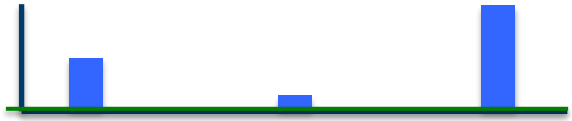
RNA-sequencing



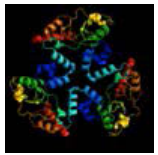
Mapping to reference genome



Quantifying transcript abundance

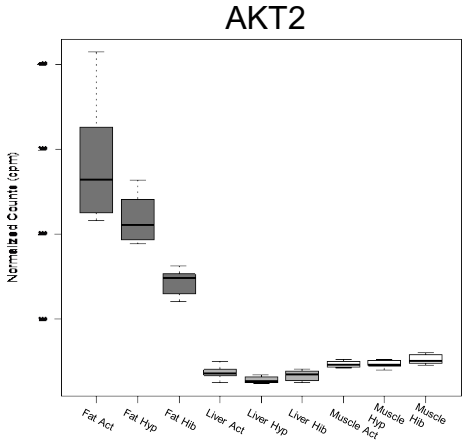


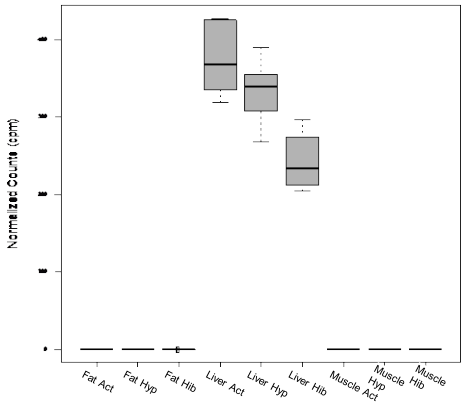
Annotating function

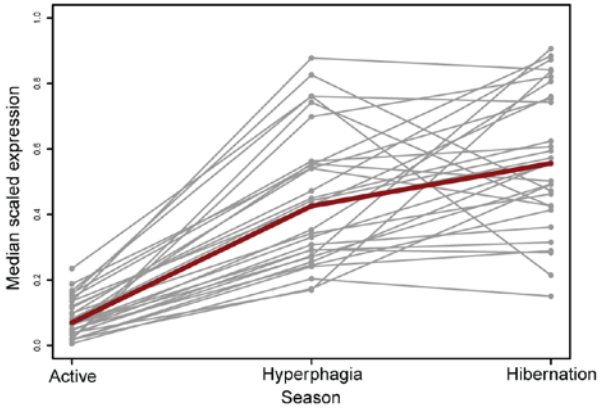


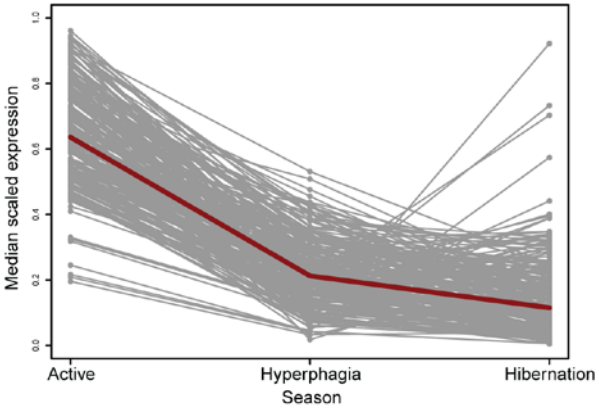


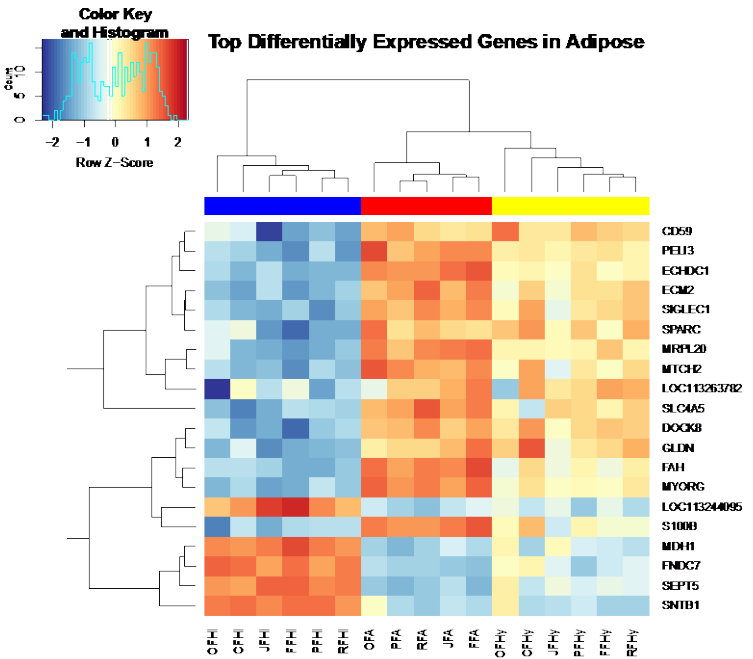
A subset of genes display a seasonal trend











Collaborators and Funding



Michi Tobler, PhD
Kansas State University



Anthony Brown, PhD at WSU
Now at UCSF

Washington State University
- Omar Cornejo, PhD
- Alexandra Fraik
- Alexia Gee
- Scott Hotaling
- Kerry McGowan
- Corey Quackenbush
- Michael Saxton
- Shawn Trojahn

Kansas State University
- Nick Barts
- Ryan Greenway
- Courtney Passow

Univ. Juárez Autonoma de Tabasco, MX
- Lenin Arias Rodrigues

University of Frankfurt
- Martin Pfenninger
- Martin Plath

NSF: 1557795, 1931650





Bear Center
Washington State University

Joanna Kelley, joanna.l.kelley@wsu.edu, http://labs.wsu.edu/genomes

BOARD OF REGENTS
WASHINGTON STATE UNIVERSITY

Agenda

Student Affairs and Student Life Committee
Thursday, March 12, 2020
11:00 a.m. – 12:00 p.m.

Location: WSU Tri-Cities, Consolidated Information Center (CIC), Room 125T

Committee Members: Lisa Schauer (Chair), Johanna Pantig, Mike Worthy

Information Items		**Section**
1.	Athletics Strategic Plan Update – Student Initiatives *(Blair)*	S-1
2.	Holistic Well-Being: Student Health and Wellness Across #OneWSU *(Gonzales/Boston)*	S-2



BRYAN BLAIR / CHIEF OPERATION OFFICER / WASHINGTON STATE UNIVERSITY / MARCH 12, 2020

PROCESS









This is a special place and a special time.

- LEE CORSO







PARTICIPANT FACTS



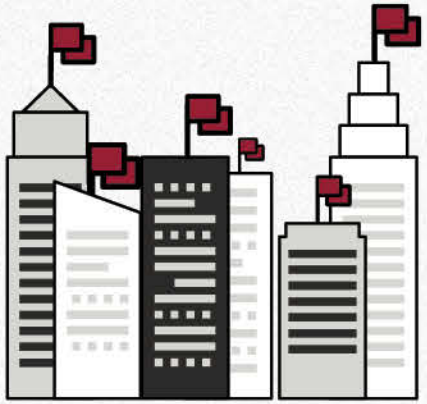
STUDENT-ATHLETES FROM ALL 17 SPORTS



OF COACHES AND STAFF



WASHINGTON STATE UNIVERSITY AND PULLMAN COMMUNITY MEMBERS



REPRESENTATIVES FROM ALL 6 SYSTEM CAMPUSES

UNLEASH

FALL 2018

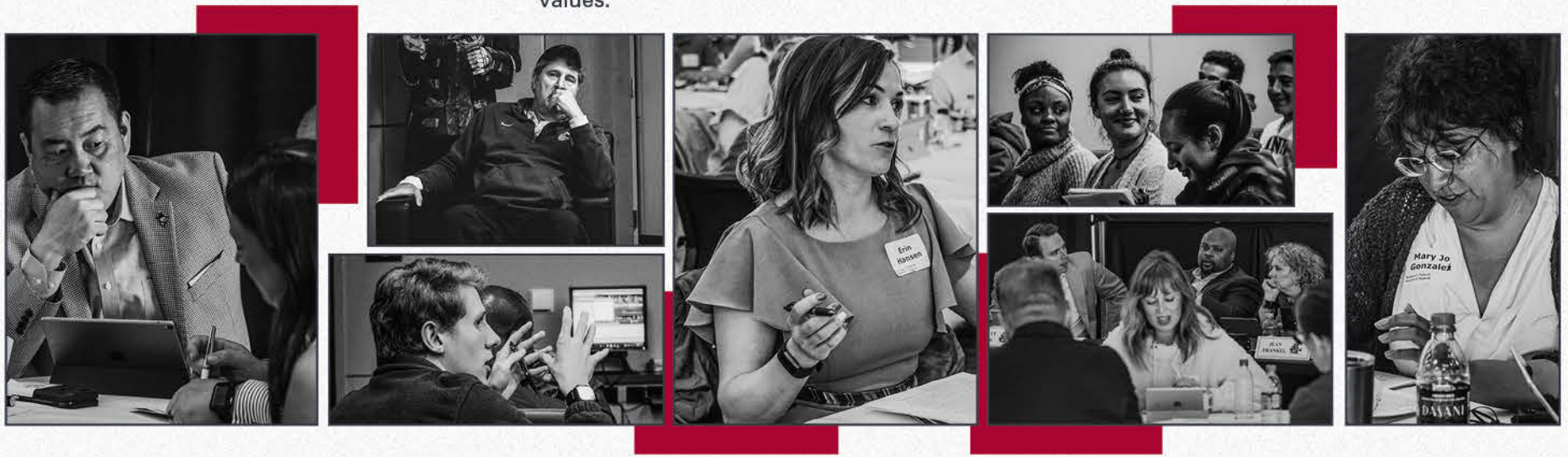
Strategic planning chair named and consultant selected. Design session held to outline the type of process WSU needed; Strategic Planning Committee formed.

JANUARY 2019

Strategic planning process announced at all-staff meeting. Staff asked to hand in a notecard answering, "what does WSU Athletics mean to me in one word." The entire athletics staff later completed a survey with key questions regarding mission/vision/values.

FEB. - MARCH 2019

Held staff focus groups, one-on-one interviews with Head Coaches, meetings with our Student-Athlete Advisory Committee (SAAC) and Athletics Council, and engaged various other external stakeholders.



APRIL 2019

Strategic planning retreat held including the Strategic Planning Committee, various athletics and campus staff members, and members of the President's cabinet.

JUNE 2019

Subcommittees formed to create objectives, strategies and metrics for six goal areas.

JULY- AUG. 2019

Draft of strategic plan reviewed and edited by various stakeholders.

UNLEASH

MISSION















> *Sport has the **power to change** the world. It has the **power to inspire**. It has the **power to unite** people in a way that little else does.*

- NELSON MANDELA



THE MISSION OF WASHINGTON STATE ATHLETICS IS TO UNLEASH EXCELLENCE.

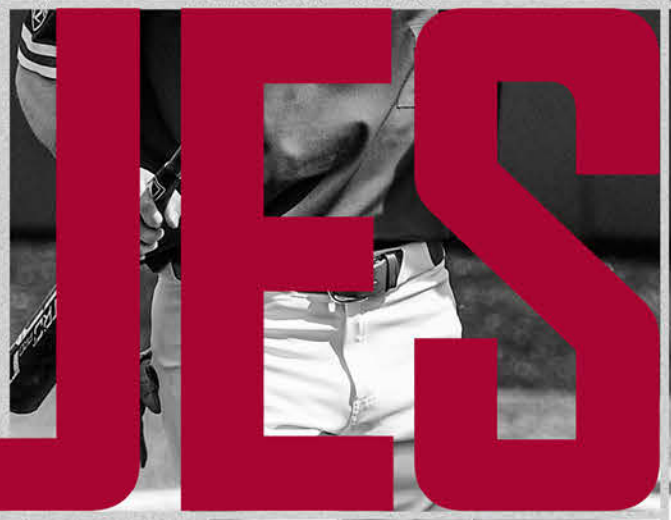
We provide a ***TRANSFORMATIONAL STUDENT-ATHLETE EXPERIENCE***, while elevating Washington State University through ***COMPETITIVE EXCELLENCE***, ***CAMPUS COLLABORATION*** and ***COMMUNITY ENGAGEMENT***.

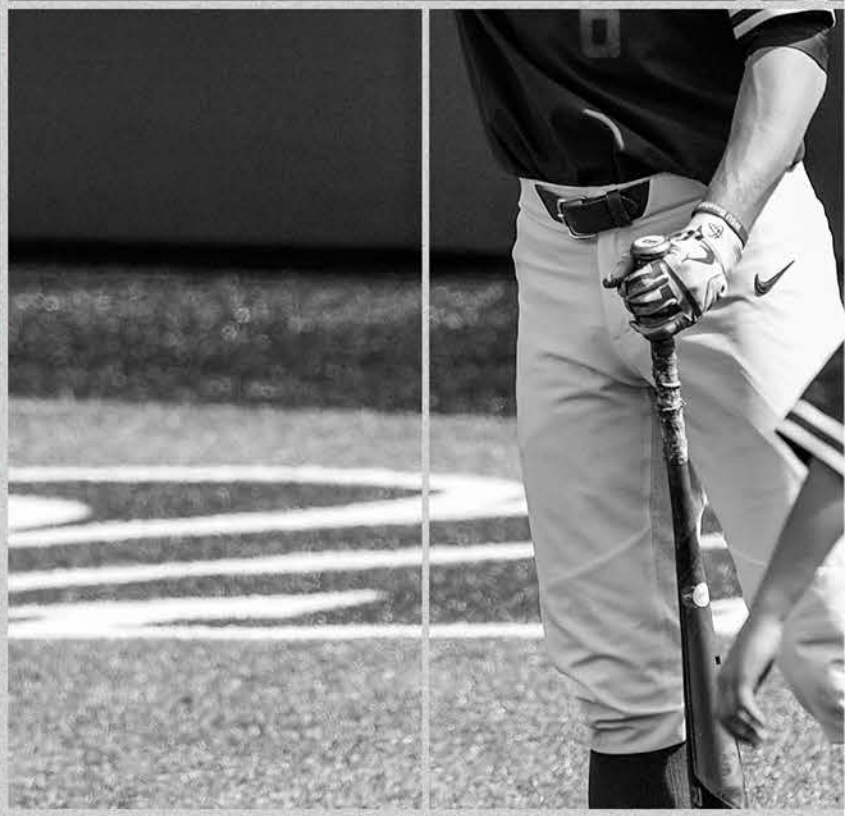
UNLEASH

CORE VALUES













> ***Keep your habits positive because your habits become your values. Keep your values positive because your values become your destiny.***
>
> **- MAHATMA GANDHI**



P. R. I. D. E.

PASSION RESILIENCY INTEGRITY DIVERSITY & INCLUSION EXCELLENCE

UNLEASH

VISION

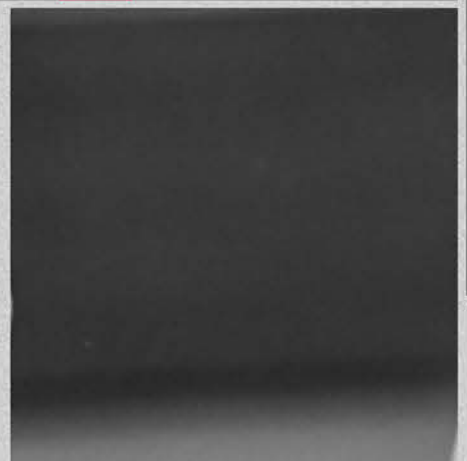














> *We choose to go to the moon in this decade and do the other things,* ***not because they are easy, but because they are hard,*** *because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one* ***which we intend to win,*** *and the others, too.*

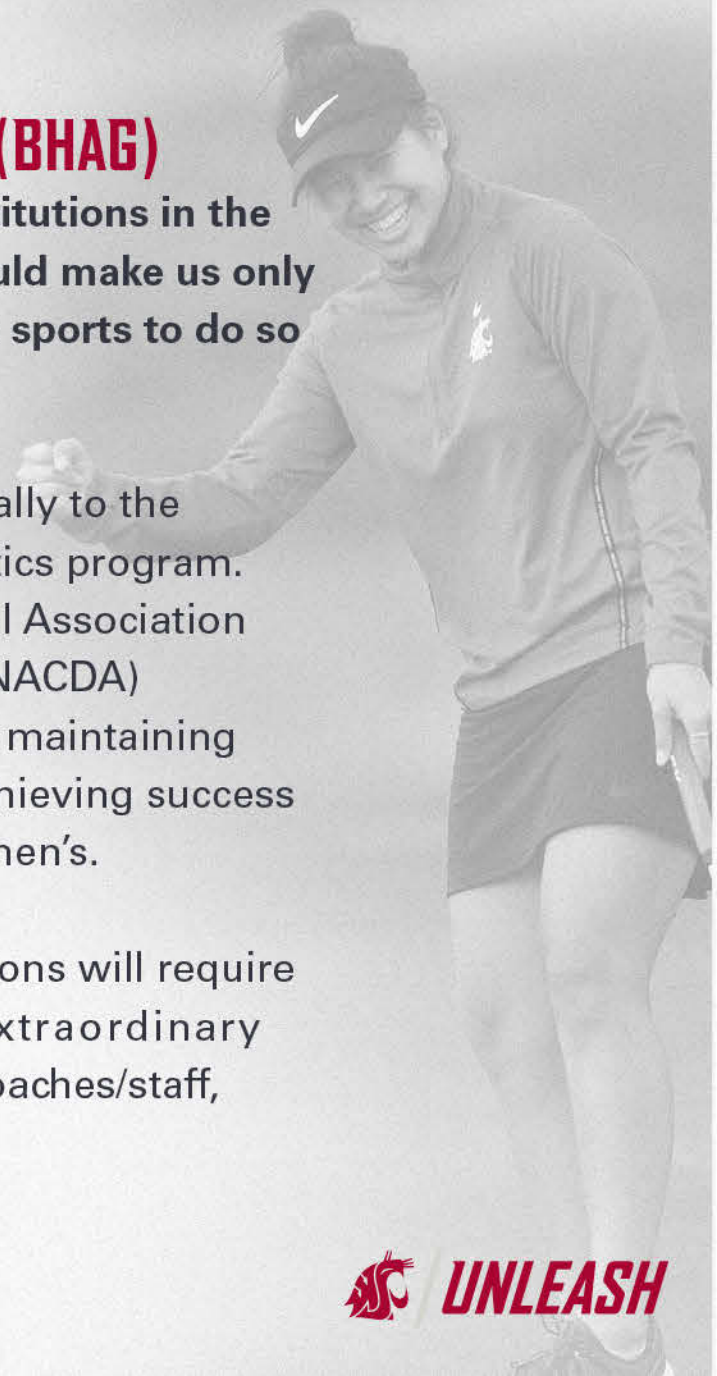
TOGETHER, WE WILL ACHIEVE WHAT WAS ONCE DEFINED AS IMPOSSIBLE.

BIG, HAIRY AUDACIOUS GOAL (BHAG)

We will appear in top 10% of D1 institutions in the Directors' Cup standings, which would make us only the fourth institution with 17 or less sports to do so in the last five years.

The Directors' Cup is awarded annually to the nation's best overall collegiate athletics program. It was establishedin 1993 by National Association of Collegiate Directors of Athletics (NACDA) and *USA Today* to honor institutions maintaining a broad-based athletics program, achieving success in many sports, both men's and women's.

Placing in the top 10% of D1 institutions will require unprecedented teamwork and extraordinary effort on behalf of all Cougs (e.g. coaches/staff, student-athletes, alumni, fans, etc.).



UNLEASH

STRATEGIC GOALS

1 COMPETITIVE EXCELLENCE

We will ***achieve and sustain*** national recognition for ***competitive excellence*** measured by championships, Pac-12 standings and NCAA postseason competition. Department-wide competitive excellence will lead to annual improvement in the Directors' Cup standings.

2 STUDENT-ATHLETE EXPERIENCE

We will offer the ***most transformational*** student-athlete experience ***in the country*** by providing the programming, resources and opportunities for our student-athletes to reach their ***full potential*** while at WSU and beyond.

3 "ONCE A COUG, ALWAYS A COUG"

We will magnify the ***passion and pride*** of Cougs everywhere by leveraging the relationships between the athletics department, the university system and Cougs throughout the world to ***enhance our efforts*** and better serve the overall mission of WSU.

4 CHAMPIONSHIP CULTURE

We will maintain a culture within WSU athletics that ***values people*** as our greatest resource, champions ***diversity and inclusion***, and embraces a servant leadership mentality, while maintaining high performance and ***integrity*** in all endeavors.

5 REVENUE MAXIMIZATION

We will ***maximize revenue streams*** to provide additional ***resources and opportunities*** for our student-athletes, while continuing to assist the university in ***expanding the reach and reputation*** of the WSU brand.

6 RESOURCE STEWARDSHIP

We will continue to search for new ways to reduce expenses, while maintaining ***our commitment*** to providing a life altering ***student-athlete experience.***



UNLEASH





GOAL ONE









COMPETITIVE EXCELLENCE

We will ***achieve and sustain*** national recognition for ***competitive excellence*** measured by championships, Pac-12 standings and NCAA postseason competition. Department-wide competitive excellence will lead to annual improvement in the Directors' Cup standings.





GOAL TWO











STUDENT-ATHLETE EXPERIENCE

We will offer the ***most transformational*** student-athlete experience ***in the country*** by providing the programming, resources and opportunities for our student-athletes to reach their ***full potential*** while at WSU and beyond.





GOAL THREE







"ONCE A COUG, ALWAYS A COUG"

We will magnify the ***passion and pride*** of Cougs everywhere by leveraging the relationships between the athletics department, the university system and Cougs throughout the world to ***enhance our efforts*** and better serve the overall mission of WSU.



GOAL FOUR



CHAMPIONSHIP CULTURE

We will maintain a culture within WSU athletics that ***values people*** as our greatest resource, champions ***diversity and inclusion***, and embraces a servant leadership mentality, while maintaining high performance and ***integrity*** in all endeavors.



GOAL FIVE

REVENUE MAXIMIZATION

We will ***maximize revenue streams*** to provide additional ***resources and opportunities*** for our student-athletes, while continuing to assist the university in ***expanding the reach and reputation*** of the WSU brand.

GOAL SIX

RESOURCE STEWARDSHIP

We will continue to search for new ways to reduce expenses, while maintaining ***our commitment*** to providing a life altering ***student-athlete experience.***







TOGETHER, WE WILL ACHIEVE WHAT WAS ONCE DEFINED AS IMPOSSIBLE.

WASHINGTON STATE UNIVERSITY ATHLETICS

WSUCOUGARS WSUCOUGARS.COM/UNLEASH #UNLEASHWSU 1-800-GO-COUGS

Holistic Well-Being: Student Health and Wellness across #OneWSU

Board of Regents | March 2020

Division of Student Affairs
Washington State University

VANCOUVER

Health Services Update (from Fall 2019)

- 124 unique patients served, 65 follow-ups and a 3.17% no-show rate
- 168 flu shots administered, with 126 at event
- 168 Student Affairs & Enrollment staff trained to provide Campus Connect training

VANCOUVER

Mental Health Update (from Fall 2019)

- 199 unique clients served, with 60% new clients
- 868 sessions provided, with 100 same-day sessions
- 140 initial and updated assessments/consultations
- Average wait time for first appointment is 8.13 business days, with 4.9% no-show rate.
- Waitlist for assigned counselor began in October and ended in January.

Challenges

- Inadequate space for counseling impacting our capacity

Student Affairs

TRI-CITIES

New Initiatives

- Investment in full-time mental health counselor/wellness coordinator
- Campus-wide Wellness Committee
- Tri-Cities Cancer Center Wellness Partnerships

Wellness Services and Signature Programs

- Student Support Services
- Campus Recreation
- Cougar Cupboard
- Peace Paper Project

Student Affairs

TRI-CITIES

Campus Wellness Programming

- Mindfulness programming in MOSAIC Student Inclusion Center
- Financial and tax preparation
- Finals week activities (massage chairs, dog therapy, survival packs)

SPOKANE/YAKIMA

Counseling Services

- Personal and career counseling
- Psychological testing
- Consultations with faculty and staff
- Student Care Network

Initiatives

- Mental Health First Aid training
- QPR Suicide Prevention training
- Violence prevention programs
- Bystander programs
- Campus Pantry expansion
- Fitness Center expansion
- Piloting tele-medicine for Yakima students

Student Affairs

SPOKANE/YAKIMA

Opportunities

- 105% increase in counseling usage from 2018 to 2019
- Expansion of counseling services to 12 months
- Adding new pharmacies and clinics in Yakima to provide services
- Exploring tele-counseling services
- Exploring a meditation/prayer/spirituality room

Challenges

- Increasing costs for services
- Meeting the unique needs of programs in Yakima
- Growing demand for services

GLOBAL

Key System Partnerships to Offer Wellness Programs

- Nutrition programming
- Stress reduction
- Exercise routines
- Gym membership reimbursements

Additional Webinars

- Self-care essentials
- Grit and resilience
- Building better relationships

GLOBAL

Engaged Student Government

- Mental health resource list
- Mental health reimbursement program

Opportunities

- Working with the WSU system to provide additional services and programs

EVERETT

Current

- Contract with **one** local mental health counselor for three free sessions per year for WSU Everett students
- Discounted gym membership at Everett Community College
- Suicide prevention workshop at faculty and staff in-service

EVERETT

Challenges

- Funding is only provided for the contracted counselor
- Staff Capacity - Currently one staff member to cover all Student Affair needs and programming

Future Plans

- Students plan to ask for funding through S&A Fees for funding for Health & Wellness Programming, specifically for flu shots, mindfulness workshops, etc.

PULLMAN

Updates

- Service delivery snapshot
  - Medical Clinic: 30,000 office visits each year
  - Counseling: 5-15% increase in requests for appointments each year
  - Pharmacy: more than 46,000 Rx/year (41% increase 2015-2018)
- Campus & Community Health Task Force
- Student Health Advisory Committee revitalization
- Health Promotion – Bystander Intervention updates

PULLMAN

Updates Continued

- Therapy Light initiative
- Winter Blues Buster events
- Counseling: updated to more student-friendly initial consultation process
- Executive Director search underway

Challenges

- Complexity in compliance: billing insurance, Medicaid, civil rights/access, ACA
- Rural location impacts employee recruitment and retention

#OneWSU SYSTEMWIDE

Revised Student Care Network

- Dedicated Student Care Teams on each campus
- Improved referral process

Opportunity for System Tele-health and Tele-counseling

- Spokane already implementing
- System-wide group convening
- Plan to develop proposal for all Cougs to have access

Student Affairs

Questions?

BOARD OF REGENTS
WASHINGTON STATE UNIVERSITY

Agenda

Institutional Infrastructure Committee
Thursday, March 12, 2020
11:00 a.m. – 12:00 p.m.

Location: WSU Tri-Cities, Consolidated Information Center (CIC), Room 210

Committee Members: Lura Powell (Chair), Marty Dickinson, and Heather Redman

Information Item	**Section**
1. Real Estate Update *(Pearson/Goodell)*	I-1

Future Action Item

1. Wilmer Davis Renovation Design and Preconstruction *(Gonzales/Boston/Yang)*	I-2

INFORMATION ITEM #1

Real Estate Presentation
(Stacy Pearson/Ryan Goodell)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Presentation on WSU's Real Estate Asset and Activities

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

BACKGROUND INFORMATION: This presentation is to provide information to the Regents about WSU's real estate holdings, leases and other related activities.

ATTACHMENT: Real Estate Presentation

Contracts & Real Estate Office



March 13, 2020

Stacy M. Pearson
Ryan H. Goodell

Board of Regents Real Estate Policy #4

- The Board of Regents has the power and authority to acquire, dispose, manage and control all property of the University.
  - The President and Vice President for Finance and Administration have been granted specific authority with regard to matters pertaining to the real estate transactions.
- All University real estate is owned by Washington State University, not by the administrative unit that is assigned, occupies or otherwise uses the real estate.
  - Applies to all land, buildings, air rights, water rights, timber rights and mineral rights.
- The acquisition, disposition and leasing of University real estate is to be conducted in accordance with procedures established by the Office of Finance and Administration.
- Lease income and proceeds from the sale of University property are to be deposited in the University real estate account to offset the overhead costs of real estate operations and to be banked for future real estate transactions.
- The University is expected to maximize the productivity of its real estate holdings.

System-Wide Real Estate Roles and Responsibilities

- Acquisitions and Dispositions of real property
- Lease Agreements, Facility Use Agreements (both WSU and non-WSU facilities) and License Agreements
- Property Management and Leasing
  - WSU Research and Technology Park – Pullman
  - Innovation Building (Ignite NW) – Spokane
- WSU Seattle Office (Management and Operations)
- Easements and Rights of Access
- Management and Disposition of Real Property that comes to the University through the WSU Foundation
  - Distribute Funds in Accordance with the Gift Use Agreement

System-Wide Real Estate Examples (2019)

- CAHNRS
  - Acquisition of Othello Property (Monsanto)
  - Roza Farm Ground Lease and Operating Agreement
- Everett
  - Ground Lease with Everett Community College
  - Acquisition of the Everett Housing Authority Property
- IREACH
  - New Office Lease
- Meyer's Point
  - New Conservation Easement
- Pullman
  - Mixed Use Ground Lease with Corporate Pointe, LLC
  - Roundtop Public House (formerly Banyan's)
  - Research and Technology Park
- Spokane
  - Eastern Washington University Lease Agreements
  - Innovation Building

System-Wide Real Estate Examples (2019) - continued

- Tri-Cities
  - Richland School District Ground Lease, Land Swap and now Sale
  - Disposition of 24-Acre Parcel
- Vancouver
  - Vancouver School District Ground Lease, Easements and Operating Agreement
  - MAJ Development – Road Vacation, Construction Easement and Access and Maintenance Agreement
- Foundation
  - Sale of WSU's 50% interest in the Huntley Farm
  - Sale of the Huntley Condos in Olympia
- Non-Real Estate Agreements
  - Extension of Coca-Cola Pouring Rights and Sponsorship Agreement
  - New 5G License Agreement with Verizon 5G
  - New BECU Sponsorship Agreement

System-Wide Accomplishments (2018 – 2019)

Income: System-Wide Contracts:	$ 900,000	(non-real estate related)
Acquisitions:	$2,500,000	
Past Due Rents Collected:	$1,679,600	
Savings Achieved:	$ 328,000	
Gifts Processed:	$2,374,048	
Income Generated:	$3,457,268	(represents total income generated through sales and leases, broken down below)

Property Sales:	$2,502,500
Annual Lease Income:	$ 954,768
Total Income:	$3,457,268

System-Wide Real Estate Overview

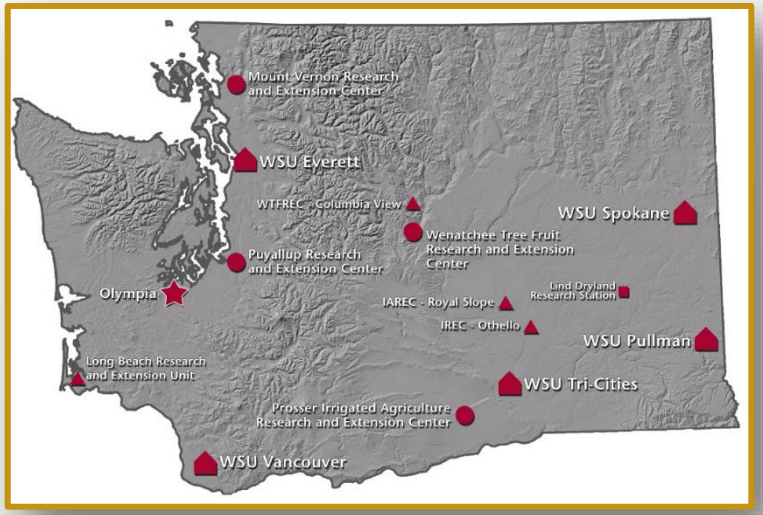
- Acreage- *13,978 (owned & leased) ~ 22 sq. miles*

- Locations:
  - *5 Campuses (Pullman, Spokane, Tri-Cities, Vancouver, Everett)*
  - *5 Research and Extension Centers (Pullman, Prosser, Wenatchee, Mt. Vernon, Puyallup)*
  - *4 Research and Extension Units (Vancouver, Long Beach, Othello, Colockum)*
  - *1 Research Station (Lind Dryland Station)*

- Building Stats:
  - *901 owned/leased buildings*
  - *14,353,023 gross square feet*
  - *36,706 rooms*
  - *1,867 floor plans*

- Serving a population of:
  - *31,478 students*
  - *4,019 staff*
  - *2,226 faculty*

- Total Assessed Value of WSU-Owned Property: $220,398,000



WSU Pullman

Pullman:

1,615 Acres
463 Facilities
11,153,034 Gross Square Feet



WSU Spokane

Spokane:

46 Acres
10 Facilities
849,388 Gross Square Feet



WSU Tri-Cities

Tri-Cities:

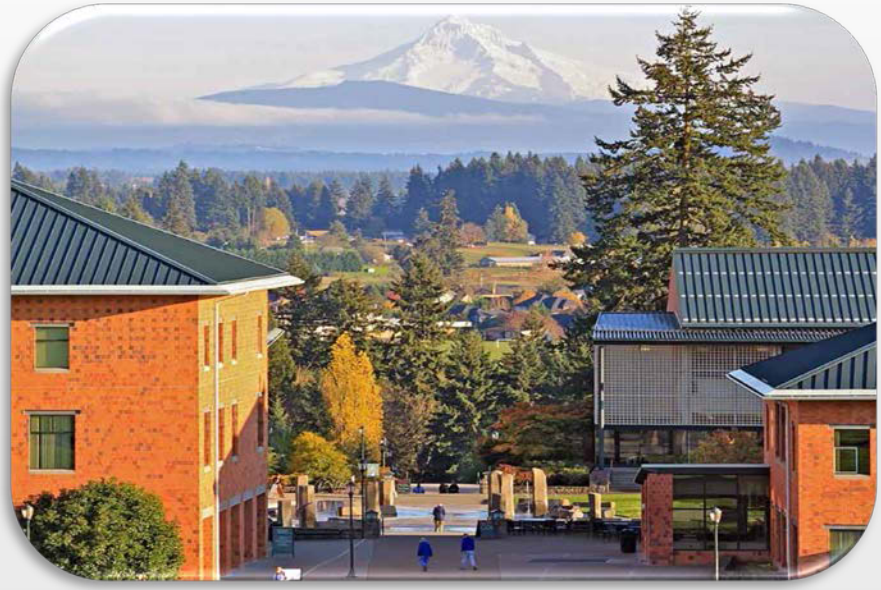
141 Acres
14 Facilities
346,316 Gross Square Feet



WSU Vancouver

Vancouver:

368 Acres
17 Facilities
528,848 Gross Square Feet



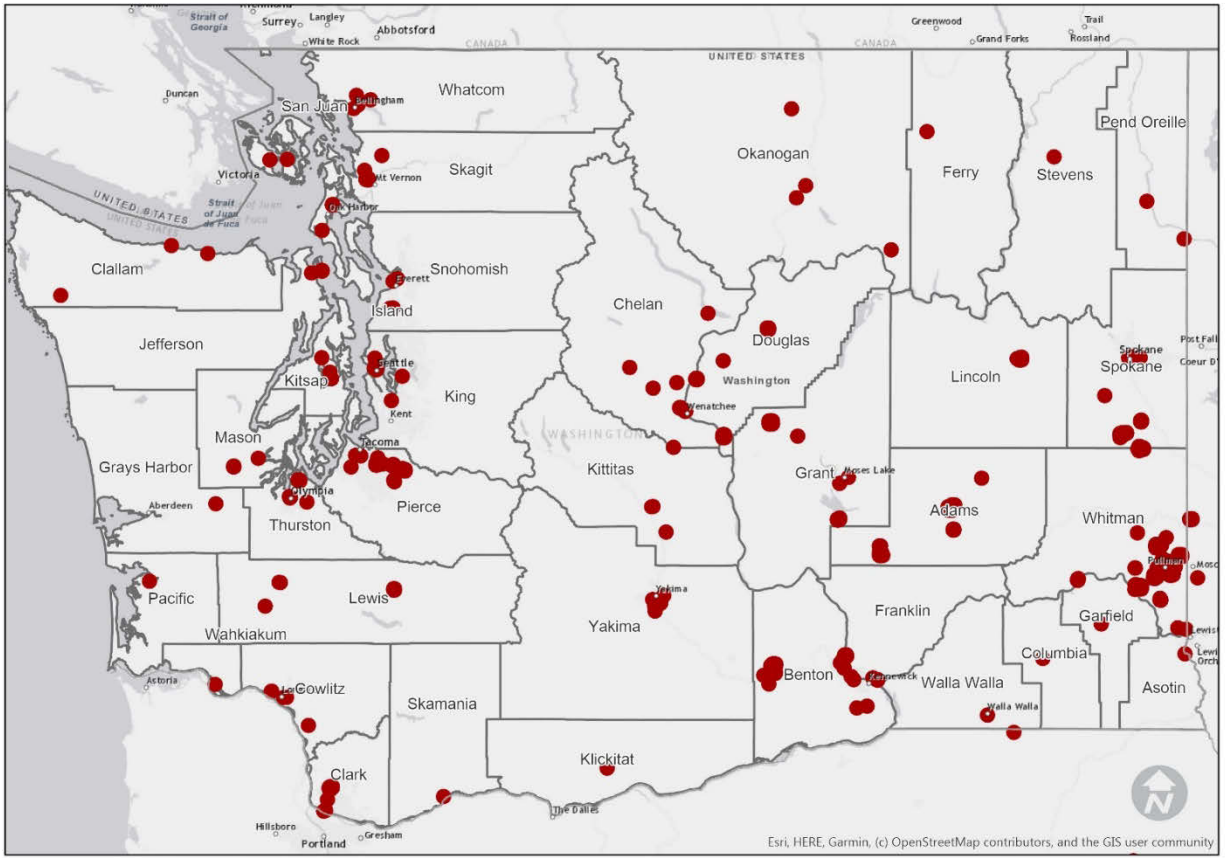
WSU Everett

Everett:

2 Acres
1 Facility
95,000 Gross Square Feet



WSU Real Estate Statewide



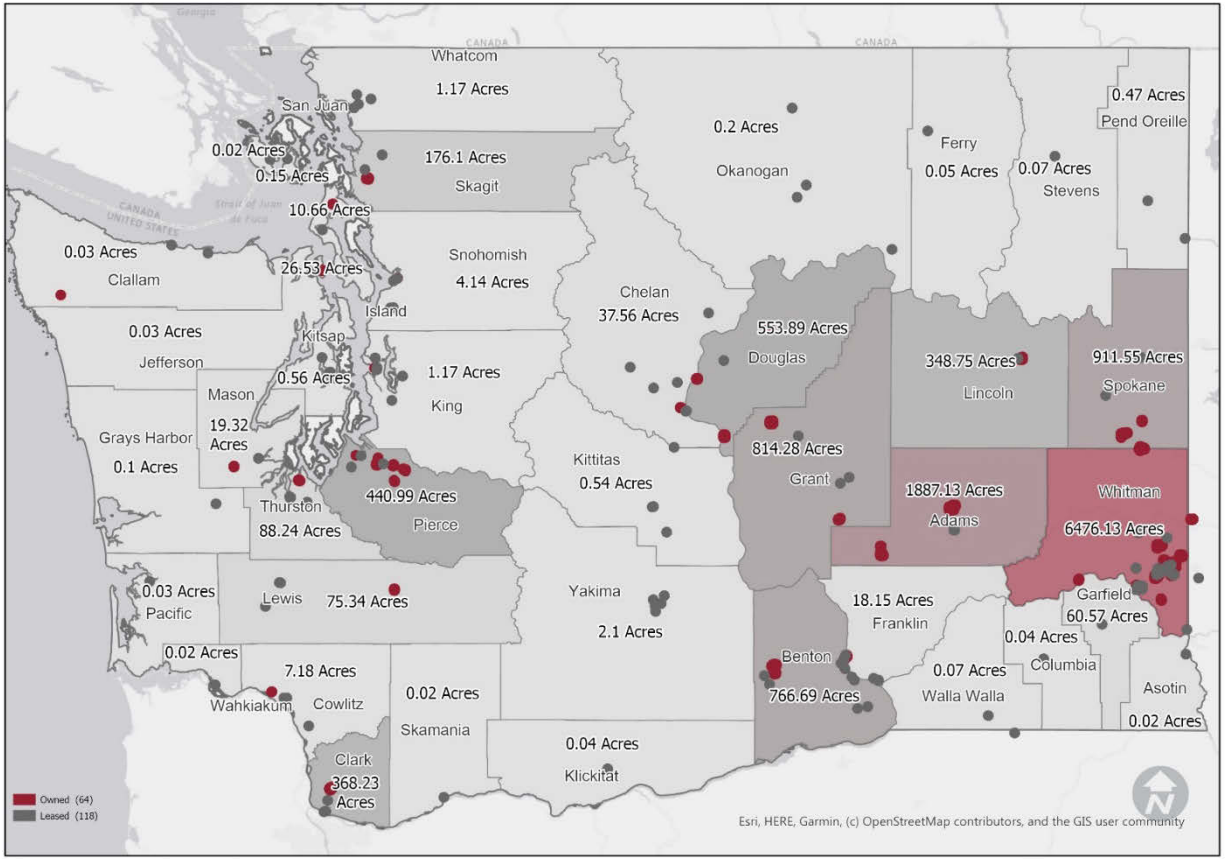
WASHINGTON STATE UNIVERSITY

WSU Real Estate - Statewide

Date: 2/11/2020

Facilities Services
Geographic Information System

WSU Real Estate – Owned vs. Leased



WASHINGTON STATE UNIVERSITY

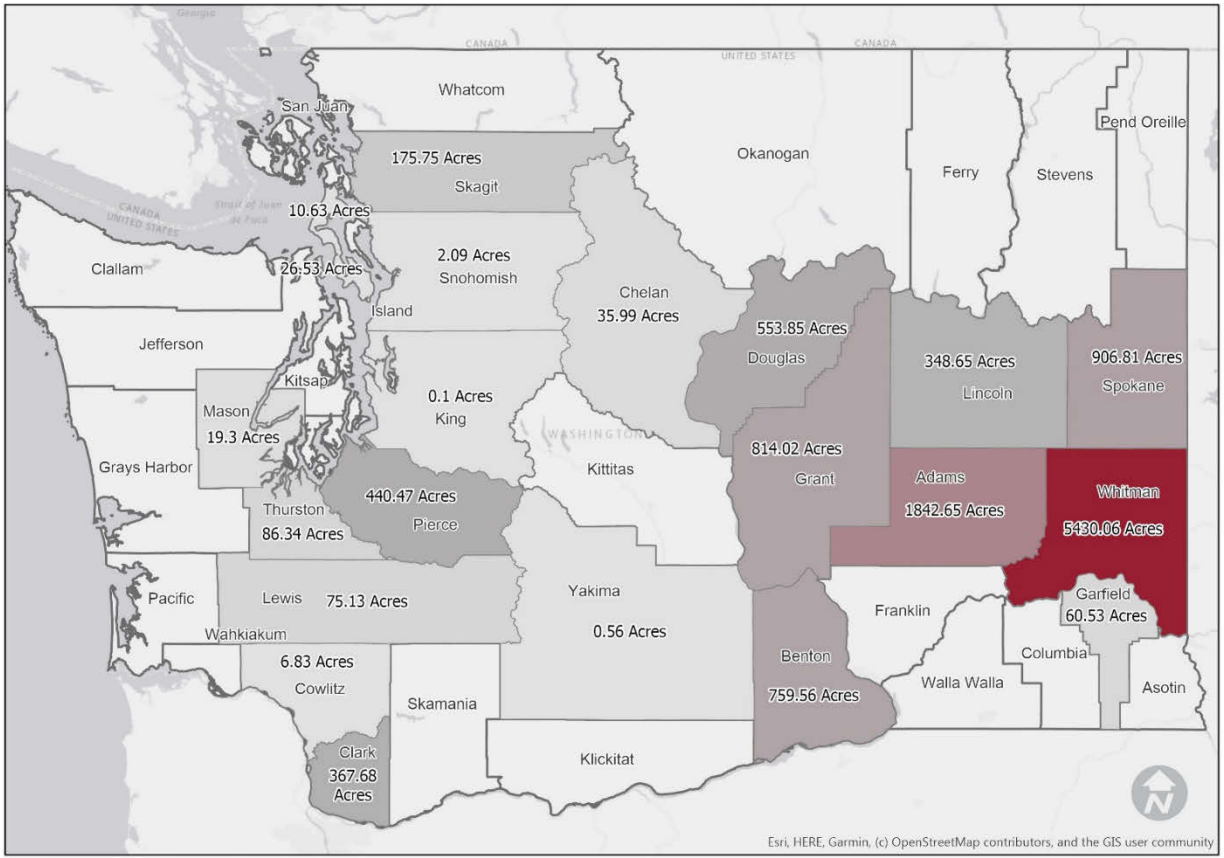
WSU Real Estate - Owned vs. Leased*

Includes MOU's and Interagency Agreements

Date: 2/14/2020

Facilities Services
Geographic Information System

WSU Real Estate – Acreage Owned by County

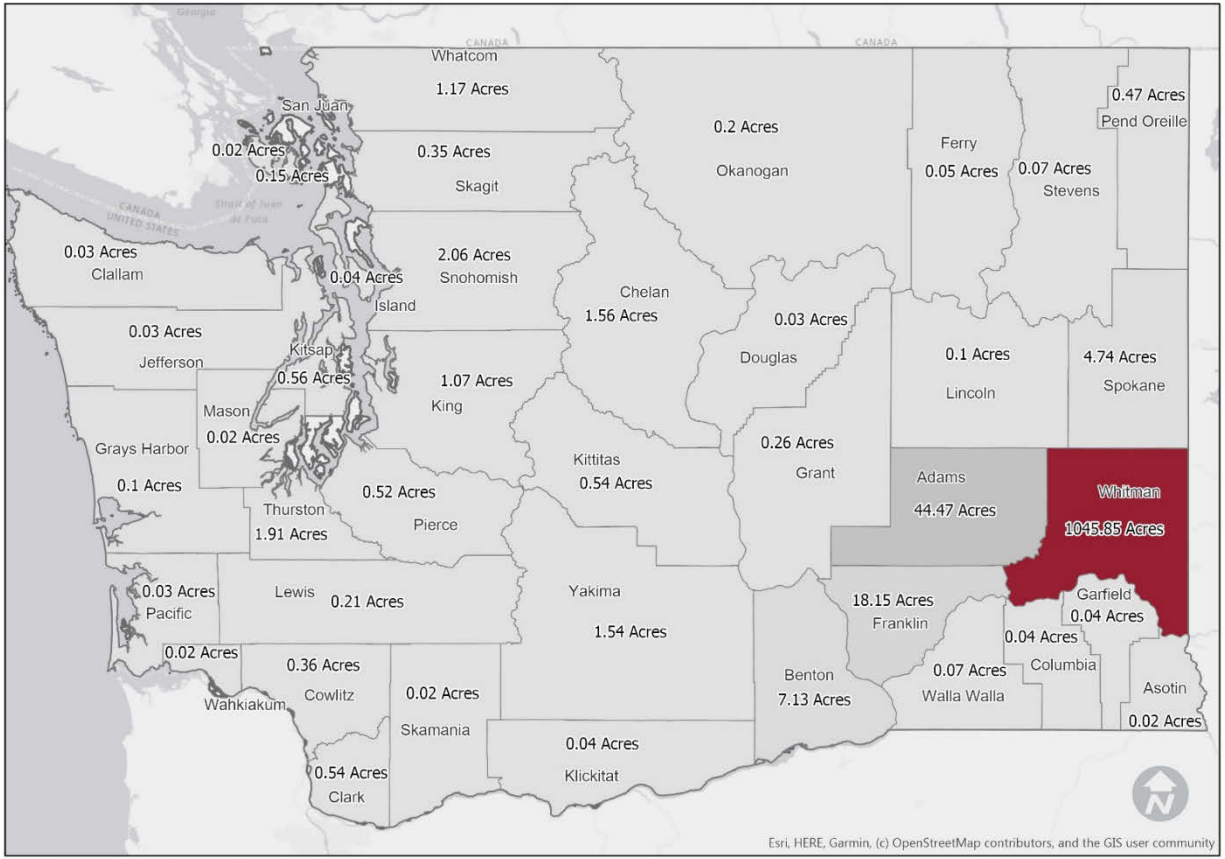


WASHINGTON STATE UNIVERSITY

WSU Real Estate - Acreage Owned by County

Date: 2/12/2020
Facilities Services
Geographic Information System

WSU Real Estate – Acreage Leased by County

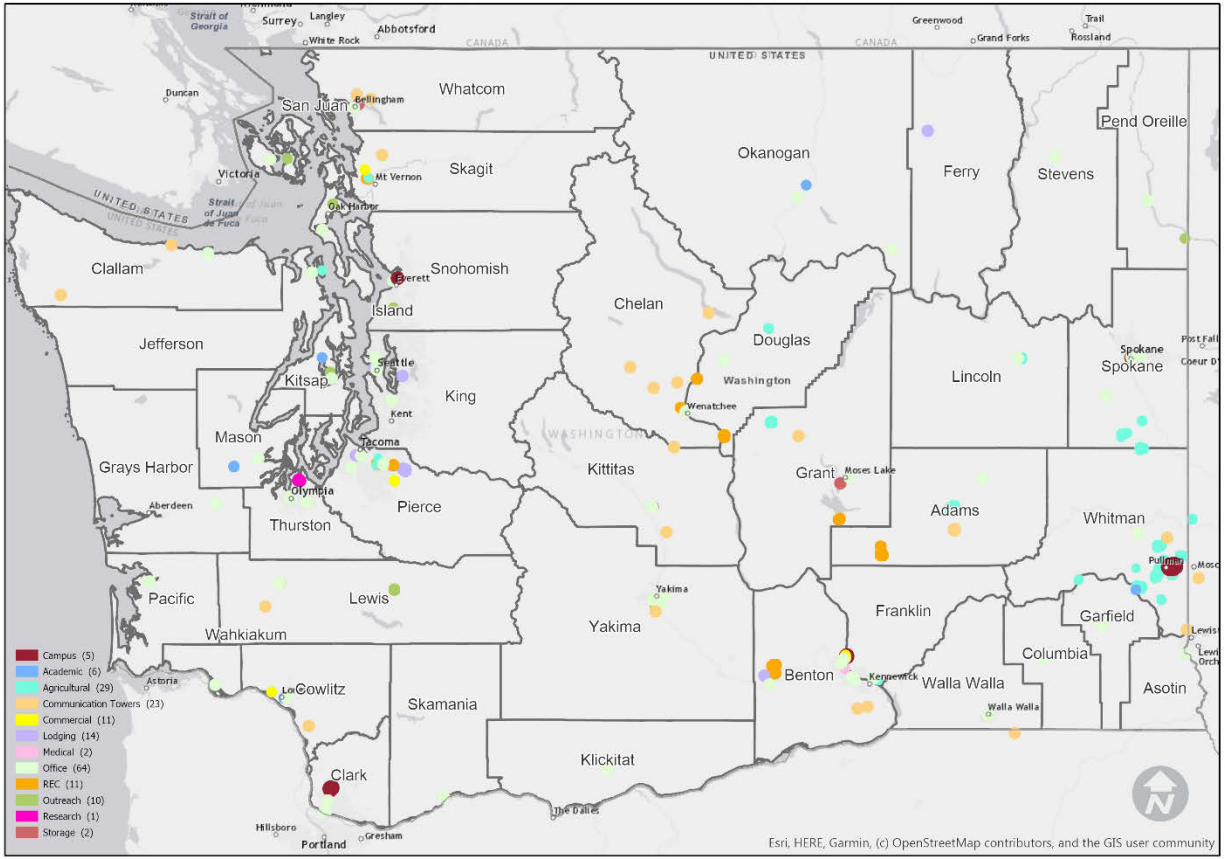


WASHINGTON STATE UNIVERSITY

WSU Real Estate - Acreage Leased by County

Date: 2/12/2020
Facilities Services
Geographic Information System

WSU Real Estate – Land Use by County

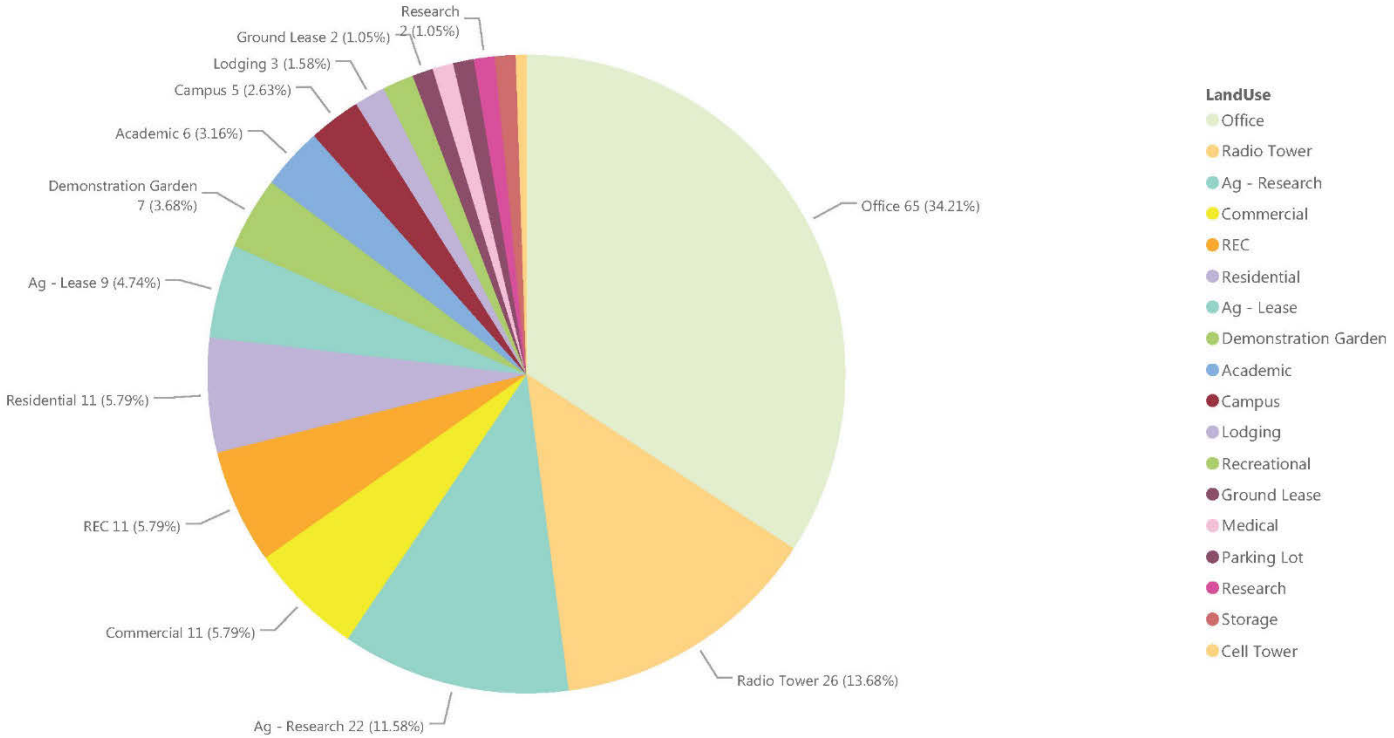


WASHINGTON STATE UNIVERSITY

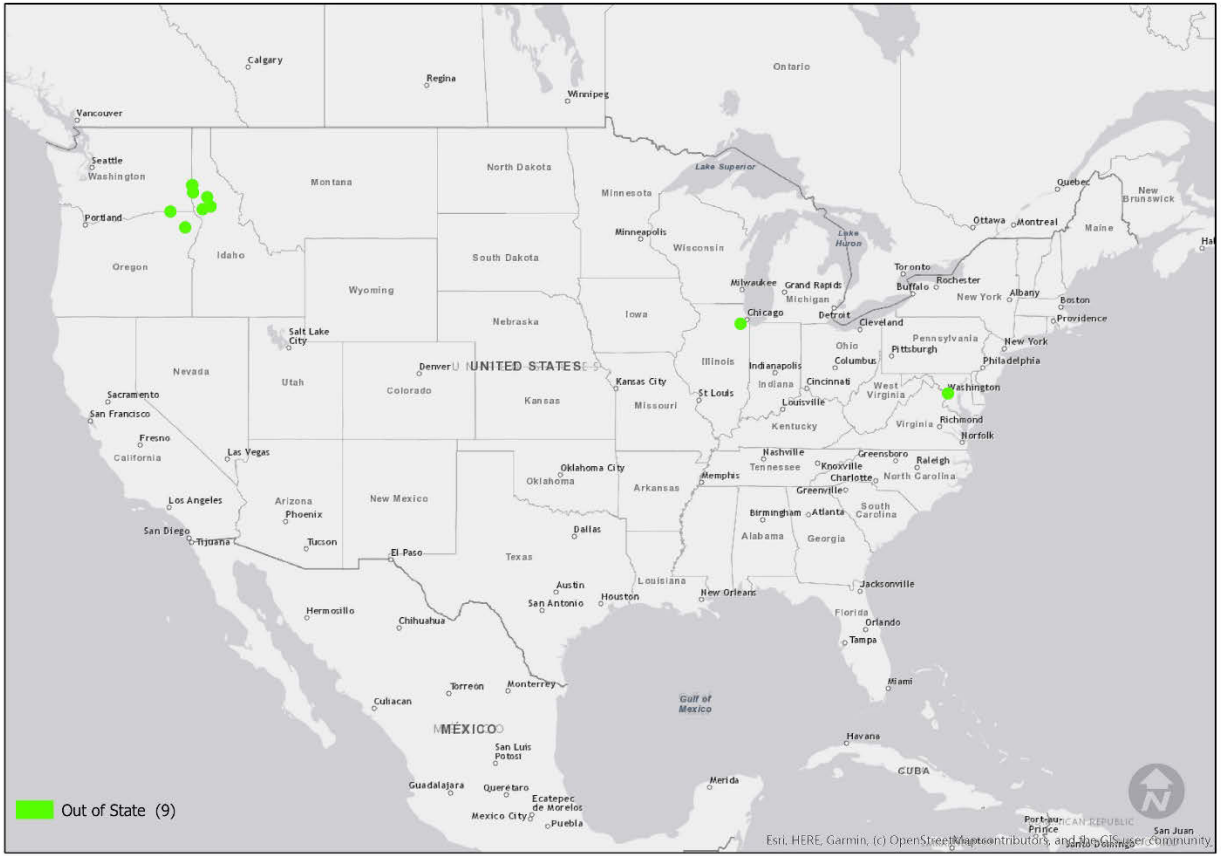
WSU Real Estate - Land Use by County

Date: 2/12/2020
Facilities Services
Geographic Information System

Land Use by Type



WSU Real Estate – Out of State

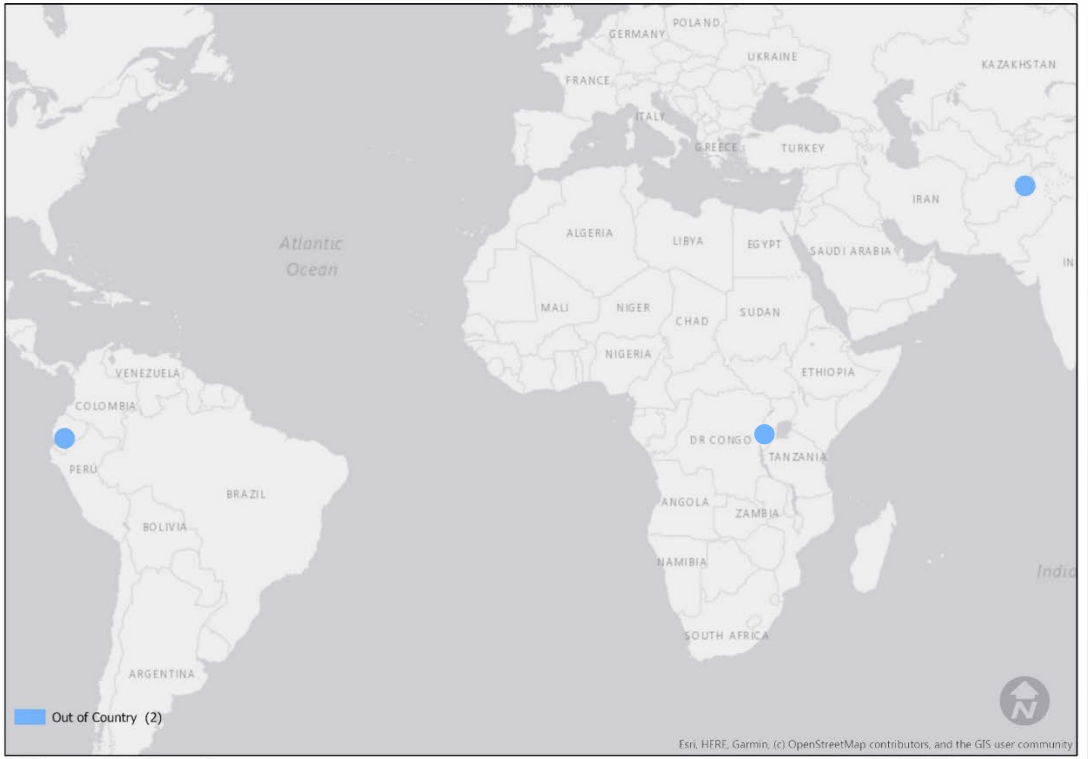


WSU Real Estate – Out of Country

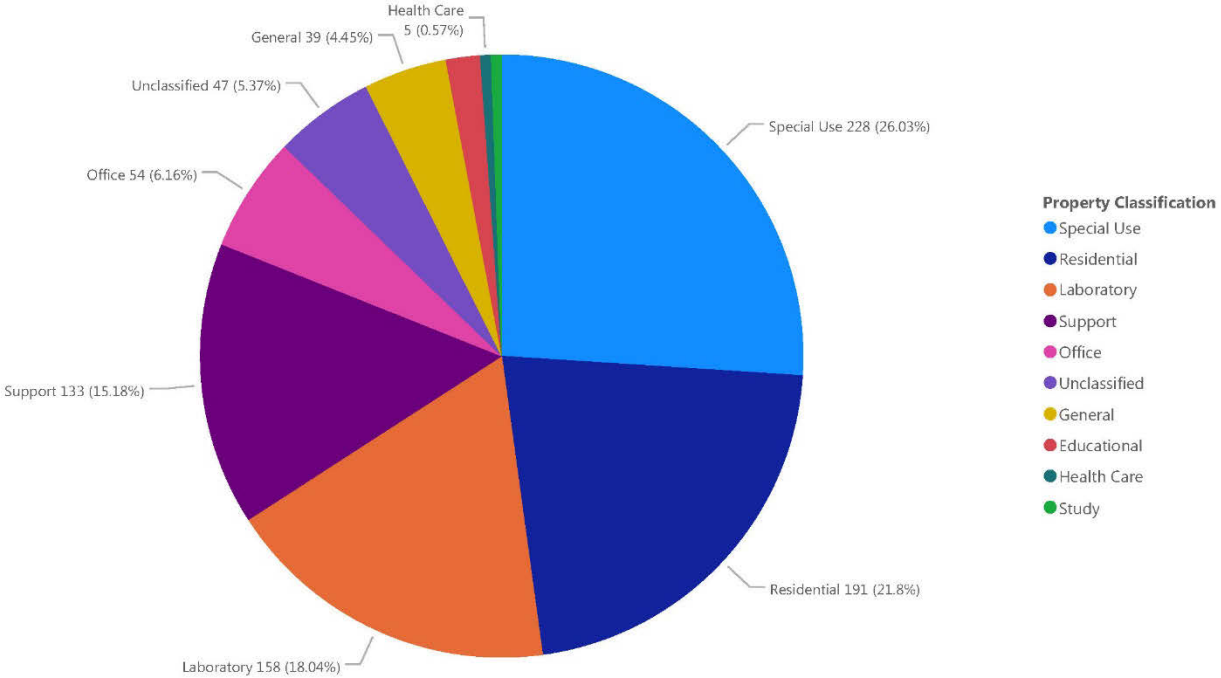
Ecuador – CAHNRS/Crop and Soil Sciences leasing land for Barley and Quinoa research

Afghanistan – International Research & Agricultural Development leasing a residence for its researchers (recently terminated)

Rwanda – CAHNRS/Crop and Soil Sciences leasing land for Quinoa research (new lease in progress)



Facility Use by Classification



Definitions of Facility Classifications

Special Use Examples
- Military training rooms
- Athletic and physical education spaces
- Media production rooms
- Clinics
- Demonstration areas
- Field buildings
- Animal quarters and greenhouses

Support Facilities Examples
- Computing facilities
- Shops
- Central storage areas
- Vehicle storage areas
- Central service space that provide centralized support for the activities of a campus

Unclassified Facilities Examples
- Inactive or unfurnished areas
- Areas in the process of conversion

General Use Facilities Examples
- Assembly rooms
- Exhibition space
- Food facilities
- Lounges
- Merchandising facilities
- Recreational facilities
- Meeting rooms
- Child day care facilities

Health Care Facilities
- Facilities used to provide patient care (human and animals)

Contracts & Real Estate Office



Thank you

FUTURE ACTION ITEM #1

WSU Pullman, Wilmer-Davis Renovation
Design and Pre-Construction
(Terry Boston/Olivia Yang)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Pullman, Wilmer-Davis Renovation, Design and Pre-Construction

PROPOSED: That the Board of Regents authorize the WSU Pullman, Wilmer-Davis Renovation, to proceed to design and pre-construction, using the Design-Build (DB) process pursuant to RCW 39.10. Further, delegate authority to the President or his designee to select a Design-Build contractor and enter into any and all contracts necessary to commence the design and pre-construction for the project, with costs not to exceed the budgeted amount of $1,000,000.

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

SUPPORTING INFORMATION: Wilmer-Davis Residence Hall is an 83,378 GSF building originally constructed in 1937. The building is a six-story concrete and masonry structure located within the campus core that provides 214 beds. It also contains the Hillside Café on portions of the ground floor and basement. The Hillside Café was renovated in 2002.

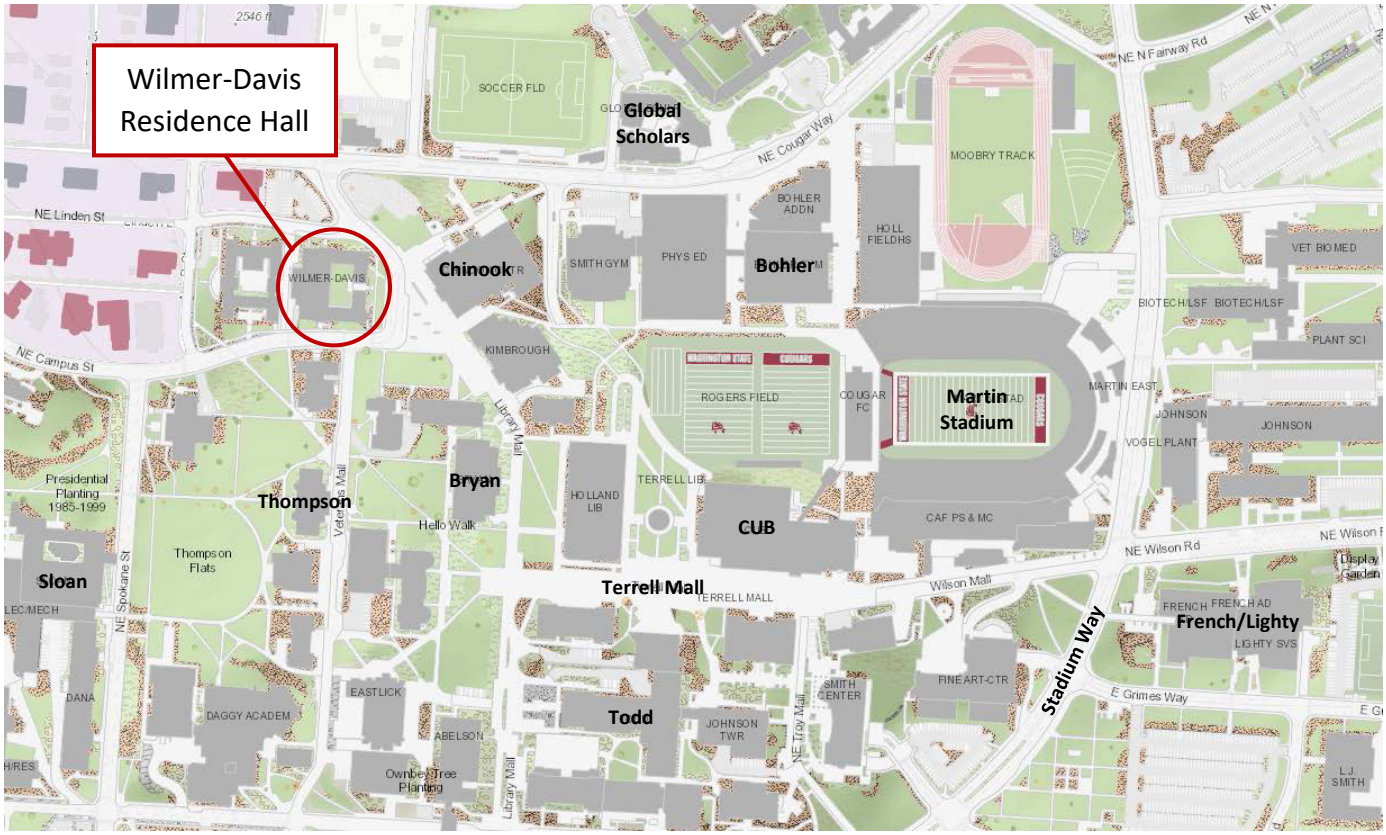
Despite its age, Wilmer-Davis continues to be a high interest residence hall due to its proximity to the campus core and its historic character. Once the renovation is complete, it is anticipated that Wilmer-Davis will compete with the adjacent Community-Duncan Dunn as the most desirable residence hall. It is WSU's intent to capitalize on this popularity and perform a full renovation of the building, increasing the beds to a minimum target of 250, and enhancing amenities to encourage the educational and interpersonal growth of students, and contribute to their overall success.

Source of funding is Housing and Residence Life cash reserves.

Project Schedule:

Regents approval for design and pre-construction	May 2020
Design	June 2020 – Dec 2020
Regents approval for construction	September 2020
Demolition/Abatement	Oct 2020 – Dec 2020
Construction	Jan 2021 – June 2022

Site Map


Wilmer-Davis Residence Hall
Global Scholars
Chinook
Bohler
Martin Stadium
Bryan
Thompson
CUB
Terrell Mall
Sloan
Todd
French/Lighty
Stadium Way
NE Linden St
NE Campus St
NE Cougar Way
NE N Fairway Rd
NE Wilson Rd
Wilson Mall
E Grimes Way
Library Mall
Hello Walk
Thompson Flats
Presidential Planting 1985-1999
ROGERS FIELD
MOOBRY TRACK
SOCCER FLD
KIMBROUGH
HOLLAND LIB
TERRELL LIB
CAF PS & MC
FINE ART-CTR
SMITH CENTER
JOHNSON TWR
EASTLICK
DANA
DAGGY ACADEM
ABELSON
Ownbey Tree Planting
VET BIO MED
PLANT SCI
JOHNSON
VOGEL PLANT
MARTIN EAST
LIGHTY SVS
Display Garden
LJ SMITH

Agenda

Finance and Compliance Committee
Thursday, March 12, 2020
1:15 p.m. – 3:00 p.m.

Location: WSU Tri-Cities, Consolidated Information Center (CIC), Rooms 212-214

Committee: Committee of the whole – Marty Dickinson (Chair)

Information Items		**Section**
1.	Internal Audit Update *(Lopez)*	F-1
2.	WSU Comprehensive Annual Financial Report, Trends and Debt Report *(Pearson/Skinner/Holt)*	F-2
Future Action Items		
1.	Fiscal Year 2021-2023 Biennial Operating Budget Request *(Pearson/Kerr)*	F-3
2.	Fiscal Year 2021-2023 Biennial Capital Budget Request *(Pearson/Yang/Kerr)*	F-4
3.	Academic Year 2020-2021 Tuition Rates *(Pearson)*	F-5
4.	Services and Activities Fee Rates for Academic Year 2020-2021 *(Pearson)*	F-6
5.	WSU Tri-Cities, Safety and Transportation Fee Increase *(Pearson)*	F-7
6.	WSU Pullman, Student Health Fee Increase *(Pearson/Gonzales)*	F-8
7.	WSU Spokane, Student Health Fee Increase *(Pearson/Gonzales)*	F-9
8.	WSU Undergraduate Application Fee Increase *(Pearson)*	F-10
9.	Services and Activities Fees Committee Allocations for Summer 2020 and Academic Year 2020-2021 *(Pearson)*	F-11
10.	WSU Pullman, Undergraduate Technology Fee Committee Allocations For Fiscal Year 2020 *(Pearson)*	F-12
11.	WSU Vancouver, Undergraduate Technology Fee Committee Allocations For Fiscal Year 2020 *(Pearson)*	F-13

12. WSU Pullman, Proposed Changes to Parking System Rates and Fines *(Pearson/Shaheen)* F-14

Action Items

1. Fiscal Year 2021 Housing and Dining Rates *(Boston)* F-15

2. Fiscal Year 2020 Athletics Budget Update and Expenditure Transfer Approval *(Pearson/Chun)* F-16

3. Pacific Northwest University of Health Sciences (PNWU) Lease for Nursing Program in Yakima *(DeWald/Pearson)* F-17

4. Proposed Changes to the President's Delegations of Authority *(Pearson)* F-18

Washington State University

Office of Internal Audit
Fiscal Year 2020 – Quarter 2 Status Report
October 1, 2019 through December 31, 2019

Internal Audit engages in three primary activities – assurance audits, advisory services and investigations. The focus of our efforts is to assist management in the proper discharge of their duties by providing evaluation and feedback of internal control systems and operations.

This quarterly report includes update on the status of the current fiscal year audit plan and reports issued in the period. Internal Audit team: CAE, Audit Manager, Sr. Auditor, Sr. IT Auditor and two field auditors.

FY 2020 Audit Activity				
Project	Status		*Project*	Status
Continuous Audits – Pcard	*E*		Export Controls	*N*
Continuous Audit – Travel	*E*		IT Governance	*N*
Continuous Audit – Cash	*E*		International Travel	*E*
Continuous Audit – Payroll	*N*		Nonmonetary Agreements	*N*
Continuous Audit – Assets	*E*		IAREC Control Self Assess	*E*
Admissions	*N*		Event Concessions	*N*
IT Incident Response/Mgmt	*E*		Space Management	*E*
GLBA Compliance – Safeguards	*E*		Athletics Financial Attestation	*N*
Clery Act Compliance	*N*		IT Audit Plan and Assurance Program	*N*

Completion Rate of Current Audit Plan	End Q2 FY 20	End Q2 Prior Yr
C – Completed	0%	0%
E – Engaged	50%	80%
N – Not Yet Engaged	50%	20%

Other Activities Current FY	End Q2 FY 20	End Q2 Prior Yr
Investigations – Closed	1	4
Closed in Prelim	5	0
Investigations – Active	10	4
Internal Advisories	112	90

At report date, several audits and investigations from prior year audit plans are in report stage or near completion. These will be included in future update reports as they are issued.

External Audit activities (not including various federal program audits occurring through year):

Auditor	Scope	Status
WA Ethics Board	Investigation – WSU Referral	Engaged
State Auditor (SAO)	FY 2019 Financial Statement – contract	Engaged
CliftonLarsonAllen	FY 2019 Auxiliary Financial Statement – contract	Engaged
State Auditor (SAO)	Fraud report – summary of multiple internal cases	Engaged

Washington State University

Completed Reports Summary

The following opinion methodology is applied to assurance/planned audits:

Satisfactory	Control Environment (CE) is adequate
Some Improvement Needed	CE is adequate but some exceptions noted
Major Improvement Needed	CE not adequate and significant exceptions noted

Planned Audits

P 18-01 HIPAA Readiness

Summary

Major Improvement Needed: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a consumer protection law intended to protect individually identifiable health information (protected health information or "PHI"), relating to the physical or mental health of an individual, the provision of health care to an individual, or the payment for the provision of health care to an individual. This project was initially engaged with a scope limited to WSU Spokane. The purpose was to determine status of compliance with HIPAA requirements and readiness in the event of an external inquiry. Initial procedures and surveys determined there was greater value in expanding scope system wide. Final report to President Schulz communicated concerns with lack of system readiness in that the University had not formally established the type of entity or scope of operations that would be covered under HIPAA, assigned designated privacy/security officers, or, during fieldwork, completed a formal risk assessment that would inform a comprehensive HIPAA compliance program.

Investigations

I 20-04 AOI Computer Abuse

Summary

Assertions received that an employee had misuse computer assets. Tests of network activity against assigned duties substantiated the assertion. Employee separated from the University prior to report distribution.

December 19, 2019

Dr. Kirk Schulz
President, Washington State University
French Ad 422
Pullman, Washington 99164-1048

Dear President Schulz:

Following is the final report for our Consulting engagement on HIPAA Readiness.

We communicated results to management on April 8, 2019. In consultation with legal counsel, management, led by Stacy Pearson, collaborated with ITS and leaders across the University to better ascertain the scope for which HIPAA requirements apply and to provide the expectations for future actions and requirements associated with HIPAA compliance. As a result of those efforts, management has developed a response and corrective action, included within this report.

We concur with the actions planned or already implemented. We will perform a follow-up review within the next twelve months to determine whether the corrective actions have achieved the desired effect.

We appreciate the cooperation and assistance provided by University leadership during this review. Please let me know if we can be of further service.

Sincerely,



Heather Lopez
Chief Audit Executive, Internal Audit

cc: Stacy Pearson, Vice President Finance & Administration/ Chief Financial Officer

PO Box 641221, Pullman, WA 99164-1221
509-335-2001 • Fax: 509-335-5241 • http://internalaudit.wsu.edu/

Daryll DeWald, Chancellor WSU Spokane/ Vice President for Health Sciences
Brian Slinker, Interim Provost and Executive Vice President
Danielle Hess, Division Chief, AAG
Paul Pitre, Chancellor WSU Everett
Sandra Haynes, Chancellor WSU TriCities
Mel Netzhammer, Chancellor WSU Vancouver
Mary Jo Gonzales, Vice President of Student Affairs
Sasi Pillay, Vice President for Information Technology Services/Chief Information Officer
Chris Keane, Vice President for Research
André-Denis Girard Wright, Dean of CAHNRS
John Tomkowiak, Founding Dean ESF College of Medicine
Linda Garrelts MacLean, Interim Dean College of Pharmacy and Pharmaceutical Sciences
Mel Haberman, Interim Dean College of Nursing
Matthew Jockers, Dean College of Arts and Sciences
Pat Chun, Director of Athletics
Tom Ambrosi, Assistant Vice President/Chief Information Security Officer
Terry Boston, Associate Vice President Student Affairs

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EXECUTIVE SUMMARY

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a consumer protection law intended to protect individually identifiable health information (protected health information or "PHI"), relating to the physical or mental health of an individual, the provision of health care to an individual, or the payment for the provision of health care to an individual. This subset of health information can also be used to identify the individual. HIPAA[1] applies to "Covered Entities" which include health care providers, health plans and health care clearinghouses that conduct specified transactions electronically. HIPAA allows entities that are engaged in both covered functions and non-covered functions to qualify as a "Hybrid Entity."

As determined via this engagement's assessment, WSU has both covered and non-covered functions, and may thus identify as a Hybrid Entity.

Often, a covered entity contracts with an external company or individual to provide services as part of its health care operations. The outside entity is called a "Business Associate." Common services constituting a business associate relationship include coding and billing, transcription services, and vendors of electronic health record if the vendor has access to electronic PHI (ePHI).

WSU has business associate relationships.

Under HIPAA, the hybrid entity is required to document the Health Care Components and Business Associate units that must comply with HIPAA. The HIPAA regulations and compliance requirements do not extend to the non-covered functions.

At the request of WSU Health Sciences Spokane leadership, the Office of Internal Audit incorporated an engagement to assess WSU's HIPAA Readiness within the FY 2018 Audit Plan.

An important part of any engagement is to ensure appropriate assessment of applicable regulations or criteria. As we determined the applicability of compliance requirements to various University operations and programs, we found HIPAA compliance, and consequences for noncompliance, extended beyond strictly the WSU Health Sciences Campus in Spokane. For this reason, the engagement's scope expanded to include operations System-wide.

[1] The Health Information Technology for Economic and Clinical Health (HITECH) Act required modification of HIPAA Privacy, Security and Enforcement Rules to strengthen the privacy/security protections of PHI. For purposes of this Memorandum, reference to HIPAA will include relevant portions of HITECH.

This report summarizing results and recommendations is provided to ensure, under your leadership and authority, the appropriate level of System-wide engagement and action may be taken.

ENGAGEMENT OBJECTIVE AND SCOPE

Our initial objective was to assist in developing the identification of a plan to develop, implement and operate a HIPAA compliant Health Sciences Campus in Spokane. Although three stages were identified, this project focused on engaging and completing the first of the following three stages:

Stage 1: Identify proper entity types for each College/Area to determine compliance requirements for each unit. This did not extend to identifying all Business Associates.

Stage 2: Provide guidance for development of a program to identify and implement Processes and Procedures (Risk Assessment) to protect electronic Protected Health Information (e-PHI).

Stage 3: Provide guidance for implementing an ongoing HIPAA Compliance Program.

The objective remained the same throughout the engagement; however, as noted, project scope expanded after the project was initiated.

OBSERVATIONS AND RECOMMENDATIONS

Senior Leadership for 29 operating areas across the WSU system were initially informed of the project and that it would require time commitments from their respective Area Finance Officers (AFOs) and Area Technology Officers (ATOs). The AFOs and ATOs were then informed of the project. The next step was to determine whether these areas (including departments or other operating units) handled PHI. To accomplish this, each area's AFOs and ATOs were asked to collaborate and provide a combined response to a survey conducted in the spring of 2018. The survey resulted in the initial identification of 15 areas likely handling PHI data.

These 15 areas were then asked to conduct an assessment to accomplish the following:

A. Identify existing departmental policies or procedures relating to security of PHI data.
B. Identify existing risks and threats to confidentiality, integrity and availability of PHI data.
C. Document an inventory of IT systems and assets where PHI data is handled.

This assessment was more extensive than the initial survey and required several informational meetings with responding units. Through these efforts, we determined 12 of the 15 areas, including only one unit at one of the 12 areas, are handling PHI, and thus subject to associated HIPAA rules and regulations. These 12 units, identified as Health Care Components (HCC), are listed in Appendix A. The official designation of HCCs by the University helps to limit the scope of any HIPAA-based external audits to those entities so designated, and reduces WSU overall legal exposure. Further, the completion of an inventory of systems and/or assets that create, store or transmit PHI further reduces the scope of such an audit to only those systems, assets and/or controls in place to safeguard the data.

As a result of the assessments, we provide recommendations specific to Stage 1 and to assist in next steps for Stages 2 and 3.

To address Stage 1:

Recommendation 1: *The University must develop and publish a formal statement, letter or policy, declaring the University as a Hybrid Entity as related to HIPAA regulations. An example policy for WSU may be reviewed at Attachment B. The formal statement should designate the Health Care Components. We provide the list of Health Care Components at Appendix A; this list is based on assessments performed during this engagement and with information available through December 2018.*

As the University implements recommendations in Stages 2 and 3, it is anticipated the list of Health Care Components will be modified; thus, policies and processes should be established to permit flexibility in changes to designation in response to future annual assessments.

Further, the listing at Appendix A only includes currently identified Health Care Components. Upon implementation of Stages 2 and 3, the list should be modified to specifically designate both Health Care Components and Business Association functions.

Management Response:

The University is in the process of developing a formal policy to establish WSU as a Hybrid Entity as recommended. This includes formally designating the Health Care Components (HCCs). The HCCs listed below are revised from the Appendix A. Based on the results of a recent survey, the HCC list, which may include a component thereof of these business units, is revised as follows:

1. All Health and Wellness Clinics and CAPS throughout the WSU System
2. Athletic Medicine Clinic
3. Department of Psychology
4. Psychology Clinic
5. University Hearing and Speech Clinic
6. Student Affairs Business Office
7. Compliance department, including privacy function (see below)
8. Environmental Health & Safety
9. Internal Audit
10. IT
11. Research

As indicated in this recommendation, it is expected that the HCCs will be modified in the future as WSU implements formal policies and processes

Recommendation 2: *The University should formally create, designate and document the following roles:*

Description/Title	Scope (Quantity)
HIPAA Chief Privacy Officer	WSU System-wide
HIPAA Chief Security Officer	WSU System-wide
Unit HIPAA Privacy Specialist	1 for each HCC
Unit HIPAA Security Specialist	1 for each HCC

The System-wide Officer designations would be responsible for the University as a whole and ensuring compliance with HIPAA laws, regulations and requirements. The Unit designees would be responsible at the Area/Department/Unit level for compliance with the same requirements, in addition to appropriate coordination/collaboration with the System-wide Officers.

Management Response:
The University will identify the skill sets and requirements for each of the recommended HIPAA officer positions and determine if current expertise exists to assign these roles with current staff. If not, the University will develop a recruitment profile and search these positions early in 2020. The unit HIPAA Privacy and Security Specialists for each HCC will be formally designated in 2020 with the goal of completing key portions within the first six months of 2020 as each HCC function goes through a formal risk assessment as recommended below.

To address Stages 2 and 3:

Recommendation 3: *Each HCC and Business Associate function should conduct a thorough and documented risk assessment that is consistent with the HIPAA Security Rule. See e.g., NIST Special Publication 800-66 Rev. 1 'An Introductory Resource Guide for Implementing the Health Insurance Portability and Accountability Act (HIPAA) Security Rule.' The appointed Privacy/Risk Specialists should be engaged in this activity by either performing or overseeing its performance with the engagement and/or oversight of the Chief Privacy/Risk Officer. The risk assessment should be updated where there are changes to the IT and/or operating environments, and at least annually.*

Management Response:
The University has determined that there is a lack of capacity to conduct a risk assessment that complies with the HIPAA Security Rule. WSU will start the process in early 2020 to contract with a reputable third party to perform a HIPAA Risk Assessment and provide guidance on an IT infrastructure and standards to ensure HIPAA compliance.

Recommendation 4: *Upon completion of the Risk Assessment above, the HCCs should develop written corrective action plans, to include milestones detailing the corrective/mitigating controls to be implemented to bring the residual risks down to an acceptable level. These plans should be reviewed and monitored for progress throughout the year. The plans should be updated each time changes to the risk assessment warrant documentation of additional or new corrective activities, but no less frequently than annually.*

Note: Ideally, the corrective action plans would be monitored by a governing body responsible for compliance oversight. In accordance with industry best practices, this

would be either a designated Chief Compliance Officer or an Institutional Compliance Committee. From the beginning of this engagement to date, neither has been formalized at WSU. Absent a formalized governance structure over compliance, University leadership should designate a responsible body charged with monitoring corrective action plans, and reporting and addressing noncompliance; such designation should be communicated to each HCC and Business Associate.

Management Response:
WSU is currently recruiting for a Chief Compliance Officer (CCO) and plans to appoint an Institutional Compliance Committee once this officer is in place, which should occur within the next 60 to 90 days. The University will continue with plans to conduct the risk assessment and will charge the new CCO to ensure that the HCCs are formally identified, trained and that the corrective action plans are in place and monitored to achieve an acceptable level of risk.

Recommendation 5: *The University should develop, implement and annually review its HIPAA compliance program. Currently, an analogous program at WSU involves the Payment Card Industry (PCI) compliance program. The HIPAA compliance program should include a review of all HIPAA Privacy and Security requirements to address:*

- *Revised risk assessments*
- *Status updates on prior corrective action plans*
- *Development of additional action items for corrective action plans*
- *Existing applicable policies*
- *Business Associate Agreements (to ensure they are in place and current)*
- *Notice of Privacy Practices (to ensure accuracy and properly placed within each HCC)*
- *User access (annual review to determine necessity based on job function and role)*
- *HIPAA-related appointments*
- *Attestations from each HCC and for the University as a whole*

Management Response:
The University will create a comprehensive HIPAA compliance program including the development and adoption of appropriate policies, providing adequate training on these policies and requiring that employees that are responsible to comply with and enforce these policies acknowledge in writing that they agree to comply with these policies and the law.

BASIS OF REVIEW

CRITERIA

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) required the Secretary of the U.S. Department of Health and Human Services (HHS) to develop regulations protecting the privacy and security of certain health information. To fulfill this requirement, HHS published what are commonly known as the HIPAA Privacy Rule and the HIPAA Security Rule. HHS, Office for Civil Rights (OCR) has responsibility for enforcing the Privacy and Security Rules with compliance activities and civil money penalties.

The Privacy Rule, or Standards for Privacy of Individually Identifiable Health Information, establishes national standards for the protection of certain health information. The Security Rule operationalizes the protections contained in the Privacy Rule by addressing safeguards that organizations called "covered entities" and “business associates” must put in place to secure individuals' "electronic protected health information" (e-PHI). Specifically, covered entities must:

1. Ensure the confidentiality, integrity, and availability of all e-PHI they create, receive, maintain or transmit;
2. Identify and protect against reasonably anticipated threats to the security or integrity of the information;
3. Protect against reasonably anticipated, impermissible uses or disclosures; and
4. Ensure compliance by their workforce

The Security Rule defines "confidentiality" to mean that e-PHI is not available or disclosed to unauthorized persons. The Security Rule's confidentiality requirements support the Privacy Rule's prohibitions against improper uses and disclosures of PHI. The Security rule also promotes the two additional goals of maintaining the integrity and availability of e-PHI. Under the Security Rule, "integrity" means that e-PHI is not altered or destroyed in an unauthorized manner. "Availability" means that e-PHI is accessible and usable on demand by an authorized person.

There is a carve-out of specific data (student health information) that is excluded from HIPAA requirements as this set of data is protected under the requirements established by FERPA.

The rules identify three classifications of safeguards that covered entities must perform: Administrative, Physical and Technical.

Administrative Safeguards

- Security Management Process. A covered entity must identify and analyze potential risks to e-PHI, and it must implement security measures that reduce risks and vulnerabilities to a reasonable and appropriate level.
- Security Personnel. A covered entity must designate a security official who is responsible for developing and implementing its security policies and procedures.
- Information Access Management. Consistent with the Privacy Rule standard limiting uses and disclosures of PHI to the "minimum necessary," the Security Rule requires a covered entity to implement policies and procedures for authorizing access to e-PHI only when such access is appropriate based on the user or recipient's role (role-based access).
- Workforce Training and Management. A covered entity must provide for appropriate authorization and supervision of workforce members who work with e-PHI. A covered entity must train all workforce members regarding its security policies and procedures, and must have and apply appropriate sanctions against workforce members who violate its policies and procedures.
- Evaluation. A covered entity must perform a periodic assessment of how well its security policies and procedures meet the requirements of the Security Rule.

Physical Safeguards

- Facility Access and Control. A covered entity must limit physical access to its facilities while ensuring that authorized access is allowed.
- Workstation and Device Security. A covered entity must implement policies and procedures to specify proper use of and access to workstations and electronic media. A covered entity also must have in place policies and procedures regarding the transfer, removal, disposal, and re-use of electronic media, to ensure appropriate protection of e-PHI.

Technical Safeguards

- Access Control. A covered entity must implement technical policies and procedures that allow only authorized persons to access e-PHI.
- Audit Controls. A covered entity must implement hardware, software, and/or procedural mechanisms to record and examine access and other activity in information systems that contain or use e-PHI.
- Integrity Controls. A covered entity must implement policies and procedures to ensure that e-PHI is not improperly altered or destroyed. Electronic measures must be put in place to confirm that e-PHI has not been improperly altered or destroyed.
- Transmission Security. A covered entity must implement technical security measures that guard against unauthorized access to e-PHI that is being transmitted over an electronic network.

AUDIT STANDARDS

Our office follows the guidelines as promulgated by the Institute of Internal Auditors' "International Standards for the Professional Practice of internal Auditing" (IIA Standards), in carrying out the planning and engagement of audit activity. The IIA Standards require we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Accordingly, we included such tests of the records and other procedures as we considered necessary in the circumstances.

The WSU Office of Internal Audit is not in full conformance with the IIA Standards in that a quality peer review has not yet been performed.

AUDIT TEAM INFORMATION

Internal auditors assigned to the audit include:

Lead Auditor	Kevin Ulstad

Audit supervised by Heather Lopez.

For questions regarding this project, contact Heather Lopez, Chief Audit Executive:

Email: hlopez@wsu.edu
Phone: (509) 335-2001
Website: http://www.internalaudit.wsu.edu

Appendix A: WSU Identified HIPAA Covered Component

**Note: this list was as of December 2018, based on auditor surveys and evaluation. Management has performed additional review and modified the list, as indicated within management response to Recommendation 1.*

Area #	Area Name	HIPAA Official (Name, Title)
WSU	HIPAA Privacy Officer	TBD
WSU	HIPAA Security Officer	TBD
2	Student Affairs	TBD
3	College of Agricultural Human and Natural Res Sci	TBD
6	College Of Nursing	TBD
8	ESF College of Medicine	TBD
15	Pharmacy College of	TBD
19	Athletics	TBD
25	Information Technology	TBD
31	College of Arts and Sciences - 2250 Psychology Clinic	TBD
35	Office of Research	TBD
40	WSU - Everett	TBD
57	WSU - Spokane	TBD
58	WSU - Vancouver	TBD

Appendix B: Example – WSU HIPAA Hybrid Entity Designation Policy

Executive Policy #TBD
Approved TBD

HIPAA HYBRID ENTITY DESIGNATION POLICY

Summary

This policy identifies Washington State University as a hybrid entity and designates its covered health care components and business associate functions in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act).

Policy Statement

Hybrid Entity. The university conducts both covered and non-covered functions and elects to be a hybrid entity under HIPAA as provided by 45 C.F.R. § 164.103 and 45 C.F.R. § 164.105.

Designated Health Care Components. As a hybrid entity, the applicable HIPAA compliance obligations only apply to the university's designated health care components.

1. The designated health care components include:
    a. Any component that meets the definition of covered entity if it were a separate legal entity;
    b. Components only to the extent that they perform covered functions; and
    c. Components that provide business associate services to components that perform covered functions.
2. The designated health care components, business associate functions and their corresponding HIPAA designated officials are listed in Appendix A, Washington State University Designated Health Care Components.
3. The Privacy and Security Officers, and Information Security Services shall review and amend Attachment A as needed, but no less frequently than annually. Where appropriate, the Office of Attorney General's Office should be consulted.

University Responsibility. The university shall ensure that the designated health care components and business associate function comply with the applicable HIPAA requirements. 45 C.F.R. § 164.105.

Health Care Components and Business Associate Units Responsibility. Each designated health care component and/or business associate unit shall ensure its compliance with the applicable HIPAA requirements. The designated health care components that provide business associate services shall follow the compliance rules of the designated health care component for which it is providing business associate services. Each designated health care component, or its designee, shall provide compliance reports to the WSU –designated Privacy Officer and Security Officer at least annually.

Definitions

Business Associate: a person or entity that creates, receives, maintains or transmits protected health information to perform certain functions or activities on behalf of a covered entity or provides legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial services for a covered entity and the provision of the service involves the disclosure of protected health information. *45 C.F.R. § 160.103*.

Covered Entity: a health plan, a health care clearinghouse or a health care provider who transmits any health information in electronic form in connection with a covered transaction. *45 C.F.R. § 160.103*

Covered Function: functions of a covered entity the performance of which makes the entity a health plan, health care provider, or health care clearinghouse. *45 C.F.R. § 164.103*

Covered Transaction: the transmission of information between two parties to carry out financial or administrative activities related to health care and includes the following transmissions:

(1) Health care claims or equivalent encounter information.
(2) Health care payment and remittance advice.
(3) Coordination of benefits.
(4) Health care claim status.
(5) Enrollment and disenrollment in a health plan.
(6) Eligibility for a health plan.
(7) Health plan premium payments.
(8) Referral certification and authorization.
(9) First report of injury.
(10) Health claims attachments.
(11) Health care electronic funds transfer (EFT) and remittance advice.
(12) Other transactions that the Secretary may prescribe by regulation. *45 C.F.R. § 160.103*

Health care clearinghouse: *a public or private entity, including a billing service, repricing company, community health management information system or community health information system, and value-added networks and switches, that does either of the following functions:*

(1) Processes or facilitates the processing of health information received from another entity in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction.
(2) Receives a standard transaction from another entity and processes or facilitates the processing of health information into nonstandard format or nonstandard data content for the receiving entity.

Health care component: A component or combination of components of a hybrid entity

designated by the hybrid entity in accordance with 45 C.F.R. § 164.105(a)(2)(iii)(C).

Health care provider: a provider of services (as defined in section 1861(u) of the Act, 42 U.S.C. 1395x(u)), a provider of medical or health services (as defined in section 1861(s) of the Act, 42 U.S.C. 1395x(s)), and any other person or organization who furnishes, bills, or is paid for health care in the normal course of business.

Health plan: an individual or group plan that provides, or pays the cost of, medical care (as defined in section 2791(2) of the PHS Act, 42 U.S.C. 300gg-91(a)(2)).

Hybrid Entity: a single legal entity that conducts both covered and non-covered functions and designates health care components in accordance with 45 C.F.R. § 164.105(a)(2)(iii)(D). *45 C.F.R. § 164.103*

PHI: Data Elements that Allow Patients to be Identified. PHI is any health information that includes the following 18 identifiers. If these identifiers are removed, the information is considered de-identified protected health information, which is not subject to HIPAA Rules.

1. Names (Full or last name and initial)
2. All geographical identifiers smaller than a state, except for the initial three digits of a zip code if, according to the current publicly available data from the U.S. Bureau of the Census: the geographic unit formed by combining all zip codes with the same three initial digits contains more than 20,000 people; and the initial three digits of a zip code for all such geographic units containing 20,000 or fewer people is changed to 000
3. Dates (other than year) directly related to an individual
4. Phone Numbers
5. Fax numbers
6. Email addresses
7. Social Security numbers
8. Medical record numbers
9. Health insurance beneficiary numbers
10. Account numbers
11. Certificate/license numbers
12. Vehicle identifiers (including serial numbers and license plate numbers)
13. Device identifiers and serial numbers;
14. Web Uniform Resource Locators (URLs)
15. Internet Protocol (IP) address numbers
16. Biometric identifiers, including finger, retinal and voice prints
17. Full face photographic images and any comparable images
18. Any other unique identifying number, characteristic, or code except the unique code assigned by the investigator to code the data

Presentation Not Available at Time of Posting

INFORMATION ITEM #2

WSU Comprehensive Annual Financial Report,
Trends, and Debt Report
(Stacy Pearson/Matt Skinner/Mollie Holt)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT:	WSU Comprehensive Annual Financial Report, Trends, and Debt Report
SUBMITTED BY:	Stacy Pearson, Vice President, Finance & Administration
SUPPORTING INFORMATION:	See attached presentation documents.
ATTACHMENTS:	Attachment A: WSU Comprehensive Annual Financial Report PowerPoint Trends and Debt Report Attachment B: 2019 Annual Financial Report Attachment C: Exit Conference documents from the State Auditor's Office.

WSU Annual Financial Report, Trends, and Debt Report

Fiscal Year Ended June 30, 2019

Topics

- Overview of financial audits and results
- Monitoring WSU's Fiscal Health using two important views
- Executive summary of FY2019 financial statements
- Other key trends, highlights and benchmarking
- Takeaways
- FY2019 Debt report

Results of Financial Audits

SUMMARY OF AUDITS	FY2019 Net Position at June 30	FY2019 Unqualified Opinion (Y/N)	FY2019 Mgmt. Letter Comments (Y/N)
WSU (UNIVERSITY & SUB-UNITS)			
Washington State University	$ 1,398,606,000	Y	N
Housing & Dining System	$ 79,023,000	Y	N
Intercollegiate Athletic Department	$ (65,831,000)	Y	Y
Transportation Services	$ 11,501,000	Y	Y
University Recreation Center	$ 4,870,000	Y	Y
Wilson Compton Union Building	$ (13,882,000)	Y	N
WSU RELATED ENTITIES			
WSU Foundation	$ 554,561,000	Y	N
WSU Student Book Corporation	$ 17,418,000	Y	N
WSU Alumni Association	$ 13,831,000	Y	N

Monitoring WSU's Fiscal Health in Two Ways

Core Budget

- Selected operating funds only (state, operating tuition, F&A, and auxiliaries)
- Cash basis, no adjustments for accrued liabilities, etc.
- Run-rate focused
- Three year recovery targets set and monitored at this level

Annual Financial Report

- All fund types, including capital activities and donated funds
- Full accrual accounting (e.g. depreciation expense, estimated post employment liabilities, etc.)
- Asset, liabilities, revenue, expenses, and net position focused
- Used to benchmark WSU to financial peers

Understanding both views provides a full picture of WSU's finances

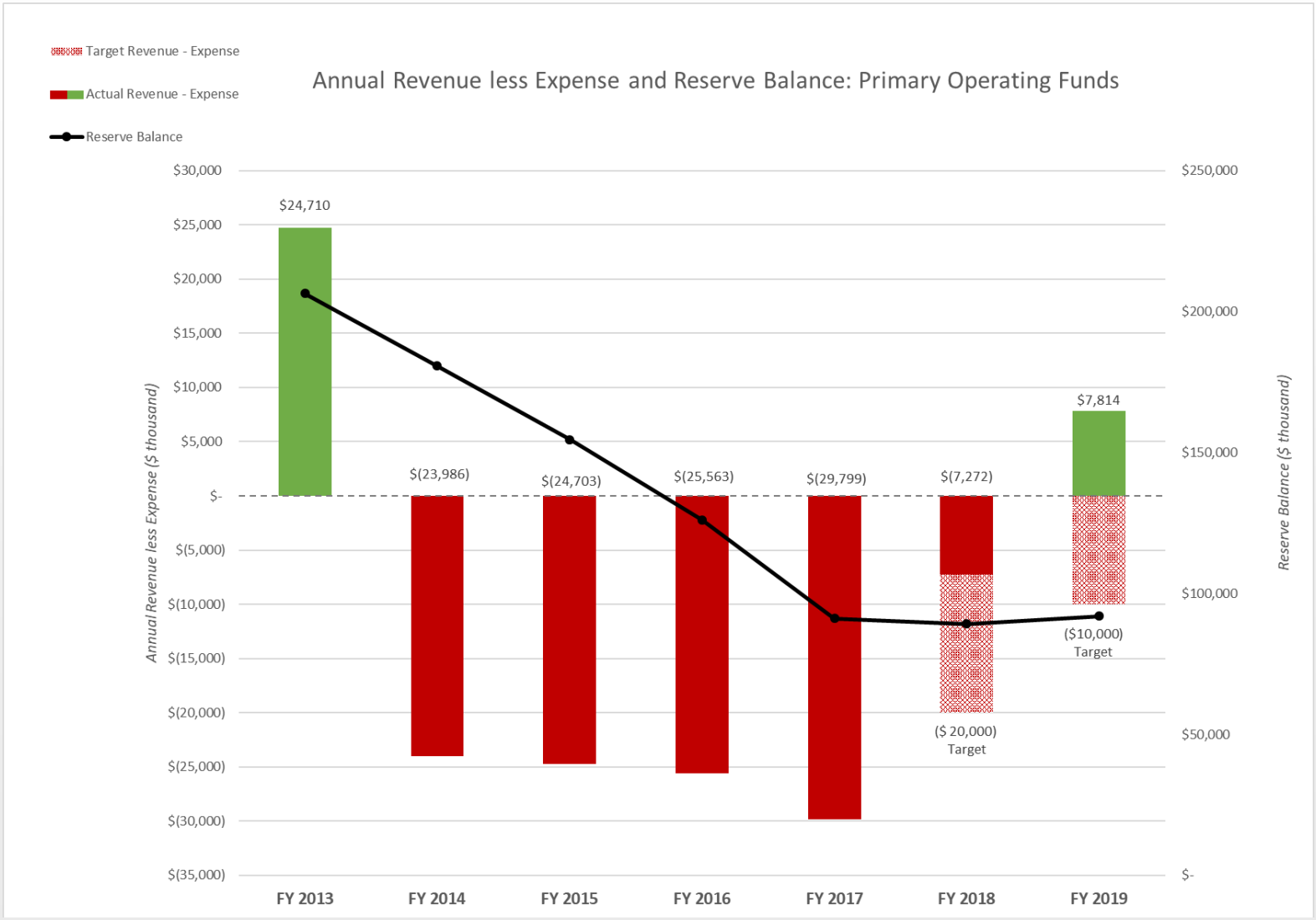
Core Budget – Background

- Expenditures exceeded revenues from FY2014-FY2017; in FY2017 expenditures exceeded revenue by $30M
- Annual overspending resulted in a significant drawdown in University reserve levels, and cumulative deficits appeared in several areas
- In FY2017, University leadership created a plan to stop annual overspending over a three year period from FY2018-FY2020
- Once the annual overspending is corrected, the University can focus on rebuilding reserves and addressing cumulative deficits in some areas

Core Budget – Progress to Date

- For FY2019, WSU exceeded the second year recovery goal by $17M, ending the year with a $7M surplus. This was accomplished through controlled expenditure growth and increases in core funding.
  - Core operating expenses increased in FY2019, mostly due to a salary increase program for employees and increased benefit costs
  - Revenue from state appropriations, tuition rate increases, and enrollment growth contributed to the run-rate improvement
  - Overall staffing levels continued to reduce, which should help recovery in FY2020
- Based on 6 months of year to date activity, WSU projects we will exceed our breakeven run rate target for FY2020.

Core Budget – Progress to Date



Connecting Core Budget to the Financial Report

Core Budget

- Core revenues exceeded expenses by $7M for FY2019
- This is reflected in the Financial Statements as a $7M increase in cash and investments

Annual Financial Report

- +$7M increase core budget
- +$9M increase in donated funds
- +$30M increase from debt proceeds to fund ERP project
- +$7M Other operational activities
- **+$53M overall increase in cash, and investments as of 6/30/19**

WSU Financial Report

FY2019 Year End Results

FY19 Results – Statement of Net Position
($ millions)

	WSU 2019 (audited)	WSU 2018 Restated (audited)	WSU 2017 Restated (audited)	Change 2018 Restated to 2019
✓ Assets (and deferred outflows)	2,826	2,712	2,727	114 ↑
✓ Liabilities (and deferred inflows)	1,427	1,416	1,417	11 ↑
• Net Investment in Capital Assets	1,073	1,051	1,063	22 ↑
• Restricted Nonexpendable	565	534	522	31 ↑
• Restricted Loans	29	29	33	0
• Restricted Expendable	168	155	169	13 ↑
• Unrestricted	(436)	(473)	(477)	37 ↑
✓ **Total Net Position**	**1,399**	**1,296**	**1,309**	**103** ↑

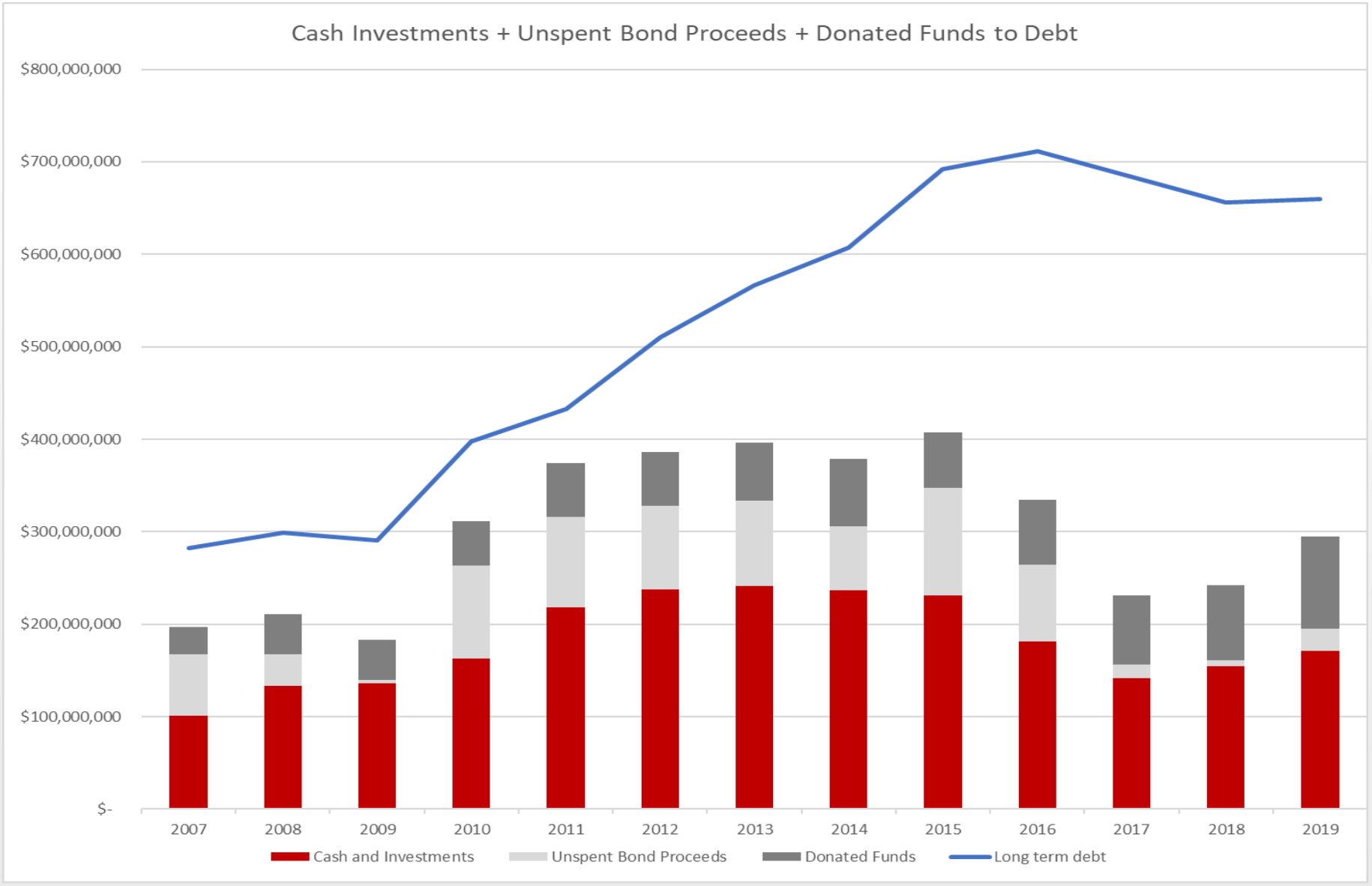
FY19 Results – Statement of Revenues, Expenses, and Changes in Net Position ($ millions)

	WSU 2019 (audited)	WSU 2018 Restated (audited)	WSU 2017 Restated (audited)	Change 2018 Restated to 2019
✓ Operating Revenues	800	750	751	50 ↑
✓ Operating Expenses	1,133	1,134	1,440	(1) ↓
✓ Non- Operating Revenue (Expenses)	380	353	336	28 ↑
✓ Capital Additions (Deductions)	56	18	62	38 ↑
✓ Increase (Decrease) in Net Position	**103**	**(13)**	**(291)**	**116** ↑

Key Trends and Highlights

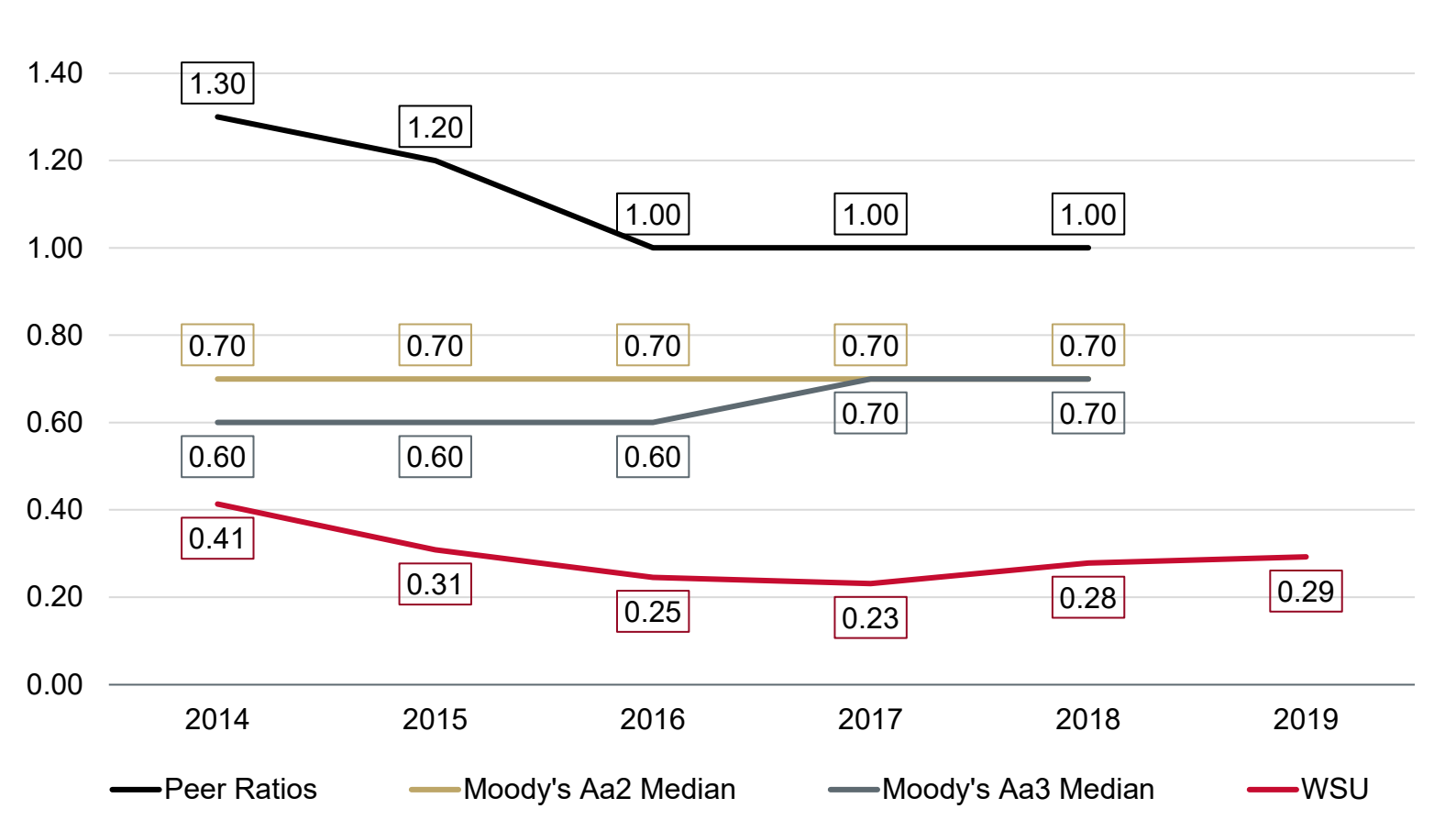
(with benchmarking)

Key Trends and Highlights – Cash and Investments



Key Trends and Highlights – Cash and Investments

Spendable Cash & Investments to Operating Expenses (desired direction = ↑)



Source: Moody's MFRA data as of January 28, 2020

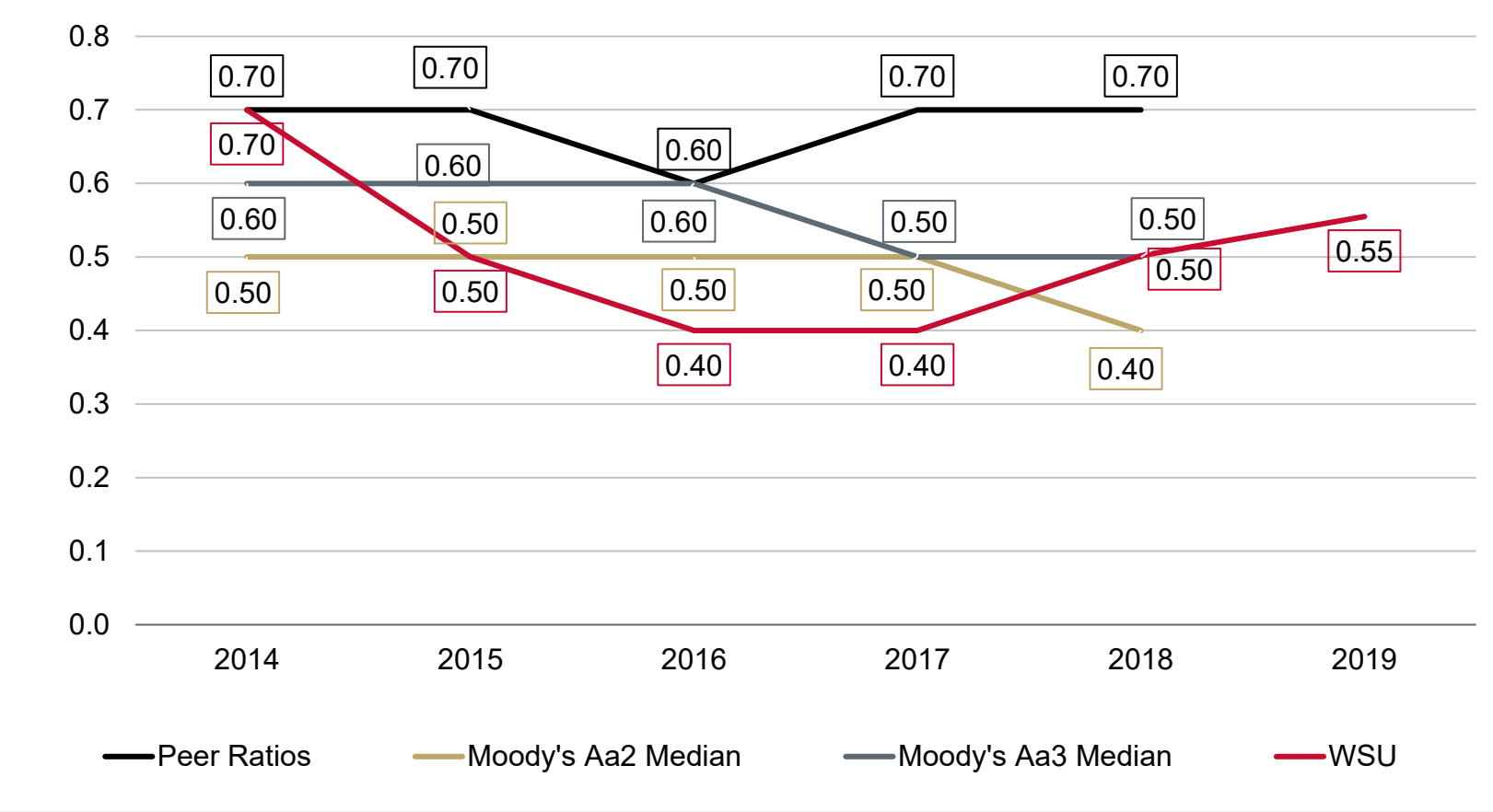
(1) Peers: Median of 9 selected peer universities with similar FTE enrollment, outstanding debt, operating revenue and an Aa Moody's rating, 6 universities are in the top 25 public research institution ratings and 5 universities were identified by the Institutional Effectiveness Council as Institutional Peers used to benchmark progress in the 2014-17 strategic plan.

(2) Based on data reported to Moody's as of December 5, 2018; medians will change as more universities report data

(3) FY 2014-18 is from the Moody's MFRA Database and may not include any accounting changes or restatements

Key Trends and Highlights – Cash and Investments

Spendable Cash & Investments to Total Adjusted Debt (desired direction = ↑)



Source: Moody's MFRA data as of January 28, 2020

(1) Peers: Median of 9 selected peer universities with similar FTE enrollment, outstanding debt, operating revenue and an Aa Moody's rating, 6 universities are in the top 25 public research institution ratings and 5 universities were identified by the Institutional Effectiveness Council as Institutional Peers used to benchmark progress in the 2014-17 strategic plan.

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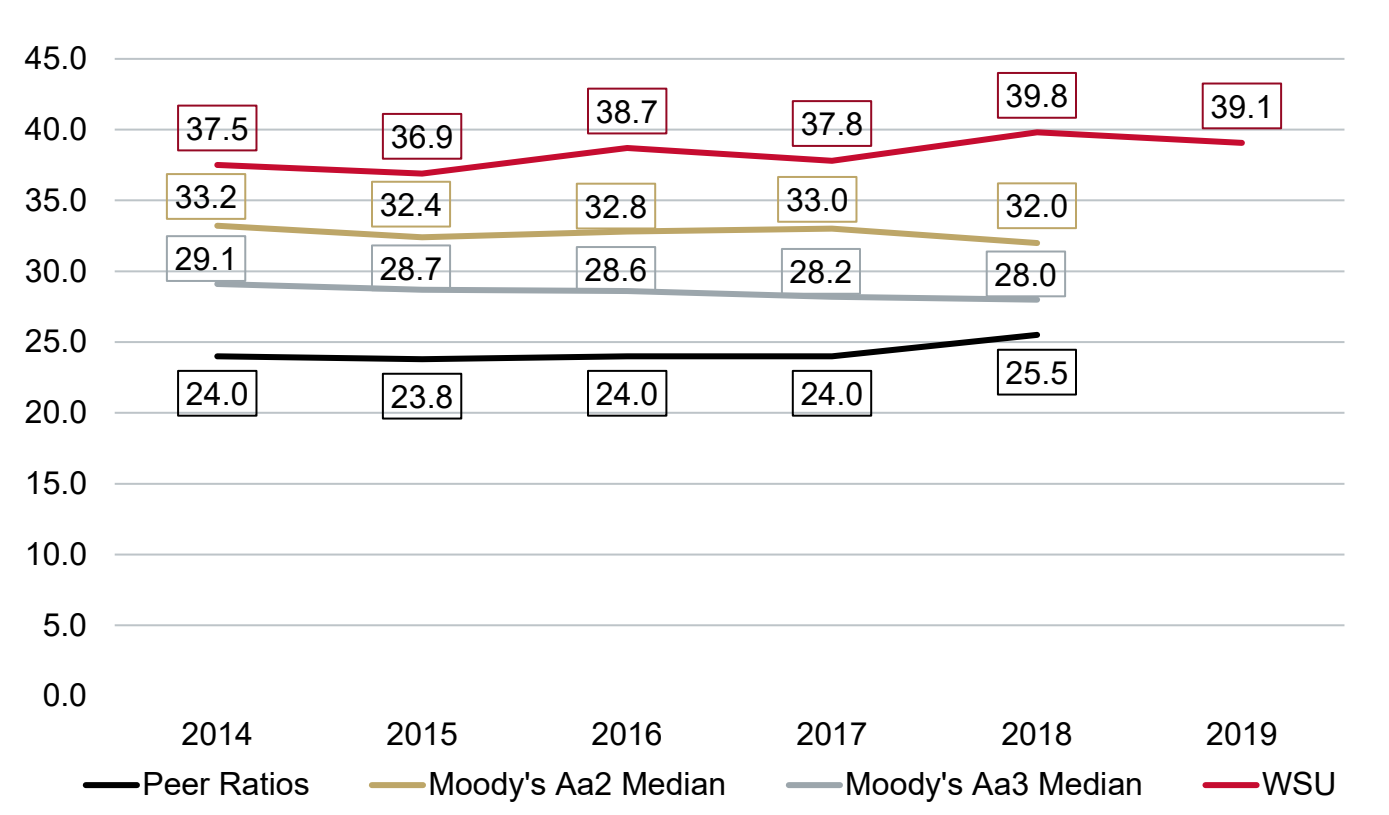
(3) FY 2014-18 is from the Moody's MFRA Database and may not include any accounting changes or restatements

Key Trends and Highlights – Revenue

- Operating Revenue increased $50M compared to last year (6.7%)
  - Gross tuition and fees increased $24M (5.8%) due to a tuition rate increase and modest enrollment growth
  - Discounts, waivers and allowances at a slightly faster rate of 6.5%, increasing by $9M
  - Resulting in a $15M net tuition increase.
- Federal, state and local grants and contracts increased by $16M or 6.3% to $274M
- State appropriations increased $13M over FY2018

Key Trends and Highlights – Revenue

Total Tuition Discount Percentage (desired direction = ↓)



Source: Moody's MFRA data as of January 28, 2020

(1) Peers: Median of 9 selected peer universities with similar FTE enrollment, outstanding debt, operating revenue and an Aa Moody's rating, 6 universities are in the top 25 public research institution ratings and 5 universities were identified by the Institutional Effectiveness Council as Institutional Peers used to benchmark progress in the 2014-17 strategic plan.

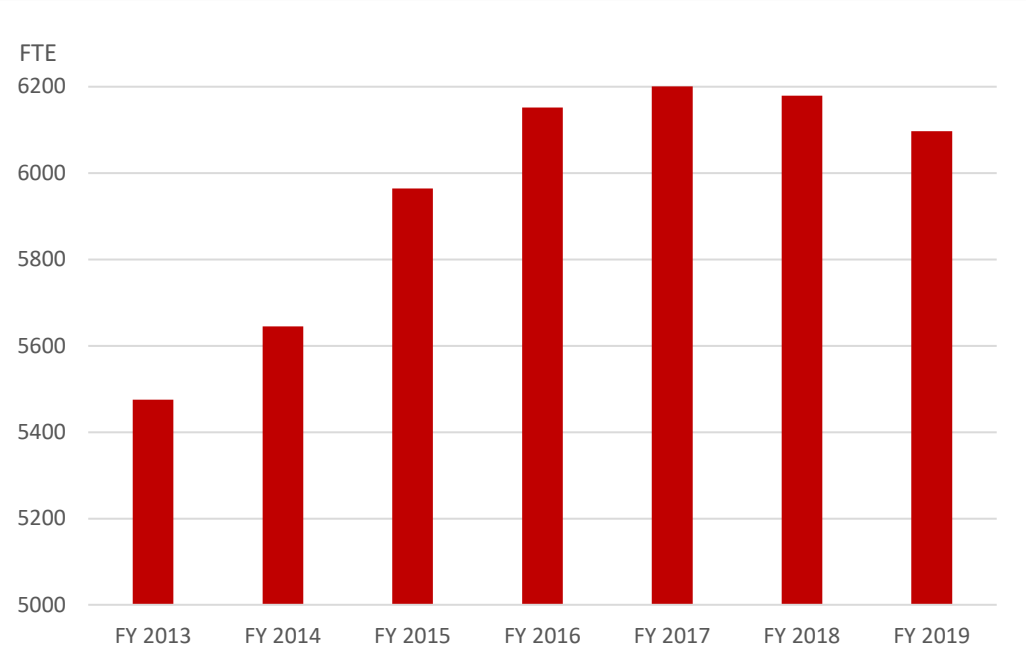
(2) Based on data reported to Moody's as of December 5, 2018; medians will change as more universities report data

(3) FY 2014-18 is from the Moody's MFRA Database and may not include any accounting changes or restatements

Key Trends and Highlights –Expenses

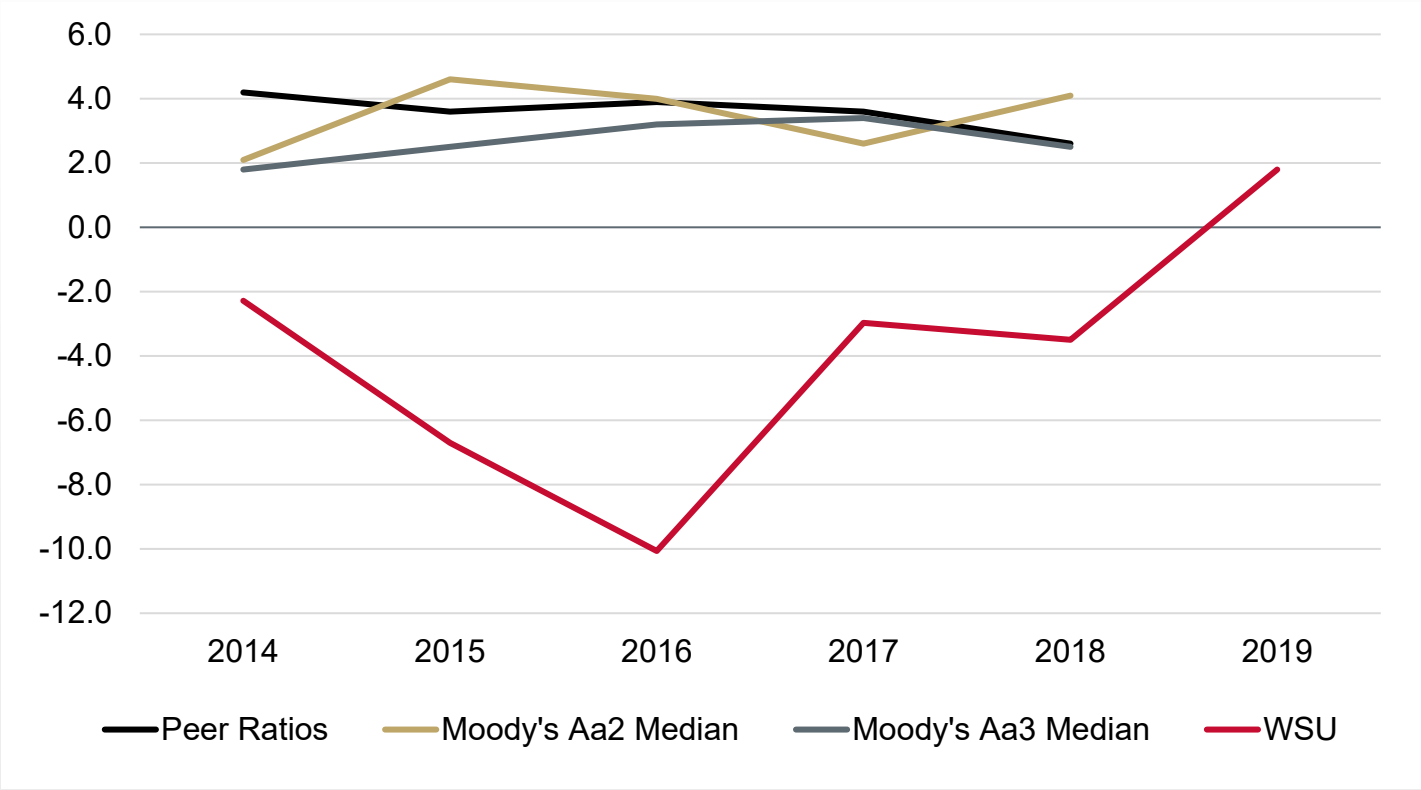
Employee FTE grew by 14% from FY2013 – FY2017.

Since the financial recovery effort began, employee FTE has declined by approximately 2%.



Key Trends and Highlights – Revenue and Expenses

Operating Margin to Peers (%) (desired direction = ↑)



Source: Moody's MFRA data as of January 28, 2020

(1) Peers: Median of 9 selected peer universities with similar FTE enrollment, outstanding debt, operating revenue and an Aa Moody's rating, 6 universities are in the top 25 public research institution ratings and 5 universities were identified by the Institutional Effectiveness Council as Institutional Peers used to benchmark progress in the 2014-17 strategic plan.

(2) Based on data reported to Moody's as of December 5, 2018; medians will change as more universities report data

(3) FY 2014-18 is from the Moody's MFRA Database and may not include any accounting changes or restatements

Takeaways and Next Steps

- Financial recovery efforts have started reversing the decline of operating cash and investment balances
- Cash and investment balance and central need to continue increasing over time
- Current annual debt service level should continue to be planned and monitored closely; especially without new and dependable revenue sources
- Expedite efforts to strategically assess tuition discounting
- Continue disciplined approach to the financial recovery targets and begin planning to address cumulative deficits in some areas

Debt Profile

End of Fiscal Year 2019

Debt Policy Governing Principles (BOR Policy #5)

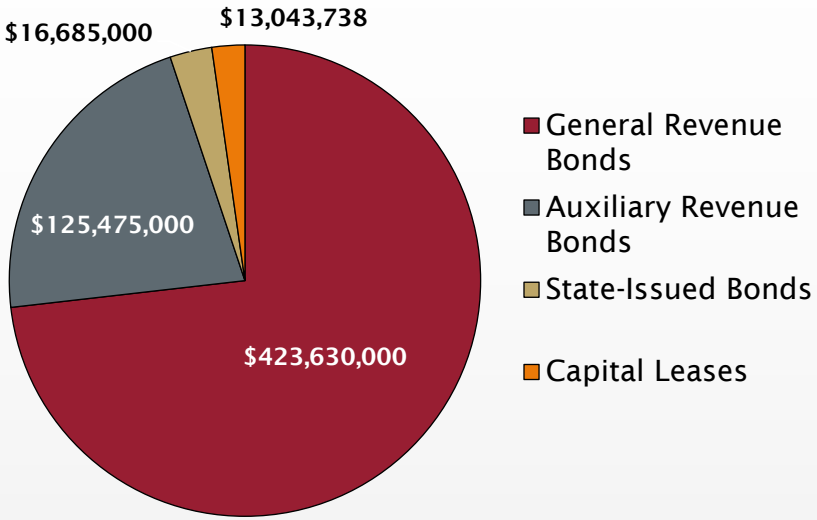
- This debt report is required annually by BOR Policy #5
- No debt will be issued without prior approval of the Regents
- The University will comply with all applicable laws, regulations, and bond covenants
- Debt is a limited resource that will be used to fund only capital projects that are consistent with the University's mission and strategic priorities, and its capital plan
- The maturity and term of debt repayment will be determined on the basis of expected availability of resources; other long term goals and obligations of the borrowing unit and the University; useful life of the assets being financed; and market conditions at the time of financing
- The University's overall debt status and outlook will be reported to the Regents at least annually

Debt Activities During Fiscal Year 2019

- For FY2019, the Board approved the issuance of $30 million in net proceeds from taxable General Revenue Bonds to finance the acquisition and implementation of an Enterprise Resource Planning system (Workday). These bonds were sold in November of 2018
- For FY2020, the Board approved the issuance of Trust and Building Fee Revenue Refunding Bonds, which were issued in July 2019 to refund the University's Trust and Building Fee Revenue Bonds, 2009. This issuance resulted in **$12.5 million in net present value savings** to the University
- On January 25, 2019, the Board approved the issuance of debt to be used for the Baseball Clubhouse; with proceeds for the project not to exceed $3,500,000, a maximum term not to exceed 5.5 years, and a maximum interest rate not to exceed 5.5%. This debt is expected to be issued in Spring 2020

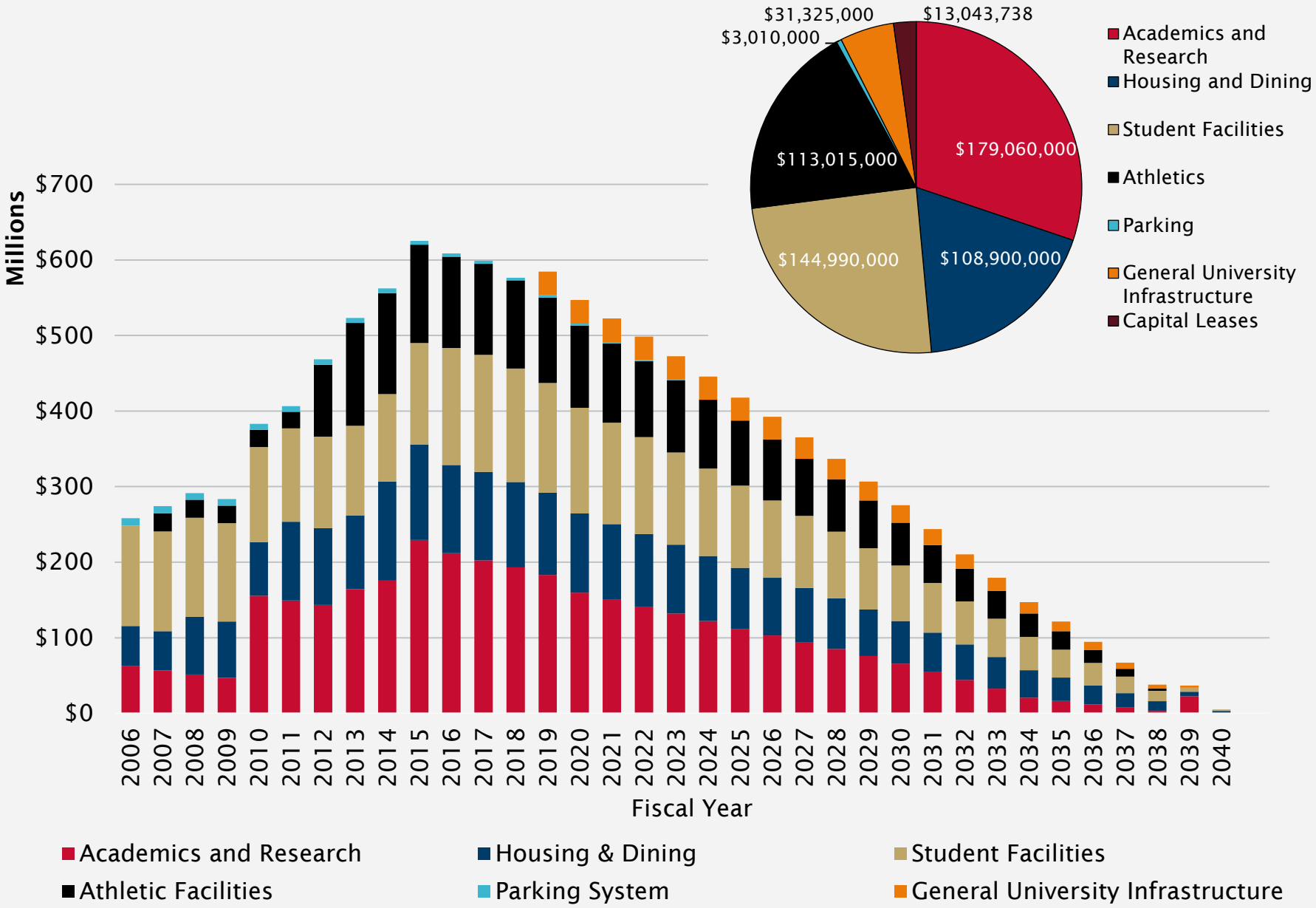
Current Bond Debt Profile

- Approximately $273 million of new money debt issued in the past 6 years (FY 2013-present)
- Payoff approximately 44% of outstanding debt principal in next 10 years (FY 2020-2029)
- January 1, 2020 outstanding principal: $579 million



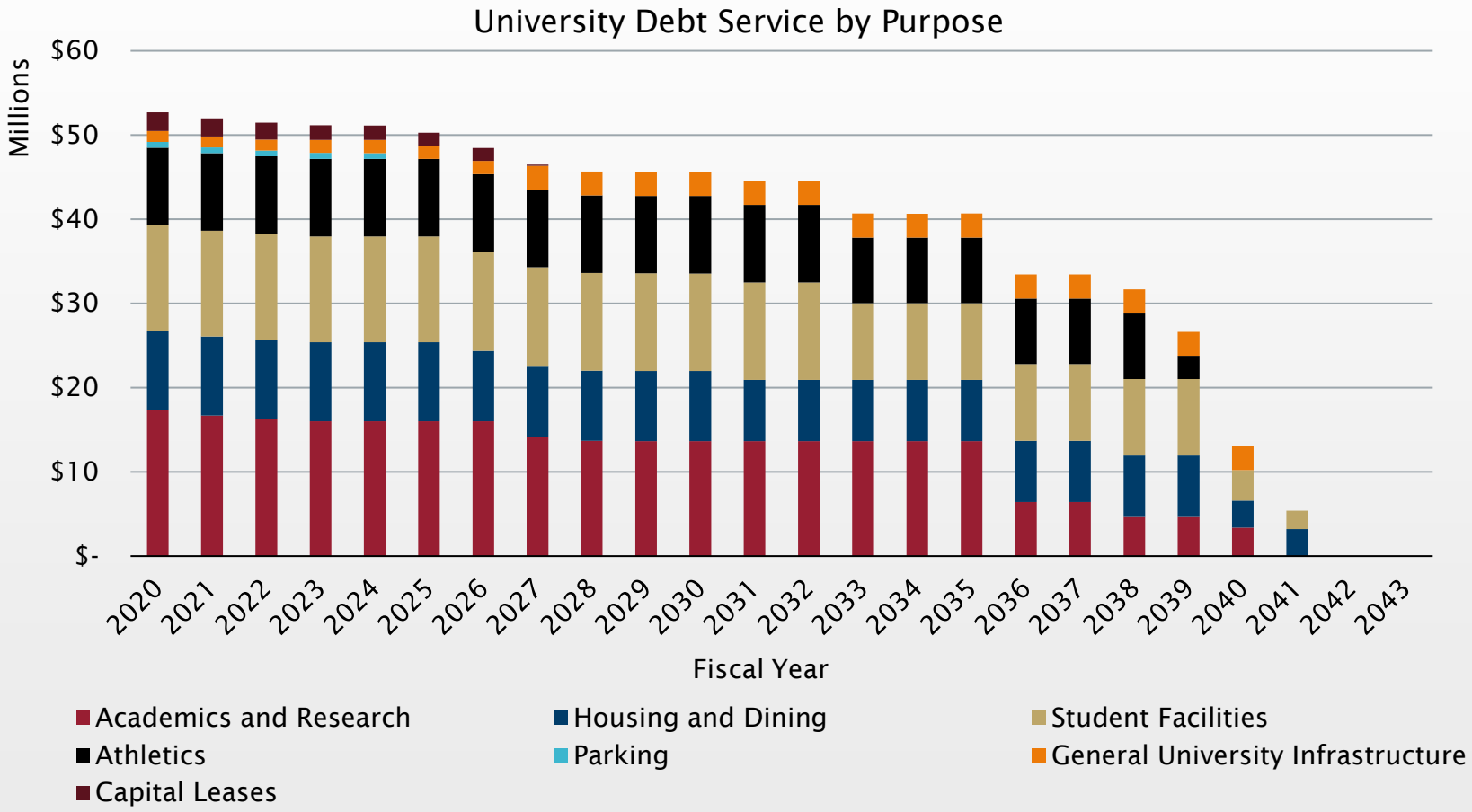
Project	Fiscal Year	Debt Issued
Biomedical Health Sciences Building	2013	27,355,000
Athletic Facilities Improvements	2013	41,640,000
Northside Residence Hall	2014	36,205,000
Clean Technology Laboratory	2014	18,130,000
Digital Classroom Facilities	2015	47,430,000
Spokane Teaching Health Center	2015	13,670,000
Cultural House	2015	13,800,000
Washington Building Health Center	2015	6,000,000
Police Department Building	2015	6,470,000
Tri Cities Student Union Building	2016	3,660,000
Renovation of Chinook Building	2016	27,320,000
Enterprise Resource Planning System	2019	31,325,000
	Total:	**$273,005,000**

Outstanding Principal By Purpose



Annual Debt Service by Purpose

- Fiscal year 2019 annual debt service: $51.6 million[1]



[1]Does not include BAB subsidy

Bond Rating Update

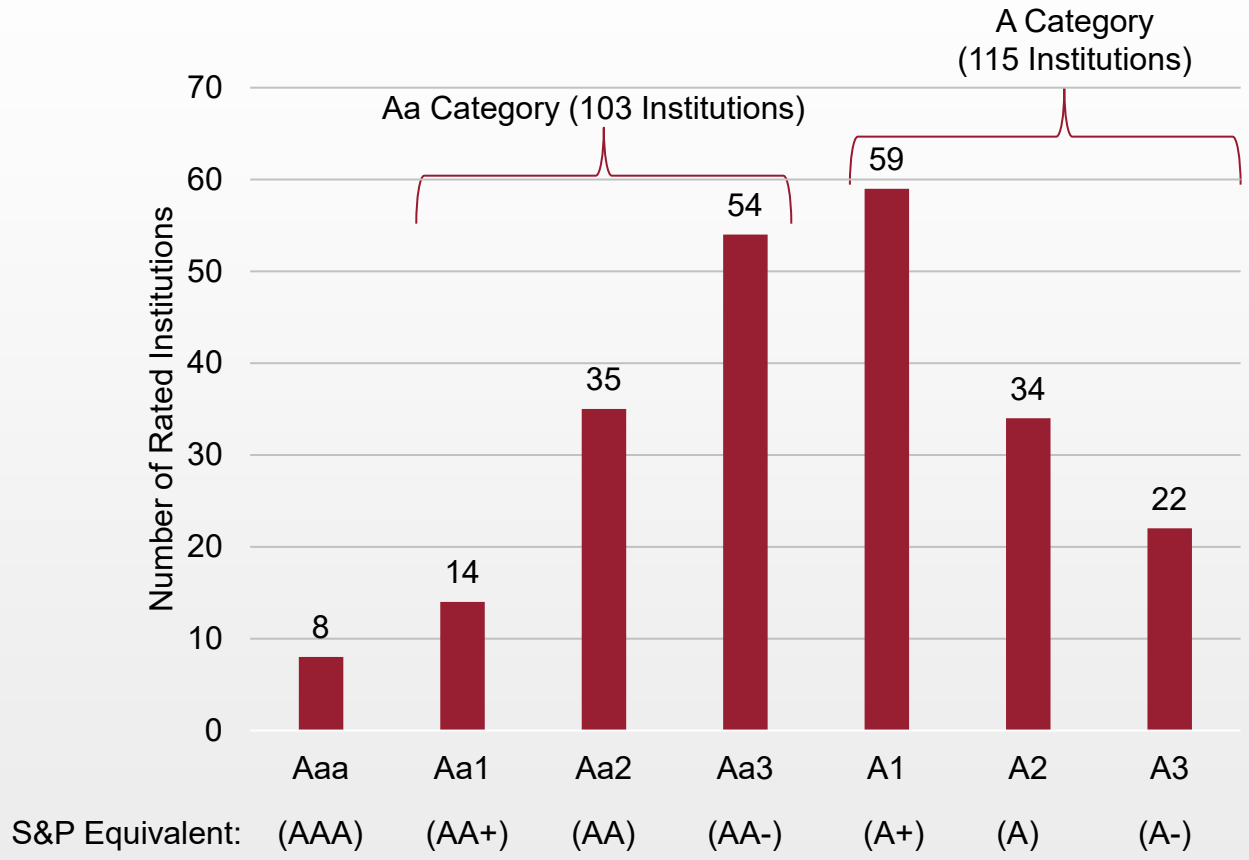
Recent Rating Activities

- WSU utilizes both Moody's and S&P for bond rating services
- On June 5, 2019 Moody's assigned a rating of Aa3 (stable) to the University's Trust and Building Fee Revenue Refunding Bonds, 2019.
- On October 15, 2018, S&P assigned a rating of **A+** to WSU's General Revenue Bonds, 2018 (Taxable) and affirmed WSU's long-term rating of A+ with a stable outlook
  - WSU did not seek a rating from S&P for the Trust and Building Fee Revenue Refunding Bonds, 2019

Moody's Rating Distribution of Public Higher Education Institutions

Moody's	S&P
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-

Both Moody's and S&P's ratings carry a stable outlook



Appendix

Peers and benchmarking groups

Benchmark Group - Peers

Median of peer institutions with similar enrollment, revenues, debt and bond rating

- Peers among the Top 25 Public Research Universities
  - North Carolina State University at Raleigh
  - University of Delaware
  - Virginia Polytechnic Institute and State University
  - University of Alabama
  - University of Kansas
  - University of Oregon
- Other Financial Peers
  - Iowa State University
  - Oregon State University
  - Colorado State University
  - Kansas State University
  - Auburn University

WSU Identified Strategic Peer Institution

Benchmark Group – Moody's

Median of all public universities with a Moody's credit rating of Aa2 (36 total)

- Alamo Community College District
- Arizona State University
- Auburn University
- Board of Regents of The University System of Georgia
- California State University
- City University of New York
- Clemson University
- Cuyahoga Community College District
- East Carolina University
- Florida State University
- Houston Community College System
- Iowa State University of Science & Technology
- Michigan State University
- Mississippi Institutions of Higher Learning
- Nevada System of Higher Education
- State University of New York
- State University System of Florida
- Texas State University System
- University of Alabama at Birmingham
- University of Alabama
- University of Arizona
- University of Arkansas
- University of California
- University of Florida
- University of Georgia
- University of Hawaii
- University of Houston System
- University of Kansas
- University of Kentucky
- University of Massachusetts
- University of North Texas System
- University of Oregon
- University of South Carolina
- University of South Florida
- University of Wyoming
- Virginia Commonwealth University

Benchmark Group – Moody's

Median of all public universities with a Moody's credit rating of Aa3 (54 total)

- Appalachian State University
- Austin Community College District
- Ball State University
- Boise State University
- Central Michigan University
- Colorado Community College System
- Colorado State University
- Del Mar College District
- Florida Atlantic University
- Florida International University
- George Mason University
- Georgia Institute of Technology
- Georgia State University
- Kansas State University
- Kent State University
- Kentucky Community and Technical College System
- Miami University
- Minnesota State Colleges & Universities
- Missouri State University
- Montana State University
- Montgomery College
- New Mexico Military Institute
- North Dakota State University
- Ohio University
- Oklahoma State University
- Oregon State University
- Pima County Community College District
- Rutgers, The State University of New Jersey
- San Jacinto Community College District
- South Dakota Board of Regents
- Temple University
- Texas Woman's University
- University of Alabama in Huntsville
- University of Central Florida
- University of Cincinnati
- University of Connecticut
- University of Idaho
- University of Montana
- University of New Mexico
- University of North Carolina at Charlotte
- University of North Carolina at Greensboro
- University of North Carolina at Wilmington
- University of North Dakota
- University of Rhode Island
- University of Vermont & State Agricultural College
- University System of New Hampshire
- Vincennes University
- Washington State University
- Wayne State University
- West Virginia Higher Education Policy Commission
- West Virginia University
- Western Carolina University
- Western Michigan University
- Wichita State University

Attachment B

2019 ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

An Agency of the State of Washington.

WASHINGTON STATE UNIVERSITY

19

ANNUAL FINANCIAL REPORT

For information about the financial data included in this report, contact:

Business Services/Controller
Washington State University
PO Box 641025
Pullman, Washington 99164-1025
509-335-2022

You may view the financial report at genacct.wsu.edu/finstat.html.

For information about enrollment, degrees awarded, research, or academic programs at WSU, contact:

Institutional Research
Washington State University
PO Box 641043
Pullman, Washington 99164-1043
509-335-4553

or

Visit the WSU home page at wsu.edu.

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INTRODUCTION



Regents and Administrative Officers

BOARD OF REGENTS

Brett Blankenship, Chair of the Board

Marty Dickinson, Vice Chair of the Board

Ron Sims, Past Chair of the Board

Johanna Pantig, Student Regent

Theodor Baseler

Scott E. Carson

Lura J. Powell

Heather Redman

Lisa K. Schauer

Mike C. Worthy

Kirk H. Schulz, Secretary Ex-Officio

Stacy Pearson, Treasurer Ex-Officio

Jay Inslee, Governor, State of Washington, Advisory Member Ex-Officio

EXECUTIVE OFFICERS

Kirk H. Schulz, President

Bryan Slinker, Interim Provost and Executive Vice President

Lisa Calvert, Vice President for Advancement and CEO of the WSU Foundation

Asif Chaudhry, Vice President for International Programs

Patrick Chun, Director of Athletics

David R. Cillay, Vice President for Academic Outreach and Innovation and Chancellor, WSU Global Campus

Daryll DeWald, Vice President for Health Sciences and Chancellor, WSU Spokane

Theresa Elliot-Cheslek, Chief Human Resource Officer

Mary Jo Gonzales, Vice President for Student Affairs

Christopher Keane, Vice President for Research

Colleen E. Kerr, Vice President for External Affairs and Government Relations

Heather Lopez, Director of Internal Audit

Stacy Pearson, Vice President for Finance and Administration and Chief Financial Officer

Sasi K. Pillay, Vice President of Information Technology Services and Chief Information Officer

Phil Weiler, Vice President for Marketing and Communications

ADMINISTRATIVE OFFICERS

Matthew Skinner, Associate Vice President for Finance and Administration

Mollie Holt, Executive Director/Controller, Business Services

CHANCELLORS

WSU EVERETT

Paul E. Pitre, Chancellor

WSU GLOBAL CAMPUS

David R. Cillay, Vice President for Academic Outreach and Innovation and Chancellor

WSU SPOKANE

Daryll DeWald, Vice President for Health Sciences and Chancellor

Celestina Barbosa-Leiker, Vice Chancellor for Research

Dan DeNike, Vice Chancellor for Finance and Budget

Gwen Halaas, Vice Chancellor for Academic Affairs

James Mohr, Vice Chancellor for Student Affairs

WSU TRI-CITIES

Sandra Haynes, Chancellor

Kathleen McAteer, Vice Chancellor for Academic Affairs

Chris Meiers, Vice Chancellor for Student Affairs and Outreach

Ray White, Vice Chancellor for Finance and Administration

WSU VANCOUVER

Mel Netzhammer, Chancellor

Renny Christopher, Vice Chancellor for Academic Affairs

Domanic Thomas, Vice Chancellor for Student Affairs and Enrollment

Lynn Valenter, Vice Chancellor for Finance and Operations

DEANS

Lisa Gloss, Dean, Graduate School

Mel Haberman, Interim Dean, College of Nursing

Larry W. (Chip) Hunter, Dean, Carson College of Business

Matthew Jockers, Dean, College of Arts and Sciences

Linda Garrelts MacLean, Interim Dean, College of Pharmacy and Pharmaceutical Sciences

Robert H. Mealey, Dean, College of Veterinary Medicine

M. Grant Norton, Dean, Honors College

Bruce Pinkleton, Dean, Edward R. Murrow College of Communication

Mary Rezac, Dean, Voiland College of Engineering and Architecture

Joseph (Jay) Starratt, Dean, Libraries

John Tomkowiak, Dean, Elson S. Floyd College of Medicine

Michael Trevisan, Dean, College of Education

André-Denis Girard Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences

LEGAL COUNSEL

Danielle A. Hess, Senior Assistant Attorney General and WSU Division Chief, Washington State Office of the Attorney General

Officer list effective 1/2/2020

Message from the President



Message from the President

The future holds great promise for WSU

I am delighted to share Washington State University's annual report for the 2019 fiscal year with you. This publication provides detailed information about the University's fiscal health and operations during the period beginning July 1, 2018, and concluding on June 30, 2019.

During the past year, WSU continued to advance its land-grant mission and service to the state of Washington by providing access to higher education, conducting research to boost lives and the economy, and delivering knowledge and services to communities statewide.

As we enter a new decade, I cannot help but reflect on how fantastic the past ten years have been from the University's standpoint.

In 2010, WSU's system enrollment was 25,989, research expenditures totaled $304 million, and philanthropic support amounted to $97.9 million for the prior year. The nation had just emerged from the Great Recession, which led to an unprecedented set of reductions in financial support for public higher education, including WSU.

Today, we enroll nearly 31,500 students, research expenditures surpass $365 million, and philanthropic support totaled more than $145 million last year. In the last 10 years, we have added a medical school headquarter in Spokane and an additional physical campus in Everett, and we now enroll more than 3,000 students through our Global Campus. We have enjoyed record levels of financial support from the Washington legislature.

Clearly, we are a valued asset to the state, and we are delivering the results that are our stakeholders seek.

As we consider the future of WSU's statewide enterprise during the next decade, we are in the midst of creating a new system strategic plan addressing the 2020–2025 time period. The plan is centered around an ambitious goal: to be recognized as one of the nation's top 25 public research universities. We believe that by achieving this goal the people of the state of Washington will benefit to even greater degree from the impacts we make through scientific innovation, research-based program delivery, and University-led practical problem solving.

Nearly four years into my presidency at WSU, I remain bullish and energized about our future as the state's land-grant institution. It's a great time to be a Coug!

Best regards,

Kirk H. Schulz
President
Washington State University

FINANCIAL SECTION



Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

February 19, 2020

Board of Regents
Washington State University

Pullman, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Washington State University, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Washington State University Foundation (the Foundation), which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit. We also

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did not audit the financial statements of the Washington State University Intercollegiate Athletics Department (Athletics) which represent 5.8 percent, (4.7) percent, and 6.4 percent, respectively, of the assets, net position and revenues of the University business-type activities.

Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and Athletics, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The fin ncial statements of the Foundation and Athletics were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Washington State University, as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Matters of Emphasis

As discussed in Note 1, the financial statements of the Washington State University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2019, and 2018 the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matte .

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements as a whole. The information identified in the table of contents as the Introduction and Acknowledgments are presented for purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated February 19, 2020, on our consideration of the University's internal control over financia reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over fina - cial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy
State Auditor
Olympia, WA

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Management's Discussion and Analysis

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Washington State University (the University) for the fiscal year ended June 30, 2019, with comparative information for the fiscal years 2018 and 2017. This overview has been prepared by management and should be read in conjunction with the University's financial statements and accompanying footnote disclosures.

Using the Financial Statements

The University's financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The financial statements are presented on a consolidated basis to focus on the University as a whole. The full scope of the University's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

The financial statements presented in this report encompass the University and its discretely presented component unit, the Washington State University Foundation. The University's financial reports include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The University presents component unit information on pages immediately following the statements of the University.

Management's discussion and analysis provides additional information regarding the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position.

Financial Highlights for Fiscal Year 2019

The University's overall net financial position as of June 30, 2019 reflects an increase of $103 million (7.9%) over the previous year, resulting in a net position of $1.4 billion.

In fiscal year 2019, the University implemented GASB 83 *Certain Asset Retirement Obligations*, which required the University to report certain asset retirement obligations (AROs) which are legally enforceable liabilities associated with the retirement of tangible capital assets. To account for the cumulative effect of the accounting principle change, the University restated its operating expense and net position for 2018, resulting in a $7 million decrease in net position. The university also reclassified assets held in custody for others that resulted in an increase in both assets and liabilities in the amount of $4 million with no impact to net position.

Below are financial highlights from fiscal year 2019:

- Assets and deferred outflows increased by $114 million to end the year at $2.8 billion.
- Liabilities and deferred inflows increased by $11 million to end the year at $1.4 billion.
- Capital assets, net of depreciation increased by $1 million, totaling $1.7 billion.
- Pension and Other Post-employment Benefits (OPEB) liability decreased $40 million, totaling $422 million due to changes in actuarial assumptions and discount rates. Specifically, the decrease was caused by a higher than expected investment rate of return on pension assets and the actuarial assumptions for future healthcare cost trends for OPEB were reduced. These changes more than offset the higher than expected salary increases and decreased discount rate for the Washington State University Supplemental Retirement Plan (WSURP).

Other significant changes to operations were as follows:

- Operating revenues totaled $800 million, increasing $50 million from last year with tuition and fees, and grant and contract revenue contributing $31 million of the increase.
- Operating expenses decreased slightly from the previous year, a total of $1 million, ending at $1.1 billion. Expenses that showed decreases include benefits, primarily comprised of pensions $17 million, scholarships and fellowships $2 million, and depreciation $2 million. These were partially offset by increases in payments to suppliers of $11 million, purchased services $10 million and utilities $1 million.

Condensed Financial Information and Analysis

Financial Position - Statement of Net Position

The Statement of Net Position presents the financial condition of the University at the end of the fiscal year and reports all assets, liabilities and deferrals of the University.

Assets are classified as current, non-current or capital. Current assets are expected to benefit the University within twelve months and include cash, accounts receivable, inventories, prepaid expenses and investments that can easily be converted into cash to meet University expenses. Non-current assets include endowment fund assets, student loans receivable and investments expected to be held more than one year. Capital assets include construction in progress, library materials, furniture and equipment, land, buildings and improvements and are reported net of accumulated depreciation.

Liabilities are classified as current or non-current. Current liabilities are claims that are due and payable within twelve months and include payroll and benefits, amounts payable to suppliers for goods and services received and debt principal payments due within one year. Non-current liabilities are obligations payable beyond one year and include bond obligations, installment contracts, leases and earned but unused vacation and sick leave.

Net position is divided into five categories:

- **Net investment in capital assets:** The University's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted – non-expendable:** The University's endowment funds, land grant endowment funds and similar funds for which donors or external parties have imposed the restriction that the corpus is not available for expenditures but for investment purposes only.
- **Restricted – expendable:** Funds that are subject to externally imposed restrictions in which the University is legally or contractually obligated to spend in accordance with time or purpose restrictions; such as scholarships, fellowships, research, loans, professorships, capital projects and debt service.
- **Restricted – loans:** Funds that have been established for the explicit purpose of providing student support as prescribed by statute or granting authority.
- **Unrestricted:** Funds that are available to the University for any lawful purpose.

Condensed **Statements of Net Position (in millions)** for the last three fiscal years are as follows:

	June 30, 2019	Restated June 30, 2018	Restated June 30, 2017
Assets			
Current assets	$ 282	$ 208	$ 185
Non-current assets:			
Long term investments	101	108	140
Endowment and other restricted investments	616	585	568
Other non-current assets	64	63	35
Capital assets, net of accumulated depreciation	1,704	1,703	1,753
Total assets	**2,767**	**2,667**	**2,681**
Deferred outflows of resources	**59**	**45**	**46**
Total assets and deferred outflows of resources	**2,826**	**2,712**	**2,727**
Liabilities			
Current liabilities	$ 111	$ 140	$ 134
Non-current liabilities:			
Accrued leave and unearned compensation	28	30	24
Unearned revenue	7	8	9
Long-term liabilities	634	632	659
Asset retirement obligation	17	15	
Pension	162	179	215
OPEB liabilities	260	283	337
Other non-current liabilities	43	37	17
Total liabilities	**1,262**	**1,324**	**1,395**
Deferred inflows of resources	**165**	**92**	**23**
Total liabilities and deferred inflows of resources	**1,427**	**1,416**	**1,418**
Net position			
Net investment in capital assets	1,073	1,051	1,074
Restricted nonexpendable	565	534	522
Restricted loans	29	29	33
Restricted expendable	169	155	157
Unrestricted	(437)	(473)	(477)
Total net position	**$1,399**	**$1,296**	**$ 1,309**

Significant Changes in the Statements of Net Position from 2018 to 2019

- Total current assets increased by approximately $74 million from the prior year primarily due to $37 million of increased net cash activities including increased operating activities, unspent bond proceeds and collection of loans from students. Other increases include accounts receivable of $13 million as a result of an increase in the amount due from the Office of the State Treasurer due to timing of the capital budget. Short term investments increased $24 million which was partially from sale of long term investments, investment returns and net gains and bond proceeds.
- Non-current assets, other than capital assets, increased by $25 million from fiscal year 2018. This was mostly due to endowment investments increasing by $31 million, and an increase in assets held in custody for others by $4 million. The increase in endowment investments is due to stronger investment returns, realized and unrealized gains over the last three years. Deposits held in escrow for construction companies decreased by $1 million due to project completions. There was a decrease of $8 million in long term investments as they were converted to shorter term investments. Loans receivable decreased $2 million as student loans were paid off.
- Capital assets, net increased slightly in 2019 for a total of $1 million. Several projects were placed in full year service from construction in progress, major projects include including refurbished student housing, new dairy equipment installed at the Food Quality Building, Everett academic building, Eastlick Hall renovations, Veterinary Hospital copper shielding and Spokane Academic renovations totaling $34 million and $73 million was spent on construction projects during the year, resulting in a net increase of $39 million in construction in progress. Land purchases and retirements netted a decrease of $1 million. Other improvements, machinery and equipment and library resources increased $24 million, net of retirements. These increases were offset by the total increase in accumulated depreciation of $95 million, net of retirements.
- Current liabilities decreased by $29 million in fiscal year 2019 primarily as the result of a decrease in accounts payable of $7 million attributable to quicker payments to vendors, a $25 million decrease in the current portion of long term OPEB liabilities and long term debt. These were offset by a $1 million increase in unearned revenue, and amount due to the Foundation of $1 million which was due to timing.
- Non-current liabilities decreased by $32 million in fiscal year 2019 primarily due to the $39 million decrease in pension and OPEB liabilities reflected by increased performance returns and changes in actuarial assumptions. The University continues to pay down long term debt and issued new debt, resulting in a $2 million increase. Deposits held in custody for others increased $4 million. The Assets Retirement Obligation (ARO) increased due to the reevaluation of the cost to retire the nuclear radiation center which increased $2 million.
- Overall net position improved to $1.4 billion with an increase of $103 million from fiscal year 2018 restated net position.

Significant Changes in the Statements of Net Position from 2017 to 2018

- Total current assets increased by approximately $23 million from the prior year primarily due to $48 million of increase in short term investments which resulted from the conversion of long term investments and cash from the sale of land to the Pullman-Moscow Regional Airport project. The increase was offset by a decrease in accounts receivable of $19 million due to improved collection efforts and decreased activity from State Grants of approximately $6 million.
- Non-current assets, other than capital assets, increased by $13 million from fiscal year 2017. This was primarily due to reclassification of assets held in custody for others in the amount of $34 million and the $17 million increase in endowment investments due to stronger investment returns, realized and unrealized gains over the last three years. These were partially offset by a $32 million decrease in short term investments as funds were moved to long term investments. Deposits held in escrow for construction companies decreased by $6 million due to project completions.
- For capital projects, in fiscal year 2018, several bond funded buildings were placed in full year service including WSU's Cultural Center, Jordan Schnitzer Museum of Art and additional expenditures for Everett Campus improvements, Digital Classroom and Food Quality Building totaling $65 million in additions to Capital Assets, net of retirements. This amount was offset by construction in process which decreased by $19 million due to completion of many projects and offset by the total increase in accumulated depreciation of $96 million, net of retirements, totaling $50 million decrease in net capital assets.
- Current liabilities increased by $6 million in fiscal year 2018 primarily as the result of a $26 million increase in the current portion of long term OPEB liabilities and a decrease in accounts payable of $19 million attributable to less spending in departments, overall budget decreases and quicker payments to vendors.
- Non-current liabilities decreased by $76 million in fiscal year 2018 primarily due to the $90 million decrease in pension liability reflected by increased performance returns and a higher discount rate as compared to previous years. The University continued to pay down long term debt without additions totaling $27 million. These decreases were offset by the recognition of Asset retirement obligation of $15 million as the result of implementation of GASB 83 *Certain Asset Retirement Obligations*, the reclassification of deposits held in custody for others in the amount of $21 million and an increase in the long term portion of accrued leave.
- Overall net position remained steady at $1.3 billion with a slight decrease of $13 million from fiscal year 2017 restated net position.



Results of Operations - Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position present the University's results of operations and non-operating items that result in the changes in net position for the year. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or non-operating.

Operating revenues are the inflows of funds from providing goods and services to the University's customers. They include tuition and fees, grant and contract payments, and sales and service revenue generated by student housing, student dining and other University enterprises. Operating expenses are the funds used up in generating operating revenues and in carrying out the University's mission.

Non-operating revenues are revenues earned for which goods and services are not provided and include state appropriations, current-use gifts and grants that are designated for purposes other than capital construction, land grant endowment income, endowment distributions and investment income. Non-operating expenses include interest expense on long-term debt.

Other revenues and expenses include capital appropriations, capital gifts or grants, additions to permanent endowments and gains or losses on the disposal of capital assets.

	June 30, 2019	Restated June 30, 2018	Restated June 30, 2017
Operating revenues (expenses)			
Tuition and fees, net	$ 295	$ 280	$ 286
Grants and contracts	275	258	256
Sales and services, net	199	189	186
Other operating revenues	31	23	23
Total operating revenues	**800**	**750**	**751**
Operating expenses	(1,133)	(1,134)	(1,440)
Operating loss	**(333)**	**(384)**	**(689)**
Non-operating revenues (expenses)			
State and federal appropriations	254	243	235
Federal financial aid	38	39	33
Interest on debt	(30)	(31)	(29)
Federal interest subsidy on debt	3	3	3
Gifts and contributions	44	35	36
Investment income, net	65	48	52
Other nonoperating revenues(expenses)	6	16	6
Net nonoperating revenues (expenses)	**380**	**353**	**336**
Income (loss) before other changes	**47**	**(31)**	**(353)**
Capital additions			
Capital appropriations	45	5	52
Capital gifts and grants	1	2	1
Additions to permanent endowments	10	11	9
Total capital additions	**56**	**18**	**62**
Increase (decrease) in net position	103	(13)	(291)
Net position—beginning of year	1,296	1,309	1,600
Change in accounting principle		(7)	(337)
Change in net position	103	(6)	46
Net position—end of year	**$ 1,399**	**$ 1,296**	**$ 1,309**

Significant Changes in the Statement of Revenues, Expenses and Changes in Net Position from 2018 to 2019:

Operating revenue improved significantly with a $50 million increase in fiscal year 2019 due to the below:

- Total tuition and fees (without waivers) increased from $419 million in FY18 to $442 million in FY19 due to a 2.0% increase in resident undergraduate tuition, increases for medical, pharmacy and veterinary medicine tuition, and an overall enrollment increase of 2.8%. The $23 million increase in gross tuition was partially offset by an $8 million increase in the scholarship allowance (estimated using the National Association of College and University Business Officers (NACUBO) model). The increase in the scholarship allowance is attributable to a $4 million increase each for in waivers and other scholarship allowances.
- Grants and contracts from federal, state and private sources were up approximately 6.3% over last year to $275 million. The majority of the increase this fiscal year came in federal research caused by an overall increase in average award values, and significant increases in awards from the USDA of $11 million, National Science Foundation $6 million and the Department of Health and Human Services $3 million. These were offset by slight decreases in other federal, state and local funding.
- Revenues in WSU auxiliaries increased by $10 million primarily due to an increases in Housing & Dining of $6 million, Student Health $2 million and Athletics $2 million.
- Other operating revenue increased $9 million due to $4 million increase in royalties due to the launch of the Cosmic Crisp Apple, $1 million increase in unearned revenue from summer session, $4 million increase in revenue generated by internal services.

Overall operating expenses were consistent with the previous year with a slight decrease of $1 million.

- Salaries and Wages increased only slightly despite classified employees receiving 2.0% increase in July 2018 and another on January 1, 2019, and a 1.0% increase for faculty, exempt staff, and graduate students effective January 1, 2019 and a minimum wage increase January 1, 2019. These were offset by decreased staffing.
- Benefits decreased $17 million which is attributable to a decrease in pension expenses due to the University's percentage of the proportionate share of expense related to PERS plans decreasing as well as favorable earnings on plan assets.
- Payments to suppliers increased by $11 million due to a $4 million housing and dining increase related to strong occupancy, $2 million for expenditures associated with development of a new enterprise system for human resources, payroll and finance that were not eligible to be capitalized, increased grant activity totaling $3 million and a $2 million increase in self-sustaining activities.
- Purchased Services increased $9 million, primarily due to grant subcontracts which increased $6 million. WSU awarded 45 more sub-awards than in the previous year. Additionally, there was $1 million in additional personal service contracts within self-sustained funds and other miscellaneous increases.
- Depreciation decreased $2 million due to building retirements in FY2018 due to the sale of the buildings on land sold for the City of Pullman airport expansion.

Non-operating revenues (net of expenses) increased $28 million due to the following:

- State Appropriations increased by $13 million due to funding for College of Medicine of $4 million, salary and benefit appropriations of $6 million, and other programs increasing by approximately $3 million.
- Interest on capital assets decreased by $1 million due to reduced principal on outstanding debt.
- Gifts and contributions increased $9 million.
- Investment income, net of expenses increased by $16 million. The overall portfolio continuously generates income, however fiscal year 2019 was higher than fiscal year 2018 due to better overall performance by the fixed income investments in the permanent land grant funds. Large unrealized gains were recorded in FY 2019 as reported by the State Investment Board Financial Report.
- Other non-operating revenues decreased by $9 million primarily due to the one-time sale of the land to the Pullman-Moscow Regional Airport that occurred in fiscal year 2018, and not in fiscal year 2019.

Other revenue increased $38 million as a result of:

- Capital appropriations increased $40 million while capital gifts and grants decreased $1 million.
- Additions to permanent endowments decreased $1 million.

Significant Changes in the Statement of Revenues, Expenses and Changes in Net Position from 2017 to 2018:

Current operating revenue remained steady with a $1 million decrease in fiscal year 2018 due to the below:

- Gross tuition and fees increased by $14 million largely driven by a 2.2% increase in resident undergraduate tuition rates, and a 2.0% increase in students enrolled. The increase was offset by a $2 million decrease in accrued tuition revenue, and an $18 million increase in waivers and scholarship allowance, resulting in a net tuition decrease of $6 million.
- Grants and contracts from federal, state and private sources increased approximately $2 million to $258 million. The majority of the increase this fiscal year came in the federal research area, with $6 million growth led by increased awards in the Department of Defense, Education, Health and Human Sciences offset by a decrease in spending of State awards of $4 million.
- Auxiliary revenues increased by $3 million primarily due to Housing and Dining increases resulting for high demand for on-campus housing and rate increases pacing with inflation.

Overall operating expenses decreased by $306 million primarily due to the following:

- The cumulative effect of the change in accounting principle for OPEB (GASB 75) had the largest impact on benefit expense decreasing by $322 million. Fiscal year 2017 benefit expense was restated to properly account for the cumulative effect of the accounting change, resulting in $337 million increase in cumulative benefit expense to reflect the retroactive adjustment to date. The fiscal year 2018 benefits expense totaled $25 million with a proportionate share of $313 million of the State's OPEB liability. The decrease in the year over year liability is attributable to a lower discount rate and changes in actuarial assumptions.
- Salaries and wage increases of $11 million are attributable to classified employees 2.0% increase in July 2017, 1.0% increase for faculty, exempt staff, and graduate students effective January 1, 2018, totaling a just over $3 million. In addition, there was new salary cost of $4 million for medical salaries and $4 million increase in salary costs for other departments (period incremental increases, hiring new employees at higher rates). The overall number of employees remained flat from fiscal year 2017 to fiscal year 2018.
- Payments to suppliers decreased by $1 million due to conservative spending of lab supplies, interdepartmental supplies and delays on major repairs for facilities.
- Depreciation increased $5 million due to new buildings placed in service at the end of fiscal year 2017 incurring a full year of depreciation including the Cultural Center, Museum of Art and Everett Campus Center.

Non-operating revenues (net of expenses) increased by $16 million due to the following:

- State Appropriations increased by $8 million due to funding for College of Medicine of $3 million, salary appropriations of $4 million, and other programs increasing by approximately $1 million.
- Federal Pell Grants increased by $5 million due to increased need on campus for grants after the Perkins Loans program expired in September 2017.
- Interest on capital assets decreased by $2 million due to lower debt.
- Investment income, net of expenses decreased by $4 million due to larger unrealized gains in fiscal year 2017. The overall portfolio continuously generates income, however fiscal year 2018 was slightly lower than fiscal year 2017 on the increase in the permanent land trust endowment and increase in market value.
- Other non-operating revenues increased by $10 million primarily due to sale of the land to the Pullman-Moscow Regional Airport resulting in a $13 million increase offset by the associated loss on the disposal of the buildings located on that property totaling $3 million.

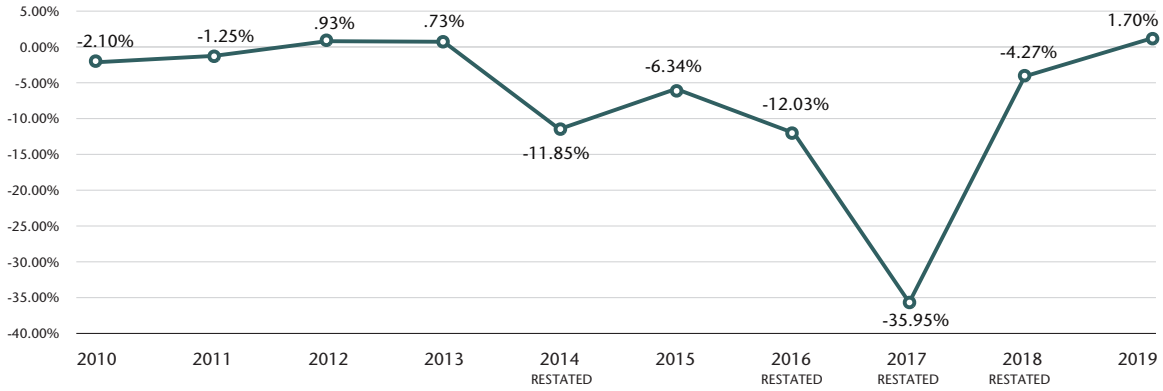
Other revenue decreased $44 million as a result of:

- Capital appropriations decreased $47 million.
- Additions to permanent endowments increased $3 million.

Financial Health and Flexibility

The annual operating margin compares the operating surplus (or deficit) to operating revenues. Moody's definition of operating revenues includes several non-operating revenues in determining margin and an estimated spending rate of the University's investments rather than actual investment income. This ratio indicates the extent to which the University is balancing revenues with expenses and growing its resource base.

Annual Operating Margin

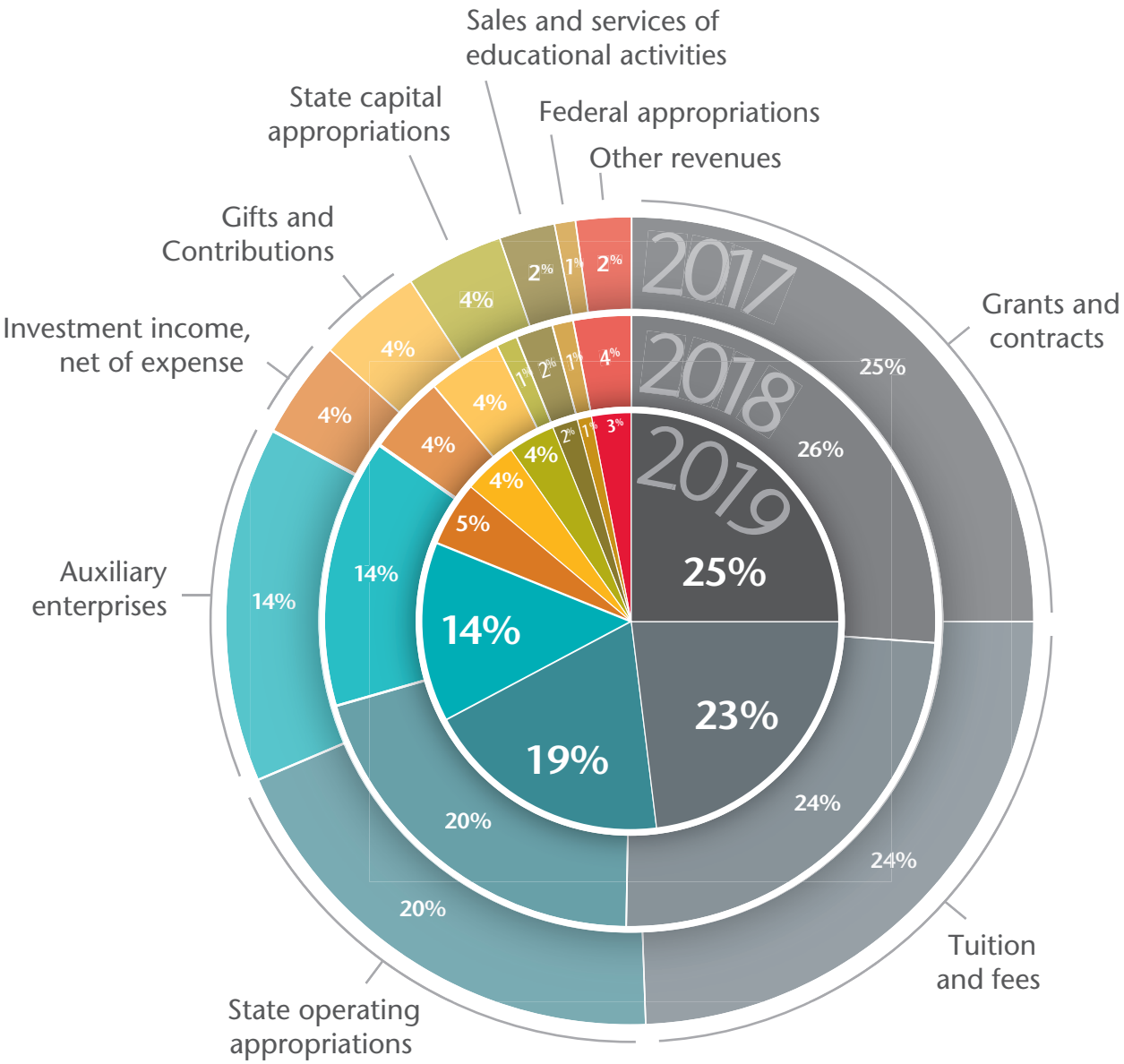


In fiscal year 2014 onwards, there have been numerous changes in accounting principles that have impacted this ratio and others. In fiscal year 2015 GASB 68 (Pensions) was implemented which required a restatements of the fiscal year 2014 Statement of Net Position to record the University's share of the State's net pension obligation resulting in operating expenses to increase by $85 million. In fiscal year 2016, additional pension expense of $14 million increased operating expenses. In fiscal year 2016, GASB 73 was implemented, which required a restatement of pension expense of $48 million. In fiscal years 2017 and 2018, GASB 75 (OPEB) resulted in a restatement of $337 million for fiscal year 2017 and an additional benefit expense of $25 million in fiscal year 2018. Fiscal year 2018 experienced considerable improvement compared to both fiscal years 2017 and 2016, increasing to -4.27%, the highest this ratio has reached since fiscal year 2013. Fiscal year 2019 continued this trend with an increase to 1.70%, the highest ratio in ten year period.



Revenues from all Sources

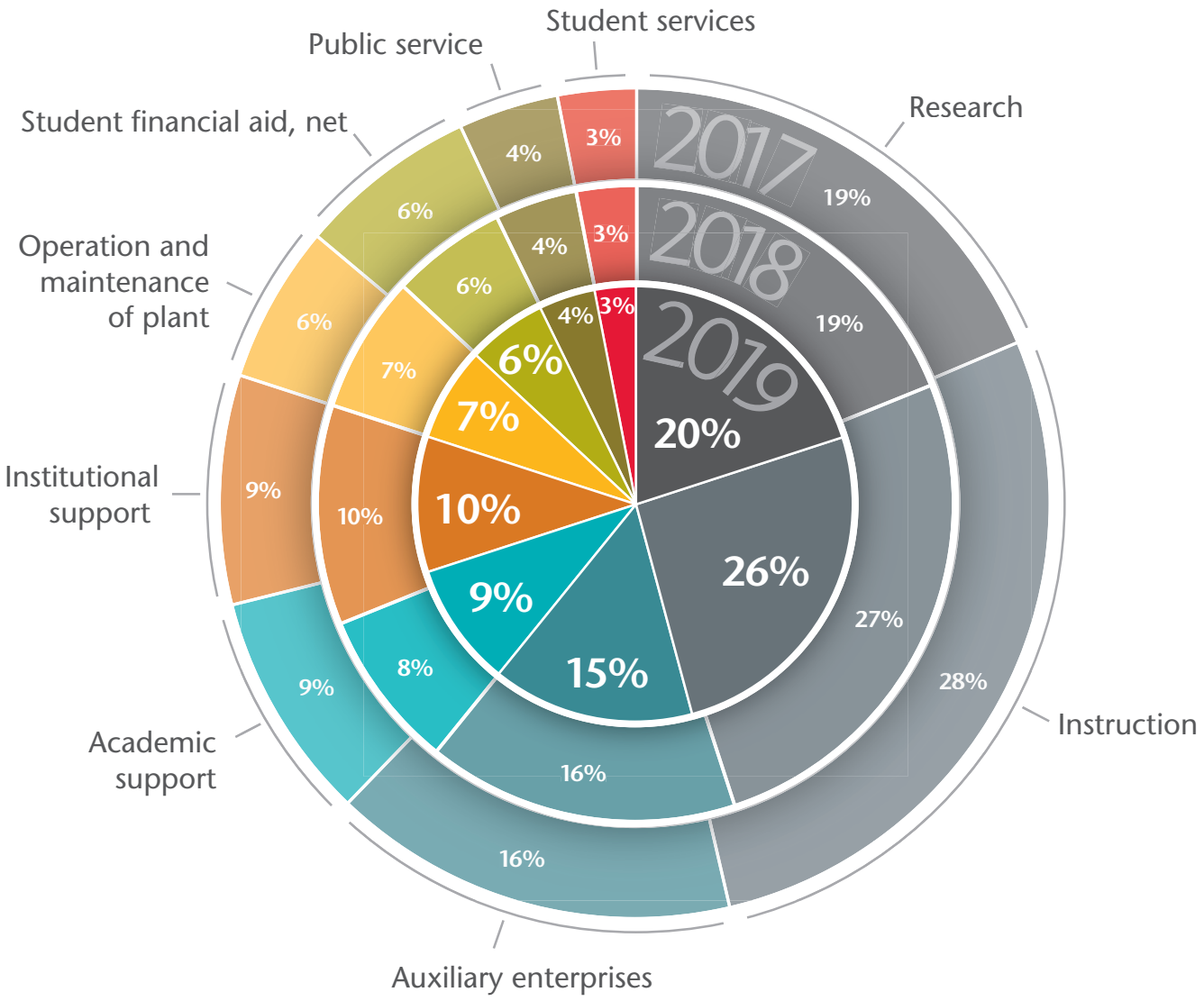
For the Years Ended June 30, 2019, 2018 and 2017



As the above graphs show, the University has a diversified revenue base. No single source of revenue generated more than a quarter of the total fiscal year revenues for fiscal year 2019. In fiscal year 2019 grants and contracts generated $313 million or 25% of total all revenue. These funds support the university's research activities, which allow students to work with nationally recognized faculty as part of their educational experience. Net tuition and fees set by the State legislature for all public universities in Washington, generated $295 million or 23% in 2019, followed by State appropriations at 19%. Auxiliary revenue represented 14% of the total and has stayed consistent for the last three years. Investment income, net of expenses, represents 5% of total revenue and gifts and contributions 4%.

Operating Expenditures by Functional Classification

For the Years Ended June 30, 2019, 2018 and 2017
(Note: for the purposes of these graphs, depreciation expense has been allocated to the programs.)



The cost of instruction lands at approximately 26% in fiscal year 2019, the same as the previous year. Research costs rose slightly in fiscal year 2019 as did academic support. Auxiliary enterprise decreased to 15% and Institutional support to 10%. Public service, student service and student financial aid expenses continue to stay constant.

Capital Assets and Long-Term Liabilities

Capital Assets

In fiscal year 2019, key projects substantially completed and were placed in service totaling $34 million. Construction in process increased by $39 million due to construction of several projects including refurbished student housing, new dairy equipment installed at the Food Quality Building, Everett academic building, Eastlick Hall renovations, Veterinary Hospital copper shielding and Spokane Academic renovations totaling $34 million and $73 million was spent on construction projects during the year, resulting in a net increase of $38 million in construction in progress. Land purchases and retirements netted a decrease of $1 million. Other improvements, machinery and equipment and library resources increased $24 million, net of retirements. These increases were offset by the total increase in accumulated depreciation of $95 million, net of retirements.

The increase in fiscal year 2018 is a result of continued completion of construction on multiple campuses including the Elson S. Floyd Cultural Center, the Jordan Schnitzer Museum of Art WSU and additional expenditures for WSU Everett campus improvements, the SPARK and the Food Quality Building, totaling $65 million. These increases were offset by depreciation.

See note 8 for more information.

	June 30, 2019	June 30, 2018	June 30, 2017
Land	$ 34	$ 34	$ 34
Buildings, net	1,328	1,358	1,371
Construction in progress	70	31	50
Equipment, net	50	53	65
Library, net	60	58	57
Other improvements and infrastructure, net	162	169	176
Total capital assets, net	**$ 1,704**	**$ 1,703**	**$ 1,753**

Long Term Liabilities

In fiscal year 2019, the University's long term liabilities decreased by $60 million to end the year at $1.1 billion.

In fiscal year 2018 the University issued new debt for its financial system modernization. In fiscal year 2017, the University did not issue any new debt allowing for decreases in general revenue bonds, State of Washington General Obligation bonds and capital leases.

Pension obligation continues to fluctuate year after year to accommodate changes in actuarial assumptions and the discount rate as determined by the State.

In fiscal year 2018, the University implemented GASB 75 *Accounting and Financial Reporting for Other Post-Employment Benefits other than Pensions* (OPEB), which required the University to report the proportionate share of the State of Washington's actuarially determined liabilities for these post-employment benefits. This cumulative change reflects $337 million in fiscal year 2017 and a slight decrease in liability for fiscal year 2018 to $313 million due to changes in actuarial assumptions and the discount rate.

See note 15 for more information.

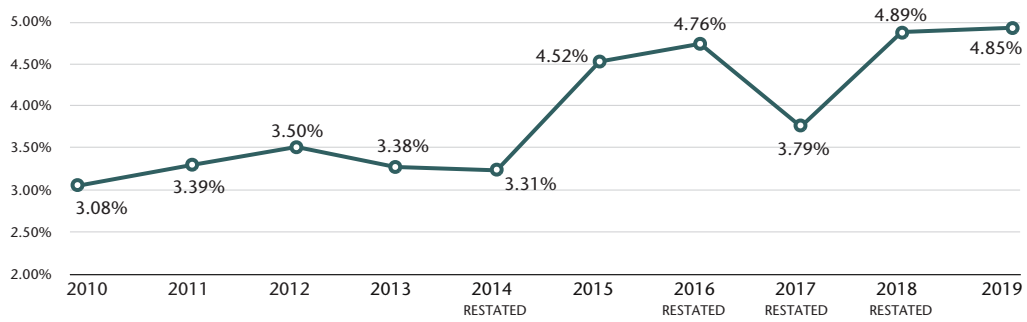
The table below summarizes outstanding liabilities:

	June 30, 2019	Restated June 30, 2018	Restated June 30, 2017
Revenue and refunding bonds payable	$ 632	$ 624	$ 647
State of Washington general obligation bonds	16	19	21
Capital leases	12	14	15
Pension obligation liability	162	179	215
Other post-employment benefits	265	313	342
Asset retirement obligation	17	15	–
Total long-term liabilities	**$ 1,104**	**$ 1,164**	**$1,240**

Debt Ratios

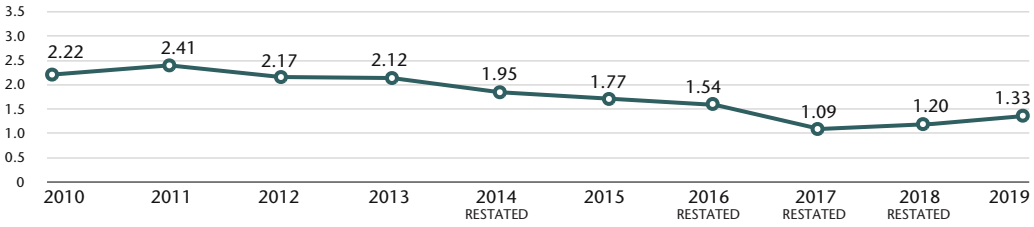
The debt service to operating expense ratio provides an indicator of the University's ability to repay annual principal and interest relative to its overall operating expenses. A lower percentage indicates the greater ability to repay debt service. In fiscal year 2016 the University issued general revenue bonds that increased the amount of principal and interest payments in fiscal year 2017, however, the OPEB restatement increased operating expenses by of $337 million in that same year. As a result the ratio improved to 3.79 % for fiscal year 2017. For fiscal year 2018 total debt service levels remained relatively flat, and operating expenses declined versus fiscal year 2017, resulting in a ratio of 4.89%. During fiscal year 2019, additional debt was issued while continuing to pay down bonds. These slight offsets decreased the ratio slightly to 4.85%.

Debt Service to Expenses



The financial reserves ratio (as defined by Moody's) measures coverage of debt by financial reserves or funds a university can access in the intermediate term. The fiscal year 2018 ratio shows a slight increase over the fiscal year 2017 ratio, after several years of decline, increasing expendable resources to debt to 1.20 times over. The trend continued into fiscal year 2019 with an increase to 1.36.

Financial Resources to Direct Debt



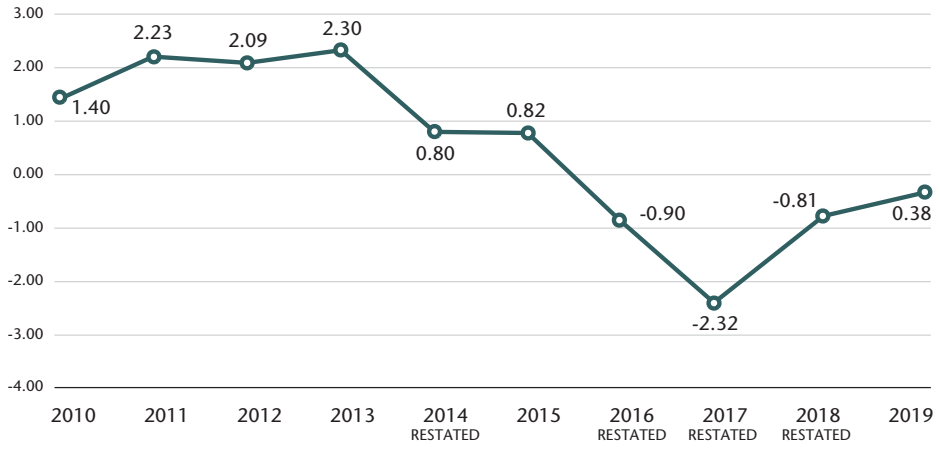
Financial Health and Flexibility

There are many ratios used to gauge financial health and flexibility. Each ratio measures one aspect of performance. The composite financial index (CFI), recommended in the book, Strategic Financial Analysis for Higher Education, Seventh Edition, combines four core ratios into a single measure. Blending the four key measures of financial health into a single number provides a more balanced view of the state of the institution's finances. A weakness in one measure may be offset by the strength of another measure.

The four core ratios are the primary reserve ratio, the net operating revenues ratio, the return on net assets ratio and the viability ratio. Each of these ratios is converted to a strength factor using a common scale then multiplied by specific weighting factors and combined to form the composite financial index.

The graph below shows Washington State University's Composite Financial Index over the past ten years. The ratio was climbing until the global economic downturn reduced operating budgets and investment returns. The University put proactive measures in place to generate greater diversity of revenues and combined that with strategic spending increases. The rate dropped in fiscal year 2014 as a result of recognizing WSU's share of the State's pension liability (GASB 68), decreasing in fiscal year 2016 due to a spending down of reserves and the restatement of the supplemental retirement plan (GASB 73). In fiscal year 2017 we saw a dramatic decrease due to the OPEB restatement (GASB 75) with a slight recovery in fiscal year 2018 to a level just higher than fiscal year 2016. Fiscal year 2019 saw continued improvement to a position .50 due to improved overall fiscal health resulting from university-wide efforts to improve fiscal health.

Composite Financial Index



Economic Outlook

The Washington State Economic and Revenue Forecast Council's November 2019 estimate of state general fund revenues indicated an increase of $274 million for the current 2019-21 biennium and $175 million in the 2021-23 biennium. The increased forecast is attributed to higher-than expected assessed property values for next year's levy, which increases forecasted property tax collections.

WSU's 2019-21 state biennial budget provided new state funding for medical education, faculty and staff salary increases, and research initiatives. The University's other, non-state appropriated operating revenue sources are expected to increase slightly in the coming fiscal year due to tuition rate increases. Resident undergraduate tuition was increased by 2.4% for the 2019-20 academic year as allowed by the Washington Legislature. Non-resident undergraduate and graduate rates were increased by 2.4% as well. Tuition for professional programs in Veterinary Medicine and Medicine increased 1% - 3% for the 2019-20 academic year. Student services and activities (S&A) fees increased by 3% for the Everett campus and 4% for the Pullman campus and remained unchanged at all other campuses. Enrollment is expected to be about 27,379 annual average full time equivalent students in the 2019-20 academic year for the WSU system, about the same as the 2018-19 academic year.

The capital budget for 2019-21 is estimated at $163.1 million. The budget includes state appropriations and locally funded capital projects. Federal appropriations for the University's land-grant programs are expected to remain near the $10 million funding level in 2020.

Federally sponsored research programs are the largest portion of externally funded grant expenditures. 70% of University sponsored projects were supported by federal funding and 30% by non-federal funding in 2019. Federal and non-federal funded project expenditures in 2019 were about 8% higher than fiscal year 2018. Through the first five months of fiscal year 2020 sponsored program expenditures have grown about 3% over the same time period in fiscal year 2019.



Washington State University

Statement of Net Position as of June 30, 2019, and June 30, 2018

Assets	2019	2018 Restated
Current assets		
Cash and cash equivalents *(Note 2)*	$ 110,246,888	$ 73,727,571
Prepaid expenses	748,516	686,927
Inventories *(Note 5)*	14,843,786	15,134,983
Accounts receivable, net *(Note 6)*	72,545,280	59,135,314
Investments, current portion *(Note 3)*	83,826,237	59,807,678
Subtotal current assets	282,210,707	208,492,473
Non-current assets		
Long-term investments *(Note 3)*	100,741,584	108,412,822
Endowment investment *(Note 3)*	615,709,612	584,706,672
Deposits in escrow	409,149	1,646,176
Assets held in custody for others	42,548,077	38,246,236
Loans receivable, net *(Note 7)*	20,092,526	21,918,704
Capital assets, net of accumulated depreciation *(Note 8)*	1,703,636,664	1,702,512,761
Pension assets, net *(Note 16)*	2,223,495	1,259,899
Subtotal non-current assets	2,485,361,107	2,458,703,270
Total assets	**2,767,571,814**	**2,667,195,743**
Deferred outflows of resources *(Note 15)*	58,844,920	44,686,265
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(Note 9)*	55,666,780	62,520,069
Due to Washington State University Foundation	6,478,818	5,118,612
Deposits	4,863,190	4,676,674
Unearned revenue, current portion *(Note 10)*	13,276,928	12,058,140
Long-term liabilities, current portion *(Note 15)*	30,383,508	55,427,191
Subtotal current liabilities	110,669,224	139,800,686
Non-current liabilities		
Accrued leave *(Note 9)*	28,453,977	29,588,319
Deposits held in custody for others	42,548,077	38,246,236
Unearned revenue *(Note 10)*	7,381,758	8,007,924
Long-term liabilities (*Note 15*)	634,215,486	631,830,647
Asset retirement obligation *(Note 13)*	17,014,860	14,974,500
Pension liability *(Note 16)*	161,931,755	178,883,817
Other post-employment benefits liability *(Note 17)*	260,275,123	282,670,934
Subtotal non-current liabilities	1,151,821,036	1,184,202,377
Total liabilities	**1,262,490,260**	**1,324,003,063**
Deferred inflows of resources *(Note 10)*	165,320,522	91,851,165
Net Position		
Net investment in capital assets	1,072,809,960	1,051,010,988
Restricted nonexpendable	565,038,187	534,361,171
Restricted loans	28,650,280	29,153,308
Restricted expendable	168,525,376	154,849,490
Unrestricted	(436,417,851)	(473,347,177)
Total net position	**$1,398,605,952**	**$1,296,027,780**

The footnote disclosures are an integral part of the financial statements.

Washington State University Foundation (A Nonprofit Corporation)

Consolidated Statements of Financial Position
June 30, 2019, and 2018

Assets	2019	2018
Cash and cash equivalents	$ 175,879	$ 320,903
Due from Washington State University	6,847,926	5,118,612
Other receivables	1,384,078	6,065,528
Pledges receivable, net	36,257,013	35,417,044
Endowment investment securities	453,053,627	439,594,009
Notes receivable, net	707,794	534,072
Notes receivable from joint venture	1,450,000	800,000
Furniture, fixtures, and equipment (net of accumulated depreciation of $1,577,774 and $1,682,042, respectively)	19,803	62,091
Land and real estate	1,235,000	1,360,433
Assets held in charitable trusts	31,408,633	31,857,922
Contributions receivable from charitable trusts	5,816,753	5,768,728
Beneficial interest in perpetual trusts	34,538,022	33,851,262
Total assets	$ 572,894,528	$ 560,750,604
Liabilities		
Accounts payable and accrued liabilities	$ 1,490,858	$ 1,097,688
Annuities payable	13,697,082	13,671,976
Remainder interest payable	1,645,325	1,613,739
Notes payable for joint venture	1,500,000	850,000
Total liabilities	18,333,265	17,233,403
Net Assets		
Without donor restrictions	6,531,918	5,310,614
With donor restrictions	548,029,345	538,206,587
Total net assets	554,561,263	543,517,201
Total liabilities and net assets	**$ 572,894,528**	**$ 560,750,604**

The footnote disclosures are an integral part of the financial statements.

Washington State University

Statement of Revenues, Expenses, and Changes in Net Position for the Years Ended June 30, 2019, and June 30, 2018

	2019	2018 Restated
Revenues		
Operating revenues		
Tuition and fee revenue, net	$ 294,861,056	$ 279,746,459
Federal grants and contracts	151,921,433	141,353,800
State grants and contracts	87,883,556	86,412,571
Local grants and contracts	34,795,985	30,441,829
Sales and services of educational departments	25,220,940	25,617,049
Auxiliary enterprises	173,789,065	163,827,555
Other operating revenues	31,477,007	22,628,651
Total operating revenues	799,949,042	750,027,914
Expense		
Operating expenses		
Salaries and wages	523,908,013	524,282,994
Benefits	152,770,188	170,024,695
Scholarships and fellowships	61,616,095	63,480,962
Utilities	28,590,409	27,731,982
Payments to suppliers	156,874,392	146,357,105
Purchased services	107,357,058	97,875,474
Depreciation	102,317,684	104,315,068
Total operating expenses	1,133,433,839	1,134,068,280
Net operating loss	**(333,484,797)**	**(384,040,366)**
Non-operating revenues (expenses)		
State appropriations	245,923,021	232,903,044
Federal appropriations	7,990,392	9,769,670
Federal Pell Grants	38,324,292	38,623,107
Interest on capital assets—related debt	(30,015,312)	(31,089,282)
Federal bond interest subsidy	2,549,250	2,596,254
Gifts and contributions	44,489,022	35,493,876
Investment income, net of expense	64,602,836	48,314,441
Other non-operating revenues (expenses)	6,392,654	15,809,027
Total non-operating revenues (expenses)	380,256,155	352,420,137
Income before capital additions and additions to permanent endowments	**46,771,358**	**(31,620,229)**
Capital additions (deductions)		
Capital appropriations	45,082,191	5,401,080
Capital grants and gifts	370,054	1,565,894
Additions to permanent endowments	10,354,569	11,324,369
Total capital additions	55,806,814	18,291,343
Increase (decrease) in net position	**102,578,172**	**(13,328,886)**
Net position		
Net position, beginning of year	1,296,027,780	1,309,356,666
Change in accounting principle as a result of GASB 83		(7,501,859)
Net position, beginning of year restated	1,296,027,780	1,301,854,807
Increase (decrease) in net position	**102,578,172**	**(5,827,027)**
Net position, end of year	**$ 1,398,605,952**	**$ 1,296,027,780**

The footnote disclosures are an integral part of the financial statements.

Washington State University Foundation (A Nonprofit Corporation)

Consolidated Statement of Activities
Year ended June 30, 2019, and June 30, 2018

	2019		
	Without donor restrictions	With donor restrictions	Total
Revenue and support:			
Contributions	$ 2,227,423	$ 58,771,658	$ 60,999,081
Investment return, net of expenses	(44,903)	18,168,191	18,123,288
Management and advancement fees	7,101,678	—	7,101,678
Change in value of split-interest agreements	—	(3,495,889)	(3,495,889)
Support provided by Washington State University	4,835,751	—	4,835,751
Other income	432,759	1,942,107	2,374,866
Total revenue and support	14,552,708	75,386,067	89,938,775
Net assets released from restrictions	65,563,309	(65,563,309)	—
Expenses:			
Support provided to/for Washington State University:			
Restricted distributions	41,039,134	—	41,039,134
Endowment income distributions	16,987,259	—	16,987,259
Endowment administration fees	6,166,450	—	6,166,450
Fundraising	7,302,016	—	7,302,016
General and administrative expenses	7,399,854	—	7,399,854
Total expenses	78,894,713	—	78,894,713
Change in net assets	1,221,304	9,822,758	11,044,062
Net assets—beginning of year	5,310,614	538,206,587	543,517,201
Net assets—end of year	**$ 6,531,918**	**$ 548,029,345**	**$ 554,561,263**

The footnote disclosures are an integral part of the financial statements.

	2018		
	Without donor restrictions	With donor restrictions	Total
Revenue and support:			
Contributions	$ 1,571,634	$ 61,639,954	$ 63,211,588
Investment return, net of expenses	(99,068)	34,874,819	34,775,751
Management and advancement fees	6,642,001	—	6,642,001
Change in value of split-interest agreements	—	(4,618,521)	(4,618,521)
Support provided by Washington State University	4,695,255	—	4,695,255
Other income	469,549	2,055,010	2,524,559
Total revenue and support	13,279,371	93,951,262	107,230,633
Net assets released from restrictions	61,307,497	(61,307,497)	—
Expenses:			
Support provided to/for Washington State University:			
Restricted distributions	39,774,551	—	39,774,551
Endowment income distributions	15,958,512	—	15,958,512
Endowment administration fees	5,741,176	—	5,741,176
Fundraising	6,858,665	—	6,858,665
General and administrative expenses	4,465,739	—	4,465,739
Total expenses	72,798,643	—	72,798,643
Change in net assets	1,788,225	32,643,765	34,431,990
Net assets – beginning of year	3,522,389	505,562,822	509,085,211
Net assets – end of year	**$ 5,310,614**	**$ 538,206,587**	**$ 543,517,201**

The footnote disclosures are an integral part of the financial statements.

Washington State University

Statement of Cash Flows for the Year Ended June 30, 2019, and June 30, 2018

Cash flows from operating activities	2019	2018 Restated
Tuition and fees	$ 366,592,676	$ 347,215,359
Grant and contracts	267,062,263	270,787,332
Payments to suppliers	(149,157,282)	(142,706,919)
Payments for utilities	(29,819,670)	(29,268,651)
Purchased services	(106,602,836)	(89,455,617)
Payments to employees	(526,630,393)	(523,325,224)
Payments for benefits	(157,803,320)	(157,514,499)
Payments for scholarships and fellowships	(133,991,678)	(131,542,809)
Loans issued to students	(1,649,054)	(3,244,610)
Collection of loans to students	3,411,891	2,674,786
Auxiliary enterprise receipts	172,759,604	163,835,999
Sales and service of educational departments	25,006,765	24,787,403
Other receipts	32,243,729	21,774,021
Net cash used by operating activities	**(238,577,305)**	**(245,983,429)**
Cash flows from noncapital financing activities		
State appropriations	244,027,051	230,936,487
Federal appropriations	11,890,921	9,324,259
Gifts for other than capital purposes		
Private gifts	39,987,399	35,403,059
Additions to permanent endowment	10,354,569	11,324,369
Agency fund receipts	171,231	(30,880)
Agency fund disbursements	(401,535)	(1,092,442)
Federal Direct Loan receipts	176,041,529	176,371,753
Federal Direct Loan disbursements	(175,973,415)	(168,915,172)
Federal Pell Grants	38,324,292	38,623,106
Cash received from property	1,806,181	16,056,989
Net cash provided by noncapital financing activities	**346,228,223**	**348,001,528**
Cash flows from capital and related financing activities		
Proceeds of capital debt	31,325,000	–
Capital appropriations	42,962,797	(327,046)
Capital grants and gifts received	365,821	1,570,862
Purchases of capital assets	(98,563,588)	(59,949,029)
Principal paid on capital debt and leases	(24,365,400)	(24,276,031)
Interest paid on capital debt and leases	(28,583,659)	(29,146,700)
Net cash used by capital and related financing activities	**(76,859,029)**	**(112,127,944)**
Cash flows from investing activities		
Proceeds from sales of investments	1,525,173,637	1,057,490,595
Purchases of investments	(1,559,011,195)	(1,095,885,568)
Investment income	39,564,986	42,751,740
Net cash provided by investing activities	**5,727,428**	**4,356,767**
Net increase (decrease) in cash and cash equivalents	36,519,317	(5,753,078)
Cash—beginning of year	73,727,571	79,480,649
Cash—end of year	**$ 110,246,888**	**$ 73,727,571**

The footnote disclosures are an integral part of the financial statements.

Statement of Cash Flows—*continued*
Reconciliation of Net Loss to Net Cash Used by Operating Activities

	2019	2018 Restated
Operating loss	$ (333,484,797)	$ (384,040,366)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	102,317,684	104,315,068
Changes in assets and liabilities		
Changes in assets		
Prepaid expenses	(61,588)	498
Inventories	291,197	32,271
Accounts receivable, net	(6,239,704)	22,398,817
Pension asset	(963,596)	(707,461)
Pension and OPEB related deferred outflows of resources	(13,504,030)	8,016,876
Asset retirement obligation deferred outflows of resources	(915,586)	(7,501,859)
Changes in liabilities		
Accounts payable and accrued liabilities	2,635,116	(554,712)
Due to Washington State University Foundation	1,360,206	1,569,944
Unearned revenue	592,622	(1,810,142)
Deposits	186,156	(1,156,766)
Accrued leave	729,703	4,149,059
Pension obligation	(16,952,062)	(36,156,970)
OPEB liability	(48,295,705)	(23,191,777)
Pension and OPEB related deferred inflows of resources	73,727,079	68,654,091
Net cash used by operating activities	**$ (238,577,305)**	**$ (245,983,429)**
Significant noncash transactions		
Loss on disposal of capital assets	$ 803,427	$ 3,177,193
Amortization expense	$ 3,243,988	$ 3,226,475



Washington State University Foundation (A Nonprofit Corporation)

Consolidated Statements of Cash Flows
Years ended June 30, 2019, and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 11,044,062	$ 34,431,990
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	49,539	89,228
Net realized and unrealized (gains) on investments	(14,593,636)	(31,956,489)
Decrease in value of split-interest agreements	3,495,889	4,618,521
Contributions and income restricted for investments in endowments and trusts	(18,744,251)	(25,268,043)
Changes in assets and liabilities:		
Due from Washington State University	(1,729,314)	(1,569,944)
Other receivables	4,681,450	(2,968,612)
Pledges receivable	(839,969)	3,167,859
Contribution receivable from charitable trusts	22,495	22,495
Accounts payable and accrued liabilities	419,205	(174,444)
Net cash used in operating activities	(16,194,530)	(19,607,439)
Cash flows from investing activities:		
Purchases of investments	(80,075,254)	(139,719,759)
Sales of investments	77,436,047	133,682,807
Purchase of property and equipment	(7,249)	—
Issuance of notes receivable	(853,868)	(800,000)
Proceeds from sale of land	125,433	302,500
Proceeds from principal payments on notes receivable	30,146	30,683
Net cash (used in) investing activities	(3,344,745)	(6,503,769)
Cash flows from financing activities:		
Contributions and income restricted for investments in endowments and trusts	18,744,251	25,268,043
Issuance of debt	650,000	850,000
Net cash provided by financing activities	19,394,251	26,118,043
Net increase (decrease) in cash and cash equivalents	(145,024)	6,835
Cash and cash equivalents—beginning of year	320,903	314,068
Cash and cash equivalents—end of year	**$ 175,879**	**$ 320,903**

The footnote disclosures are an integral part of the financial report.

Notes to the Financial Statements

June 30, 2019
These notes form an integral part of the financial statements.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. Washington State University (WSU) is a constituent agency of the State of Washington and is included as an integral part of the State's Comprehensive Annual Financial Report. Washington State University issues separate financial statements which encompass the university and it's discretely presented component unit, the Washington State University Foundation.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statement to be misleading or incomplete. The accompanying financial statements present all funds belonging to WSU, including individual colleges and departments of the University. WSU's component unit is discretely presented in the University's financial statements. Legally separate, related organizations are included in WSU's operations if they meet the criteria for blending or discrete presentation as set forth in GASB Codification Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*.

Discretely Presented Component Unit

The WSU Foundation ("the Foundation") is a legally separate, tax-exempt entity, and serves contractual asset management functions in support of the University's mission. The Foundation is a significant component unit based on the criteria of GASB Statement 39. This report presents the Foundation's financial condition and activities as a discretely presented separate component unit in the University's financial statements.

The Foundation reports its financial results in accordance with Financial Accounting Standards Board (FASB) pronouncements and guidance. As such, certain revenue recognition criteria and presentation features are different from GASB. No modifications have been made to the Foundation's financial information in the University's financial statements for these differences. The Foundation presents information about its financial position and activities according to the following two classes of net assets, depending on the existence and nature of donor restrictions. Under FASB, the Foundation's net assets are described as follows:

- Without Donor Restrictions-Net assets without donor restrictions represent resources which are not subject to donor restrictions and over which the trustees of the Foundation retain control to use the funds in order to achieve the Foundation's purpose.
- With Donor Restrictions-Net assets with donor restrictions represent resources subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by the donor for a particular purpose and that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are to maintain resources in perpetuity. This consists predominantly of endowment funds and charitable trusts. Donor-restricted endowment funds represent funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. Also included are trust funds that represent donor contributions of irrevocable trusts and other instruments wherein the Foundation has a remainder interest in the trust assets upon the death of the last surviving income beneficiary.

For clearer presentation purposes, the University has included the Foundations statements and selected notes in this report.

The Foundation's full financial statements can be acquired at the following address:

WSU Foundation
P.O. Box 641925
Pullman, WA 99164-1925

Blended Component University Units

The Washington State Alumni Association (WSUAA) is a 501(c)-(3) corporation that is presented as a blended component unit of WSU. Condensed financial information can be found in note 20. The WSUAA full financial statements can be obtained by contacting the Lewis Alumni Centre on the WSU Pullman campus or calling (509)335-2586.

Affiliated Organizations

The Students Book Corporation is a legally separate 501(c)-(3) corporation, for whom the University acts as the fiscal agent. Their balances and transactions are reported within agency funds of the University and reported as assets and liabilities held in custody for others by the University.

Financial statements for the Students Book Corporation may be obtained by contacting the Business Services/Controller's Office at 220 French Administration Bldg., P. O. Box 641025, Pullman, WA 99164-1025 or calling (509) 335-2022.

Global Operations & Leadership Development (GOLD) is a legally separate corporation and was granted 501(c)-(3) status July 3, 2019. GOLD board members include WSU employees and administrative support is provided by the university. The entity is fiscally independent and only financial activity between WSU and GOLD as independent entities is reported in the university's financial statements.

Basis of Presentation

The financial statements of the University have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis, as amended by GASB Statement No. 35, for Public Colleges and Universities." The University, along with its discretely presented component unit is considered a special purpose government engaged in business type activities (BTA). In accordance with BTA reporting, the University presents management's discussion and analysis, statement of net positions, statements of revenues, expenses and changes in net positions, statements of cash flows, and notes to the financial statements. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's assets, liabilities, net position, revenues, expenses, deferred outflows, deferred inflows, changes in net position, and cash flows.

Basis of Accounting

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Non-exchange transactions, in which the University receives (or gives) value without directly giving (or receiving) equal value in exchange includes state and federal appropriations, and certain grants and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Bond premiums/discounts and insurance costs are deferred and amortized over the term of the bonds using the effective interest method. Unamortized balances are presented as reductions of the face amount of bonds payable. Related amortization is included in interest expense in the statements of revenues, expenses and changes in net position.

Gains or losses on bond refundings are deferred and amortized over the term of the bonds using the effective interest method. Unamortized balances are presented as deferred outflows or inflows of resources.

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered or interfund loans. For the financial statements, the interfund receivables and payables have been eliminated. Both revenue and expenses relating to internal services, such as central stores, printing and publications, and information technology, have been eliminated.

New Accounting Pronouncements

GASB has issued Statement No.83, Certain Asset Retirement Obligations. This Statement address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This is effective for fiscal years beginning after June 15, 2018. The University has reported this obligation both on the Statement of Net Positions and in the Notes.

GASB has issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This is effective for fiscal years beginning after December 15, 2018. The University will be evaluating this statement for the fiscal year 2020 financial report.

GASB has issued Statement No. 86, Certain Debt Extinguishment Issues, effective for reporting periods beginning after June 15, 2017. This statement applies to financial statements using the economic resources measurement focus to improve consistency in accounting and financial reporting for in-substance defeasance of debt. It provides guidance for transactions in which cash and other monetary assets are

acquired with only existing resources and are placed in an irrevocable trust for the sole purpose of extinguishing debt. The University holds no debt that is defeased in-substance.

GASB has issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This is effective for fiscal years beginning after June15, 2018.

Cash, Cash Equivalents and Investments

Cash balances in excess of current requirements are pooled and invested in treasury securities, time deposits, deposits with the Washington State Local Government Investment Pool (LGIP), federal agency bills, and notes. Cash equivalents are short term, highly liquid investments convertible to known amounts of cash without change in value or risk of loss. The University considers investments with a maturity of three months or less when purchased to be cash equivalents. Interest income earned on the investment pool is distributed on a quarterly basis based on daily cash balances in various funds. In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, cash, cash equivalents and investments are stated at fair value.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. This also includes amounts due from the federal government, state and local governments or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's sponsored agreements. Accounts receivable are shown net of estimated uncollectible amounts.

Inventories

Inventories, consisting primarily of supplies and merchandise for resale, are valued at cost using various methods.

Capital Assets

Land, buildings and equipment are recorded at cost, or if acquired by gift, at aquisition value at the date of the gift. Capital additions, replacements and major renovations are capitalized. The value of assets constructed includes all material direct and indirect construction costs.

Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. In accordance with the state capitalization policy, only fixed assets with a unit cost of $5,000 or greater are capitalized. Depreciation is computed using the straight line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and components, 20 to 25 years for infrastructure and land improvements, 20 years for library resources and 5 to 7 years for equipment.

Interest is capitalized on assets acquired or constructed with tax-exempt financing. The amount of interest to be capitalized is calculated by offsetting interest expense incurred while activities necessary to get the asset ready for its intended use are in progress, with interest earned on invested proceeds over the same period. The net capitalized interest for fiscal year 2019 and 2018 was $1,098,733 and $500,159 respectively.

In accordance with GASB Statement 42, the University reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. At June 30, 2019 and at June 30, 2018 no assets had been written down.

Deferred Outflows of Resources

Deferred outflow of resources are a consumption of net position by the University that are applicable to future reporting periods. Similar to assets, they have a positive effect on the University's net position.

Unearned Revenues

Unearned revenues include funds that have been collected in advance of an event, such as summer semester tuition and certain auxiliary activities prior to the end of the fiscal year but are related to the subsequent fiscal year.

Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position.

Tax Exemption

The University is a tax-exempt organization under the provisions of Section 115(a) of the Internal Revenue Code and is exempt from federal income taxes on related income.

Net Position

The University's net position is classified as follows.

- *Net Investment in Capital Assets*. This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of capital assets.
- *Restricted—nonexpendable*. This consists of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principle.
- *Restricted—loans*. The loan funds are established for the explicit purpose of providing student support as prescribed by statute or granting authority.
- *Restricted—expendable*. These include resources for which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.
- *Unrestricted*. These represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises.

Classification of Revenues

The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues. This includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state and local grants and contracts.

Non-operating Revenues. This includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the published charge for goods and services provided by the University and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that revenues are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and an allowance. Discounts and allowances for the year ending June 30, 2019 and June 30, 2018 were $149,104,519 and $139,941,085 respectively.

Reclassifications, Restatements, and Changes in Accounting Principles

The University implemented Statement No. 83 of the Governmental Accounting Standards Board (GASB) *Certain Asset Retirement Obligations (ARO)* for the fiscal year 2019 financial reporting. Since the University reports two years of comparison information on the Statement of Revenues, Expenses, and Changes in Net Positions, this change in accounting principle resulted in a restatement of ending net position for fiscal year 2018.

GASB No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resource for ARO's. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgements, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. This statement requires the measurement of an ARO be based on the best estimate of the current value of outlays expected to be incurred. It also requires the current value of ARO's to be adjusted for the effects of general inflation or deflation at least annually. These changes are reflected in the Statement of Revenue, Expenses, and Changes in Net Positions. Note 13 has been added to give explanation of the assets included in the figure as well as a two year comparison.

Net position at June 30, 2018 (As previously reported)	$ 1,303,529,639
Change in accounting principle as a result of GASB 83	
Asset retirement obligation liability	(14,974,500)
Deferred outflows of resources	7,472,641
Net position at June 30, 2018 (As restated)	**$ 1,296,027,780**

The University reclassed agency funds so that assets and deposits held in custody for others offset each other. The net change had no impact on net positions, but will restate the statement of net position, as shown in the following, table, as well as multiple notes.

Assets	2018	Change	2018 Restated
Current assets			
Cash and cash equivalents (*Note 2*)	$ 97,334,330	$ (23,606,759)	$ 73,727,571
Inventories (*Note 5*)	15,394,531	(259,548)	15,134,983
Accounts receivable, net (*Note 6*)	62,579,997	(3,444,683)	59,135,314
Subtotal current assets	**175,308,858**	**(27,310,990)**	**147,997,868**
Non-current assets			
Long-term investments (*Note 3*)	109,283,818	(870,996)	108,412,822
Assets held in custody for others	3,965,140	34,281,095	38,246,235
Subtotal non-current assets	**$ 113,248,958**	**33,410,099**	**$ 146,659,057**
Total asset change		**$ 6,099,109**	
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (*Note 9*)	$ 66,253,920	$ (3,733,851)	$ 62,520,069
Deposits	6,543,848	(1,867,176)	4,676,672
Subtotal current liabilities	**72,797,768**	**(5,601,027)**	**67,196,741**
Non-current liabilities			
Accrued leave (*Note 9*)	29,670,238	(81,919)	29,588,319
Deposits held in custody for others	26,464,181	11,782,055	38,246,236
Subtotal non-current liabilities	**$ 56,134,419**	**11,700,136**	**$ 67,834,555**
Total liability change		**$ 6,099,109**	

2. Cash, Cash Equivalents

Cash

Cash includes cash on hand, petty cash and bank deposits. Cash equivalents include treasury securities that are readily convertible to known amounts of cash and present insignificant risk of value changes due to interest rate changes. As of June 30, 2019 and as of June 30, 2018, the carrying amount of these University's cash funds, were $110,246,888 and $73,727,571 respectively as represented in the table below.

Table 1: Cash and Cash Equivalents

	2019	2018 Restated
Cash	$ 48,612,337	$ 31,767,794
Cash equivalents	61,611,946	41,937,172
Deposits with fiscal agents	22,605	22,605
Cash and cash equivalents	**$ 110,246,888**	**$ 73,727,571**

Custodial Credit Risks—Deposits

Custodial credit risk for bank demand deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. All cash, except for change funds and petty cash held by the University, is insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral held by the Washington Public Deposit Protection Commission (PDPC). The majority of the University's demand deposits are with the Bank of America.

3. Investments

(A) University Investments

University investments are classified as cash equivalents, current investments, or non-current, long-term investments. Cash equivalents include investments in Rule 2a-7 type funds, commercial paper, discount notes, repurchase agreements and Treasury bills. Current investments include short-term debt securities with less than one year to maturity and do not fit the University's definition of cash equivalents. Non-current, long-term investments include debt securities with more than one year to maturity.

Cash Equivalents, Current and Non-Current, Long-Term Investments

University invested assets include operating funds, current use gift funds, and proceeds from bond issues dedicated to specific capital projects. As of June 30, 2019 the University had the following investments, maturities, credit ratings and effective durations:

Table 1: Cash equivalents, current and non-current, long-term investments

		2019 Maturity					
University investments	**Fair value**	**Less than 1 year**	**1–5 years**	**6–10 years**	**More than 10 years**	**Effective duration**	**Credit rating**
Cash equivalents							
Commercial paper	$ 13,551,900	$ 13,551,900				0.08	A1/P1
Discount notes	28,844,379	28,844,379				0.02	AAA
Other—Bank short-term investment funds*	527	527				0.01	NR
Local Government Investment Pool*	19,215,140	19,215,140				0.23	NR
Total cash equivalents	**61,611,946**						
Current Investments							
U.S. Treasury	83,826,237	83,826,237				0.30	AAA
Total current investments	**83,826,237**						
Non-Current, long-term investments							
U.S. Treasury	14,986,350		$ 14,986,350			0.01	AAA
Mortgage-backed securities	75,799,437		14,307,461	$ 13,849,606	$ 47,642,370	0.88	AAA
Fixed income mutual funds	9,955,797		9,955,797			1.95	N/A
Subtotal non-current operating fund investments	100,741,584						
Total non-current, long-term investments	**100,741,584**						
Total university investments	**$ 246,179,767**						

**Valued at amortized cost as per GASB79*



As of June 30, 2018 the University had the following investments, maturities, credit ratings and effective durations:

Table 1: Cash equivalents, current and non-current, long-term investments

		2018 Maturity Restated					
University investments	**Fair value**	**Less than 1 year**	**1–5 years**	**6–10 years**	**More than 10 years**	**Effective duration**	**Credit rating**
Cash equivalents							
Commercial paper	$ 22,922,790	$ 22,922,790				0.18	A1/P1
U.S. Treasury	240,537	240,537				0.11	AAA
Other—Bank short-term investment funds*	1,447	1,447				0.01	NR
Local Government Investment Pool*	18,772,398	18,772,398				0.09	NR
Total cash equivalents	**41,937,172**						
Current investments							
U.S. Treasury	46,056,868	46,056,868				0.65	AAA
Agency securities	13,270,495	13,270,495				0.28	AAA
Mortgage backed securities	480,315	480,315				0.07	AAA
Total current investments	**59,807,678**						
Non-current, long-term investments							
U.S. Treasury	39,584,300		$ 39,584,300			1.38	AAA
Mortgage-backed securities	58,963,969		8,612,826	$8,884,310	$41,466,833	0.86	AAA
Fixed income mutual funds	9,864,553		9,864,553			1.02	N/A
Subtotal non-current operating fund investments	108,412,822						
Total non-current, long-term investments	**108,412,822**						
Total university investments	**$ 210,157,672**						

**Valued at amortized cost as per GASB79*

Interest Rate Risk—Investments

Through its investment policies, the University manages exposure to fair value losses arising from increasing interest rates by limiting the modified duration of the operating portfolio to 1.1 years and by cash matching the dedicated bond portfolios to the anticipated construction schedules of the underlying projects.

Current use gift funds are segmented into short-term, intermediate-term and long-term pools. University policies limit the portfolio average maturity of the short-term pool to one year or less, the portfolio average maturity of the intermediate-term pool to three years or less, and the portfolio average maturity of the long-term pool to ten years or less.

Concentration of Credit Risk—Investments

State law limits University operating investments to obligations of the U.S. government, obligations of U.S. government agencies, highest quality commercial paper and highest quality corporate notes. University policy does not limit the amount the University may invest in any one issuer.

Investments in Local Government Investment Pool (LGIP)

The University is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk—Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2019 and June 30, 2018, $217,008,303 and $181,519,274 of the University's operating fund investments, held by Wells Fargo in the bank's name as agent for the University, and $438,839 and $437,619 of endowment assets, held in street name by E*trade for the account of the University, are exposed to custodial credit risk as follows:

Table 2: Investments exposed to custodial credit risk

University investment type	Fair value 2019	Fair value 2018
Commercial paper	$ 13,551,900	$ 22,922,790
U.S. Agency discount notes	28,844,379	–
U.S. Treasury	98,812,587	85,881,705
Agency securities	–	13,270,495
Mortgage backed securities	75,799,437	59,444,284
Subtotal	217,008,303	181,519,274
Marketable global equities	438,839	437,619
Total investments exposed to custodial credit risk	**$ 217,447,142**	**$ 181,956,893**

Investment Expenses

Under implementation of GASB 35, investment income for the University is shown net of investment expenses. The investment expenses incurred for the fiscal years ended June 30, 2019 and June 30, 2018 are $416,589 and $237,933 respectively.

(B) University Investments measured by fair value level

Investments are measured at fair value on a recurring basis. The three-tier hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows.

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- **Level 2** – Pricing inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly
- **Level 3** – Pricing inputs that are generally unobservable from objective sources for an asset or liability.

Table 3: Investments by fair value hierarchy

Investments by fair value level	2019	Level 1	Level 2	Level 3
Fixed income				
U.S. Treasury	$ 98,812,587	$ 98,812,587	–	–
Agency bonds	–	–	–	–
Mortgage-backed securities	75,799,437	–	$ 75,799,437	–
Fixed income mutual fund	9,955,797	9,955,797	–	–
Discount notes	28,844,379	28,844,379		
Commercial paper	13,551,900	–	13,551,900	–
Total fixed income investments	**226,964,100**	**137,612,763**	**89,351,337**	**–**
Total fair value by level investments	**226,964,100**			
Cash equivalents at amortized cost	19,215,666			
Total investments	**$ 246,179,766**			

Table 3: Investments by fair value hierarchy

Investments by fair value level	2018 Restated	Level 1	Level 2	Level 3
Fixed income				
U.S. Treasury	$ 85,881,705	$ 85,881,705	–	–
Agency securities	13,270,495	–	$ 13,270,495	–
Mortgage backed securities	59,444,284	–	59,444,284	–
Fixed income mutual funds	9,864,553	9,864,553	–	–
Commercial paper	22,922,790	–	22,922,790	
Total fixed income investments	**191,383,827**	**95,746,258**	**95,637,569**	**–**
Total fair value by level investments	**191,383,827**			
Cash equivalents at amortized cost	18,773,845			
Total investments	**$ 210,157,672**			

Fixed income and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income and equity securities classified in Level 2 are valued using observable inputs including quoted prices for similar securities and interest rates. Private equity, real assets and other investments classified in Level 3 are valued using either discounted cash flow or market comparable techniques.

(C) Land Grant and Permanent Fund

The University has two land grant endowments and two permanent funds established by legislation. The University's two land grant endowments total 155,335 acres of timber, agricultural and grazing lands managed by the Washington State Department of Natural Resources. The income from this land is distributed to the Agricultural College Permanent Fund, established under RCW 43.79.136, and the Scientific School Permanent Fund, established under RCW 43.79.110. The Washington State Investment Board manages these two permanent funds for the sole benefit of the University. All distributed income is used for capital projects, facility maintenance, or debt service. The fair value of these funds after settlement of all pending transactions, receivables and payables, is shown in the table below.

Table 4: Permanent fund

University permanent fund investments	Fair value 2019	Effective duration	Credit rating	Fair value 2018	Effective duration	Credit rating
Cash and cash equivalents	$ 580,873			$ 1,247,085		
Commingled monthly bond fund	383,134,672	6.41	Aa3	356,860,359	6.1	Aa3
Commingled monthly equity fund	166,375,045			159,193,861		
Cash at state treasurer	297,124			1,473,910		
Pending transactions, receivables and payables	(297,124)			(1,787,020)		
Total permanent fund investments	**$ 550,090,590**			**$ 516,988,195**		

(D) University Endowments

Total University endowed investments consist of University-held endowments valued at $65,619,022 as of June 30, 2019 and $67,718,477 as of June 30, 2018 (as detailed below the in table 5), and permanent fund endowment of $550,090,590 and $516,988,195 (as detailed on prior page in table 4). The total of $615,709,612 as of June 30, 2019 and $584,706,672 as of June 30, 2018 is found on the Statement of Net Position.

As of June 30, 2019 the University had the following endowment investments, maturities, credit ratings and effective durations:

Table 5: University endowments by classification

		2019 Maturity					
University endowments	**Fair value**	**Less than 1 year**	**1–5 years**	**6–10 years**	**More than 10 years**	**Effective duration**	**Credit rating**
Fixed income mutual funds	$ 2,905,152			$ 2,905,152		5.87	AA
Marketable global equities	8,534,089						
Marketable liquid real assets	3,546,107						
Non-marketable equities	9,165,998						
Equity funds	8,641,726						
Fixed income funds	2,313,104				$2,313,104	5.48	A+
Hedge funds	12,911,622						
Illiquid real assets	3,821,257						
Private equity funds	12,419,329						
Cash equivalents at amortized cost	1,360,638						
Total endowment investments	**$65,619,022**						

As of June 30, 2018 the University had the following endowment investments, maturities, credit ratings and effective durations:

Table 5: University endowments by classification

		2018 Maturity					
University endowments	**Fair value**	**Less than 1 year**	**1–5 years**	**6–10 years**	**More than 10 years**	**Effective duration**	**Credit rating**
Fixed income mutual funds	$ 2,857,515			$ 2,857,515		5.94	A+
Marketable global equities	9,107,390						
Marketable liquid real assets	3,715,024						
Non-marketable equities	9,017,326						
Equity funds	9,318,933						
Fixed income funds	2,346,831			2,346,831		2.96	A+
Hedge funds	13,469,123						
Illiquid real assets	4,380,643						
Private equity funds	12,638,272						
Cash equivalents at amortized cost	867,420						
Total endowment investments	**$ 67,718,477**						

Foreign Currency Risk—Investments

Foreign currency risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The Washington State University Foundation (Foundation) invests the University's endowed assets. As such the Foundation's investment policy controls foreign currency exposure by limiting foreign equity and fixed income investments to 24%-36% of the total endowment with a current target of 22%. University endowment exposure to foreign currency risk at June 30, 2019 and June 30, 2018, is described in the table below.

Table 6: University foreign currency risk

Foreign currency	Fair value 2019	Fair value 2018
Japan—Yen	$ 2,758,303	$ 3,212,331
Euro	2,106,977	2,386,357
UK—Pound	1,449,971	1,949,015
China—Yuan	987,556	936,657
Switzerland—Francs	732,300	835,052
S. Korea—Won	735,941	793,911
Other (less than 5%)	5,033,627	5,782,602
Total foreign currency	**$ 13,804,675**	**$ 15,895,925**

Consolidated Endowment Investment Pool

The University contracts with the Foundation for the management of the consolidated endowment investment pool. University and Foundation endowment assets are pooled and invested with the objectives of long-term capital appreciation and stable but growing income stream. The total amount of the consolidated endowment pool is $518,672,649 and $507,312,486 for 2019 and 2018 respectively. See note 4(A) for information on the Foundations endowment investment securities. In the past, the Foundation has held certain endowments in trust for the University. In 2017, the Foundation removed those endowments from the face of their financial report due to a change in the memorandum of understanding between the parties. The University is now reporting these endowments as part of their consolidated endowments. The fair values of the University's equity in the consolidated endowment pool at June 30, 2019 were $65,619,022 and $67,718,477 at June 30, 2018. See table below:

Table 7: Consolidated endowment pool

	2019	
University endowments	$ 65,619,022	12.65%
Foundation endowments	453,053,627	87.35%
Total pooled endowments	**$ 518,672,649**	**100.00%**

	2018	
University endowments	$ 67,718,477	13.36%
Foundation endowments	439,594,009	86.64%
Total pooled endowments	**$ 507,312,486**	**100.00%**

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses on investments. At June 30, 2019 net appreciation of the University's portion of the consolidated endowment pool of $50,671,425 was available to be spent. All of which is restricted to specific purposes and is included in restricted expendable net position. At June 30, 2018 net appreciation of $50,345,501 was available to be spent, but was restricted to specific purposes. This amount was included in restricted expendable net position.

(E) University Endowments measured by fair value level

The Foundation reports their results of the consolidated endowment pool in accordance with FASB pronouncements and guidance. As such, certain revenue recognition criteria and presentation features are different from GASB. No modifications have been made to the Foundation presentation of the internal endowment pool. See note 4 (B) for information on the Foundation's endowments measured at fair value.

Investments are measured at fair value on a recurring basis. The three-tier hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows.

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- **Level 2** – Pricing inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly
- **Level 3** – Pricing inputs that are generally unobservable from objective sources for an asset or liability.

Table 8: Investments by fair value hierarchy

Investments by fair value level	2019	Level 1	Level 2	Level 3
Fixed Income				
Fixed income mutual funds	$ 2,905,152	$ 2,905,152	–	–
Total fixed income investments	**2,905,152**	**2,905,152**	**–**	
Equity				
Marketable global equities	8,534,088	8,534,088	–	–
Marketable liquid real assets	3,546,107	3,546,107	–	–
Non-marketable equities	9,165,998	–	$ 9,165,998	–
Total equity investments	**21,246,193**	**12,080,195**	**9,165,998**	**–**
Total fair value by level investments	**24,151,345**			
Investments by NAV				
Equity funds	8,641,726			
Fixed income funds	2,313,104			
Hedge funds	12,911,623			
Illiquid real assets	3,821,257			
Private equity funds	12,419,329			
Total NAV investments	**40,107,039**			
Total investments at fair value	64,258,384			
Cash equivalents at amortized cost	1,360,638			
Total investments	**$65,619,022**			

Table 8: Investments by fair value hierarchy

Investments by fair value level	2018	Level 1	Level 2	Level 3
Fixed Income				
Fixed income mutual funds	$ 2,857,515	$ 2,857,515	–	–
Total fixed income investments	**2,857,515**	**2,857,515**	**–**	
Equity				
Marketable global equities	9,107,390	9,107,390	–	–
Marketable liquid real assets	3,715,024	3,715,024	–	–
Non-marketable equities	9,017,326	–	$ 9,017,326	–
Total equity investments	**21,839,740**	**12,822,414**	**9,017,326**	**–**
Total fair value by level investments	**24,697,255**			
Investments by NAV				
Equity funds	9,318,933			
Fixed income funds	2,346,831			
Hedge funds	13,469,123			
Illiquid real assets	4,380,643			
Private equity funds	12,638,272			
Total NAV investments	**42,153,802**			
Total investments at fair value	66,851,057			
Cash equivalents at amortized cost	867,420			
Total investments	**$ 67,718,477**			

Fixed income and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income and equity securities classified in Level 2 are valued using observable inputs including quoted prices for similar securities and interest rates. Private equity, real assets and other investments classified in Level 3 are valued using either discounted cash flow or market comparable techniques.

The University's interest in certain non-readily marketable alternative investments, such as hedge funds and private equity funds, are stated at fair value based on net asset values (NAV) estimates reported by investment fund managers.

The valuation method for investments measured using the NAV for June 30, 2019 and June 30, 2018 are presented below

Table 9: Investments measured using NAV

	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
2019				
Equity funds	$ 8,641,726		Daily to semimonthly	5–30 days
Fixed income funds	2,313,104		Monthly	30 days
Hedge funds	12,911,623		Monthly to biennially	30–90 days
Illiquid real assets and private equities funds	16,240,586	$ 10,489,722	Years: 2019–2029	End of agreement
Total NAV investments	**$ 40,107,039**	**$ 10,489,722**		

	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
2018				
Equity funds	$ 9,318,933		Daily to semimonthly	5–30 days
Fixed income funds	2,346,831		Monthly	30 days
Hedge funds	13,469,123		Monthly to biennially	30–100 days
Illiquid real assets and private equities funds	17,018,915	$ 12,806,125	Years: 2018–2029	End of agreement
Total NAV investments	**$ 42,153,802**	**$ 12,806,125**		

- **Equities, fixed income, and hedge funds** - Certain common stock securities, U.S. government securities, and mutual funds for which market prices are not readily available or for which market prices do not represent the value at the time of pricing are fair valued by the investment manager based upon other inputs. These inputs include valuations of services that are comparable in coupon, rating, maturity, and industry. The investments cover a broad range of risk and diversification by industry with the dual objectives of generating income and providing long-term growth.
- **Illiquid real assets and private equities** – Multiple limited partnerships that invest in securities designed for generating current income and/or long-term growth using conservative, moderate and aggressive risk strategies, and real estate. Risk strategies for private equities range from moderate to aggressive with growth of capital being the primary objective.

Hedge fund investments allow for monthly, quarterly, annual and biennial redemptions. Illiquid real assets and private equities investments do not allow for periodic redemptions, but rather liquidate upon the termination date as stated in the partnership agreement.

Washington State University Foundation

4. Washington State University Foundation Endowments

The following notes are an excerpt of the Foundations published financial statements. The Foundation reports their results in accordance with FASB pronouncements and guidance. As such, certain revenue recognition criteria and presentation features are different from GASB. No modification have been made to the Foundation's presentation of the notes below. The full set of notes and other financial information for the Foundation can be acquired at the following address:

WSU Foundation
PO Box 641925
Pullman, WA 99164-1925

(A) Endowment Investment Securities

The Foundation's endowment consists of approximately 2,397 individual funds, established for a variety of purposes, which are jointly managed with the University's endowments. Of the total value of the investments managed, the Foundation's endowment funds represent 87.33% and 86.64% of that total at June 30, 2019 and 2018, respectively. The remainder of the pool comprises the University's true endowments and the University's funds functioning as endowments (quasi-endowments) which are not recorded in the Foundation's financial statements. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including quasi-funds that function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. There are no board designated endowments.

Interpretation of Relevant Law

The Board of Directors of the Foundation, on the advice of legal counsel and the Foundation's Investment Committee, has interpreted Washington State's Uniform Prudent Management of Institutional Funds Act (WA-UPMIFA) as requiring the prudent management of donor-restricted gifts based on the spending and other investment policies of the organization, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classified the following amounts as net assets with donor restrictions in the accompanying consolidated financial statements:

- The fair value of the gifts donated to the donor-restricted endowment
- Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument or statute at the time the accumulation is added to the fund
- The remaining portion of the donor-restricted endowment funds that is not required to be held in perpetuity consisting of accumulated investment gains and losses which are included in net assets with donor restrictions until those amounts are appropriated to WSU in a manner consistent with the donors' stipulations.

In accordance with WA-UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- The fund's special relationship or value to the Foundation's and WSU's mission
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or WA-UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are classified in net assets with donor restrictions. Deficiencies of this nature totaled $1,341,327 and $716,885 at June 30, 2019 and 2018, respectively, and are included in the accumulated investment gains (loss) in the tables below.

These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs. These appropriations were made under the terms of the gift use agreement executed between the donor and the Foundation or in accordance with the Board of Director's prudent interpretation of WA-UPMIFA. The Board allows for continued appropriations to sustain programs with a moratorium on distributions if an endowment's market value is 30% or more below contributions to the fund. Continued appropriation by the Board was deemed prudent during the year ended June 30, 2019.

Year ended June 30, 2019

	Without donor restrictions	With donor restrictions			
		Original gift	Accumulated gains/(losses)	Total	Total funds as of June 30, 2019
Donor-restricted funds:					
Underwater funds	—	$ 49,442,048	$ (1,341,327)	$ 48,100,721	$ 48,100,721
Other funds	—	358,114,747	46,838,159	404,952,906	404,952,906
Total endowment funds	**—**	**$ 407,556,795**	**$ 45,496,832**	**$ 453,053,627**	**$ 453,053,627**

Year ended June 30, 2018

	Without donor restrictions	With donor restrictions			
		Original gift	Accumulated gains/(losses)	Total	Total funds as of June 30, 2018
Donor-restricted funds:					
Underwater funds	—	$ 55,570,790	$ (716,885)	$ 54,853,905	$ 54,853,905
Other funds	—	331,214,692	53,525,412	384,740,104	384,740,104
Total endowment funds	**—**	**$ 386,785,482**	**$ 52,808,527**	**$ 439,594,009**	**$ 439,594,009**

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as quasi-endowments (funds functioning as endowments). Under this policy, as approved by the Investment Committee of the Foundation, the endowment assets are invested in a manner that is intended to produce a relatively predictable and stable payout stream each year and maintain purchasing power of the assets over the investment horizon.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy allows for the fund to distribute 5.5% per year (4% for individual accounts and 1.5% for the endowment administration fees) computed quarterly based on the average market value for the 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.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return. Distribution to colleges or departments from the University's quasi-endowments (funds functioning as endowments) can be in full or in $50,000 increments upon six months' notice to the Foundation.

Endowment Net Asset Composition, by Type of Fund

	Year ended June 30, 2019		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount	—	$ 407,556,795	$ 407,556,795
Accumulated investment gains	—	45,496,832	45,496,832
Total	**—**	**$ 453,053,627**	**$ 453,053,627**

	Year ended June 30, 2018		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount	—	$ 386,785,482	$ 386,785,482
Accumulated investment gains	—	52,808,527	52,808,527
Total	**—**	**$ 439,594,009**	**$ 439,594,009**

Changes in Endowment Net Assets

	Year ended June 30, 2019		
	Without donor restrictions	With donor restrictions	Total
Net asset balance—beginning of year	—	$ 439,594,009	$ 439,594,009
Investment return	—	15,298,623	15,298,623
Contributions	—	21,314,704	21,314,704
Distribution of endowment assets to/for WSU	—	(23,153,709)	(23,153,709)
Total	**—**	**$ 453,053,627**	**$ 453,053,627**

	Year ended June 30, 2018		
	Without donor restrictions	With donor restrictions	Total
Net asset balance—beginning of year	—	$ 407,062,978	$ 407,062,978
Investment return	—	31,335,523	31,335,523
Contributions	—	22,895,196	22,895,196
Distribution of endowment assets to/for WSU	—	(21,699,688)	(21,699,688)
Total	**—**	**$ 439,594,009**	**$ 439,594,009**

Endowments Managed at Fair Value

The Foundation's endowment funds are jointly managed with certain endowments of the University. The University's endowment funds are excluded from on the Foundation's financial statements as they are not an agent nor a principal in these endowments. The breakout of the jointly managed funds of the University and the Foundation is as follows:

	Year ended June 30	
	2019	**2018**
Jointly managed endowment funds:		
Cash and short-term investments	$ 10,722,885	$ 5,889,207
Accrued interest and dividends	57,420	406,155
Managed investments	507,892,344	501,017,124
Endowment investments at fair value	518,672,649	507,312,486
Less University endowment funds	(65,619,022)	(67,718,477)
Managed endowment funds recorded by the Foundation	**$ 453,053,627**	**$ 439,594,009**

Endowments Managed at Cost

	Year ended June 30	
	2019	**2018**
Investments at cost	$ 388,948,664	$ 380,063,934
Less University endowment funds, at cost	(49,294,720)	(50,756,157)
Managed endowment funds recorded by the Foundation, at cost	**$ 339,653,944**	**$ 329,307,777**

(B) Fair Value Measurements

The Foundation adopted the provisions of FASB guidance on fair value related to its financial assets measured at fair value on a recurring basis. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- ***Level 1*** – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- ***Level 2*** – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.
- ***Level 3*** – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to the endowment's needs.

As required by FASB guidance on fair value, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and their placement within the fair value hierarchy levels.

Investments are stated at fair value according to U.S. GAAP (note 3), which requires that the valuation of investments reported at fair value be made in the context of market conditions as of the valuation date. Whenever available, quotations from organized securities exchanges are used as the basis for fair value. For investments not traded on organized exchanges, fair value estimates are provided by investment managers. For applicable investments, manager-reported net asset value (NAV) is used as a practical expedient to estimate fair value. Valuations provided by fund managers consider variables such as the financial performance and sales of underlying investments and other pertinent information. In addition, actual market exchanges at year-end provide additional observable market inputs of the exit price. The Foundation reviews valuations and assumptions provided by fund managers for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of the fair value. Investments are stated at fair value, which is determined by using market quotations and other information available at the valuation date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table discloses by level, within the fair value hierarchy, investment assets measured at fair value on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Endowment investments:				
Cash and equivalents	$ 9,530,724	—	—	$ 9,530,724
Marketable equities:				
Equities	59,567,414	—	—	59,567,414
Fixed income mutual funds	20,017,287	—	—	20,017,287
Liquid real assets	24,433,638	—	—	24,433,638
Total marketable equities	**104,018,339**	**—**	**—**	**104,018,339**
Nonmarketable equities	—	**$ 63,156,207**	—	63,156,207
Investments measured at NAV:				
Equity funds				59,543,834
Fixed income funds				15,937,912
Hedge funds				88,964,576
Illiquid real assets				41,888,695
Private equities funds				70,013,340
Total investments measured at NAV				**276,348,357**
Total endowment investments				**453,053,627**
Assets in charitable trusts:				
Cash equivalents	943,805	—	—	943,805
Marketable equities:				
Equities	15,650,525	—	—	15,650,525
Fixed income mutual funds	10,239,317	—	—	10,239,317
Liquid real assets	4,574,986	—	—	4,574,986
Total marketable equities	**30,464,828**	**—**	**—**	**30,464,828**
Total assets in charitable trusts	**$ 31,408,633**	**—**	**—**	**$ 31,408,633**
Other:				
Beneficial interest in perpetual trusts	—	—	$ 34,538,022	$ 34,538,022

The following table presents the change in fair value measurements for the Level 3 investments during the year ended June 30, 2019:

	Beneficial interest in perpetual trusts
Other:	
Balance—July 1, 2018	$ 33,851,262
Contributions	
Change in value, net	686,760
Balance—June 30, 2019	**$ 34,538,022**

The following table discloses by level, within the fair value hierarchy, investment assets measured at fair value on a recurring basis as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Endowment investments:				
Cash and equivalents	$ 5,485,901	—	—	$ 5,485,901
Marketable equities:				
Equities	59,465,112	—	—	59,465,112
Fixed income mutual funds	18,539,659	—	—	18,539,659
Liquid real assets	24,103,210	—	—	24,103,210
Total marketable equities	**102,107,981**	**—**	**—**	**102,107,981**
Nonmarketable equities	**—**	**$ 58,504,736**	**—**	**58,504,736**
Investments measured at NAV:				
Equity funds				60,461,576
Fixed income funds				15,226,326
Hedge funds				87,388,154
Illiquid real assets				44,379,175
Private equities funds				66,040,160
Total investments measured at NAV				**273,495,391**
Total endowment investments				**439,594,009**
Assets in charitable trusts:				
Cash equivalents	661,548	—	—	661,548
Marketable equities:				
Equities	17,189,570	—	—	17,189,570
Fixed income mutual funds	9,641,829	—	—	9,641,829
Liquid real assets	4,364,975	—	—	4,364,975
Total marketable equities	**31,196,374**	**—**	**—**	**31,196,374**
Total assets in charitable trusts	**$ 31,857,922**	**—**	**—**	**$ 31,857,922**
Other:				
Beneficial interest in perpetual trusts	—	—	$ 33,851,262	$ 33,851,262

The following table presents the change in fair value measurements for the Level 3 investments during the year ended June 30, 2018:

	Beneficial interest in perpetual trusts
Other:	
Balance—July 1, 2017	$ 31,806,751
Contributions	1,000,000
Change in value, net	1,044,511
Balance—June 30, 2018	**$33,851,262**

Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)

Equities, Fixed Income, and Hedge Funds

Certain common stock securities, U.S. government securities, and mutual funds for which market prices are not readily available or for which market prices do not represent the value at the time of pricing are fair valued by the investment manager based upon other inputs (including valuations of securities that are comparable in coupon, rating, maturity, and industry). These investments cover a broad range of risk and diversification by industry with the dual objectives of generating income and providing long-term growth.

Illiquid Real Assets and Private Equities

Multiple limited partnerships that invest in securities designed for generating current income and/or long-term growth using conservative, moderate, and aggressive risk strategies, and real estate. Risk strategies for private equities range from moderate to aggressive with growth of capital being the primary objectives.

Hedge fund investments allow for monthly, quarterly, annual, and biennial redemptions. Illiquid real assets and private equities investments do not allow for periodic redemptions, but rather liquidate upon the termination date as stated in the partnership agreement.

The following table presents the redemption frequency for investments measured at net asset value at June 30, 2019 and June 30, 2018, respectively.

	NAV			
	2019	2018	Redemption schedule	Redemption notice period
Equity funds	$ 59,543,834	$ 60,461,576	Daily to semimonthly	5–30 days
Fixed income funds	15,937,912	15,226,326	Monthly	30 days
Hedge funds	88,964,576	87,388,154	Monthly to biennially	30–90 days
Illiquid real assets and private equities funds	111,902,035	110,419,335	Years: 2018–2029	End of agreement
	$ 276,348,357	**$ 273,495,391**		

5. Inventories

Inventories as of June 30, 2019, and June 30, 2018, were as follows:

Location	Method	2019	2018 Restated
Athletics	FIFO	$ 1,699,373	$ 1,677,441
Bulletin office	FIFO	134,841	128,271
University stores	FIFO	263,136	238,621
Facilities services	FIFO	1,392,738	1,275,180
Ferdinand's	FIFO	4,630,810	4,828,653
Housing and dining	LIFO	695,501	664,687
Telecommunications	FIFO	380,034	413,065
University publishing	FIFO	499,863	501,374
Veterinary hospital and pharmacy	FIFO	1,562,236	1,546,769
Veterinary microbiology/pathology	FIFO	2,066,575	2,067,990
Other inventory	Various	1,518,679	1,792,932
Inventories		**$ 14,843,786**	**$ 15,134,983**

6. Accounts Receivable

At June 30, 2019, and June 30, 2018, accounts receivable were as follows:

	2019	2018 Restated
Student tuition and fees	$ 34,749,588	$ 36,518,019
Due from the federal government	8,599,726	12,368,627
Due from the office of the state treasurer	17,409,173	8,001,260
Due from other state agencies	11,611,619	6,255,527
Interest and dividends receivable	774,986	661,677
Auxiliary enterprises	17,982,922	11,840,319
Due from other governments	668,590	505,966
Other	239,087	261,689
Subtotal accounts receivable	92,035,691	76,413,084
Less allowance for doubtful accounts	(19,490,411)	(17,277,770)
Accounts receivable, net	**$ 72,545,280**	**$ 59,135,314**

7. Loans Receivable

Loans receivable consisted of the following at June 30, 2019, and June 30, 2018:

	2019	2018
Federal programs	$ 20,212,571	$ 22,114,661
Institutional loans	487,797	479,955
Subtotal	20,700,368	22,594,616
Less allowance for doubtful accounts	(607,842)	(675,912)
Loans receivable, net	**$ 20,092,526**	**$ 21,918,704**

8. Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2019, is presented as follows:

Capital assets, non-depreciable	**Beginning balance**	**Additions/ transfers**	**Retirements**	**Ending balance**
Land	$ 34,443,743	$ 1,004,750	$ (1,539,750)	$ 33,908,743
Construction in progress	30,986,543	72,748,055	(33,934,913)	69,799,685
Total capital assets, non-depreciable	**65,430,286**	**73,752,805**	**(35,474,663)**	**103,708,428**
Capital assets, depreciable				
Buildings	2,346,196,445	33,425,374	(252,850)	2,379,368,969
Other improvements and infrastructure	361,257,999	4,194,249		365,452,248
Machinery and equipment	326,356,632	20,069,225	(6,846,131)	339,579,726
Library resources	171,013,966	8,279,576	(183,799)	179,109,743
Total capital assets, depreciable	**3,204,825,042**	**65,968,424**	**(7,282,780)**	**3,263,510,686**
Less accumulated depreciation				
Buildings	988,490,826	63,088,475	(3,858)	1,051,575,443
Other improvements and infrastructure	192,237,201	11,440,902		203,678,103
Machinery and equipment	273,689,521	22,298,514	(6,290,143)	289,697,892
Library resources	113,325,019	5,489,793	(183,800)	118,631,012
Total accumulated depreciation	**1,567,742,567**	**102,317,684**	**(6,477,801)**	**1,663,582,450**
Total capital assets, depreciable, net	**1,637,082,475**	**(36,349,259)**	**(804,980)**	**1,599,928,236**
Capital assets, net	**$ 1,702,512,761**	**$ 34,403,546**	**$ (36,279,643)**	**$ 1,703,636,664**

The current year depreciation expense was $102,317,684. Total interest expense was $27,776,123 of which $1,098,733 was capitalized.

A summary of changes in the capital assets for the year ended June 30, 2018 is presented as follows.

Capital assets, non-depreciable	Beginning balance	Additions/ transfers	Retirements	Ending balance
Land	$ 34,557,582		$ (113,839)	$ 34,443,743
Construction in progress	50,418,892	$ 24,412,793	(43,845,142)	30,986,543
Total capital assets, non-depreciable	**84,976,474**	**24,412,793**	**(43,958,981)**	**65,430,286**
Capital assets, depreciable				
Buildings	2,298,860,836	51,226,716	(3,891,107)	2,346,196,445
Other improvements and infrastructure	356,252,228	5,005,771		361,257,999
Machinery and equipment	320,387,053	13,328,464	(7,358,885)	326,356,632
Library resources	164,383,525	6,792,960	(162,519)	171,013,966
Total capital assets, depreciable	**3,139,883,642**	**76,353,911**	**(11,412,511)**	**3,204,825,042**
Less accumulated depreciation				
Buildings	928,098,681	62,277,454	(1,885,309)	988,490,826
Other improvements and infrastructure	180,674,138	11,563,063		192,237,201
Machinery and equipment	255,227,118	24,758,763	(6,296,360)	273,689,521
Library resources	107,771,751	5,715,787	(162,519)	113,325,019
Total accumulated depreciation	**1,471,771,688**	**104,315,067**	**(8,344,188)**	**1,567,742,567**
Total capital assets, depreciable, net	**1,668,111,954**	**(27,961,156)**	**(3,068,323)**	**1,637,082,475**
Capital assets, net	**$1,753,088,428**	**$ (3,548,363)**	**$ (47,027,304)**	**$1,702,512,761**

The current year depreciation expense was $104,315,067. Total interest expense was $28,195,490 of which $500,159 was capitalized.

9. Accounts Payable and Accrued Liabilities

At June 30, 2019, and June 30, 2018, accrued liabilities were as follows:

Current accrued liabilities	2019	2018 Restated
Accounts payable	$ 8,612,810	$ 17,268,705
Contract retainage	409,149	1,646,176
Payroll	25,854,422	24,678,834
Accrued leave, current portion	20,790,399	18,926,354
Subtotal	55,666,780	62,520,069
Non-current accrued liabilities		
Accrued annual leave	23,250,201	23,358,681
Accrued sick leave	5,196,412	5,970,141
Accrued compensatory leave	7,364	259,497
Subtotal	28,453,977	29,588,319
Total accrued liabilities	**$84,120,757**	**$92,108,388**

10. Unearned Revenue and Deferred Inflows of Resources

Unearned revenue is comprised of receipts which have not yet met revenue recognition criteria.

Current unearned revenue	2019	2018
Athletics	$ 3,443,094	$ 3,514,847
ALIVE! program	487,713	570,699
Pre-paid Tri-Cities BSEL building rent	500,000	500,000
Bookie building	126,166	122,646
Housing and dining services	1,801,101	1,754,007
Summer session	6,467,284	5,219,725
Parking	451,570	376,216
Subtotal	13,276,928	12,058,140
Non-current unearned revenue		
Pre-paid Tri-Cities BSEL building rent	3,940,278	4,440,278
Bookie building	3,441,480	3,567,646
Subtotal	7,381,758	8,007,924
Total unearned revenue	**$ 20,658,686**	**$ 20,066,064**

Deferred inflows of resources include revenue received that is intended for future periods and deferred inflows related to pension.

Deferred inflows of resources	2019	2018
General obligation bond refundings		
R2011A(2002A)	$ 157,998	$ 184,331
R2011B(2002A)	17,500	20,000
R2012A(R2002A(1995A-HEWSU))	45,000	90,000
R2014A(2004)(1995C)	18,571	37,142
R2014(2004)(1996A)	17,142	34,285
R2015SC(R2005A(1997A-HE-WSU))	60,880	85,165
R2017C(R2007A(2001A))	814,272	938,163
Subtotal general obligation bonds	1,131,363	1,389,086
Pension		
Pension net difference between projected and actual experience	18,954,409	19,311,390
Pension changes in proportion	2,324,073	1,183,635
Pension net difference between projected and actual investment earnings on pension plan investments	15,467,151	14,155,543
Pension changes in assumption	12,485,989	7,461,000
Subtotal pension	49,231,622	42,111,568
OPEB		
OPEB changes in assumption	101,152,891	43,157,600
OPEB changes in agency proportion	13,804,646	5,192,911
Subtotal OPEB	114,957,537	48,350,511
Total deferred inflows of resources	**$ 165,320,522**	**$ 91,851,165**

11. Risk Management

The University is exposed to risk of loss related to tort liability, injuries to employees and loss of property. In accordance with state policy, the University self-insures unemployment compensation for all eligible employees. Buildings that were acquired with bond proceeds are insured through WSU's commercial insurance program, according to each covenant. The University assumes its potential property losses for most other buildings and contents. Other risk liabilities including professional, general, employment practices, automobile liability, information security and privacy protection are either or both insured through the State of Washington Self-Insurance Liability Program (SILP) as covered by the tort Claims Act (RCW 4.92 et seq.), or WSU commercial policies to provide adequate coverage as determined.

Payments made for unemployment compensation claims and cash reserve balances are as follows.

Fiscal year ending	Claims paid	Cash reserves
June 30, 2019	$926,061	$5,082,545
June 30, 2018	$836,658	$5,121,613
June 30, 2017	$560,158	$5,128,530

For all other insurance settlements the settlements did not exceed the coverages for the last three fiscal years.

12. Leases Payable

The University finances some capital asset purchases through the Washington State Treasurer's leasing program. Under this program, the interest rates range from .7% to 5.3% and the lease periods range from 4 to 15 years. As of June 30, 2019, the University had $20,122,940 and as of June 30, 2018, the University had $23,261,130 in machinery, software, and equipment acquired under capital lease. Depreciation for the capital assets associated with capital leases is included in depreciation expense. The University also has leases for office equipment with various vendors. These leases are classified as operating leases. As of June 30, 2019, the minimum lease payments under capital leases and operating leases consisted of the following:

Leases Payable

Fiscal year	Capital leases	Operating leases
2020	$ 2,426,110	$ 3,818,507
2021	2,265,563	3,308,578
2022	2,133,680	2,604,047
2023	1,798,950	2,015,766
2024	1,803,818	930,302
2025–2029	3,277,790	1,032,039
2030–2034	–	69,062
Total minimum lease payments	**13,705,911**	**13,778,301**
Amount representing interest	**(1,709,888)**	**–**
Net present value	**$ 11,996,023**	**$13,778,301**

13. Asset Retirement Obligation

For fiscal year 2019 the University implemented GASB Statement No.83 *Certain Asset Retirement Obligations (ARO).* This statement requires that recognition of the obligation occur when the liability is both incurred and reasonably estimable. This liability is reported based on the best estimate using all available evidence of the current value of outlays expected to be incurred.

The University has identified several legally enforceable liabilities associated with the retirement of tangible capital assets due to requirements included in state laws and contracts. As of June 30, 2019 the University has recorded an asset retirement obligation of $17,014,860. Following is a list of assets identified as having an asset retirement obligation.

Nuclear radiation center -The Nuclear Regulatory Commission and other oversite agencies such as Department of Health in the State of Washington require a decommissioning report valuing the cost of decommissioning the nuclear radiation center. A license was acquired in 2010 along with the decommissioning report and is good for 20 years. The original value of the decommissioning was $14,600,000. In July 2018 the value was reassessed with an inflation rate of 13.61% added to the original value making the estimate for decommissioning $16,587,060. The remaining useful life for the nuclear radiation center is 12 years. This was determined based on the remaining years of the decommissioning report.

Magnetic Resonance Imaging Machine (MRI) – This machine contains heavy metals such as lead, gold, silver or mercury for which state and federal hazardous waste regulations apply. The disposal of these metals is regulated by the Department of Ecology in the State of Washington. The cost of dismantling and disposing of this machine was estimated at $6,300 at year end based on an estimate given at trade in. It has a total useful life of 5 years with 4 years remaining

Cell Tower Contracts – The University has entered into multiple cell tower contracts that require the removal of equipment once the lease is terminated. The total estimated cost of equipment removal based on engineer's prior experience is $421,500. The remaining life of these contracts range from 1 to 10 years.

	Balance outstanding 6/30/2018	Additions	Reductions	Balance outstanding 6/30/2019
Nuclear radiation center	$ 14,600,000	$ 1,987,060		$ 16,587,060
Magnetic resonance imaging (MRI) machine		6,300		6,300
Cell tower contracts	374,500	47,000		421,500
Total	**$14,974,500**	**$ 2,040,360**		**$ 17,014,860**

	Balance outstanding 6/30/2017	Additions	Reductions	Balance outstanding 6/30/2018
Nuclear radiation center		$ 14,600,000		$ 14,600,000
Cell tower contracts		374,500		374,500
Total		**$ 14,974,500**		**$14,974,500**

14. Bonds Payable and Related Debt

Bonds Payable consist of specific and general revenue bonds issued by the University for construction and renovation of University buildings, for Housing and Dining System Facilities, for the Student Recreation Center, Parking Services, Compton Union Building and Athletics, as well as the University's share of Washington State General Obligation bonds issued for the construction of academic buildings. Washington State General Obligation bonds are backed by the full faith, credit and taxing power of the State. A portion of tuition and matriculation fees paid to the University are pledged for the payment of principal and interest on the University's share of these bonds.

Revenue bonds issued by the University include certain restrictive covenants. Certain revenue bonds have a specific revenue stream pledged to pay them. General revenue bonds are special fund obligations of the University, payable from general revenues which include non-appropriated, unrestricted income and revenues, including available auxiliary system revenues.

On Nov 20, 2018 the University issued $31,325,000 in General Revenue Bonds, Series 2018 as approved by the Board of Regents on June 8th, 2018 pursuant to Resolution 180608-586. The bonds will be used to modernize the University's Finance and Human Resource systems including the acquisition and implementation of an enterprise resource planning system and capitalized interest. $30,000,000 was issued for the project, $985,450 was issued as capitalized interest. The issue costs were $161,616 and the Underwriter's discount was $117,934. Average interest rate is 3.96%. Interest is payable semi-annually on April 1 and October 1, commencing October 1, 2018. Principal payments are due annually on October 1, commencing October 1, 2022.

Bond Refunding Activity

The scheduled liabilities as of June 30, 2019 do not include revenue bonds that were advance refunded. Government obligations in amounts, maturities and bearing interest rates sufficient to fund retirement of these bonds are held in irrevocable trusts.

For the year ending June 30, 2019 and June 30, 2018 no bonds were advanced refunded.

Related Debt

The University does not hold any direct borrowings or direct placements as a form of debt. The University also does not hold any line of credit.

As of June 30, 2019, the University was indebted for bonds payable for the purposes shown in the following table.

Purpose	Series	Interest rate/ ranges	Final maturity date	Principal outstanding 2019	Principal outstanding 2018	Current portion 2019	See table below
Housing and Dining system	2010	3%–5%	2024	$ 7,365,000	$ 8,425,000	$ 1,100,000	
	2010B	7.1%–7.4%	2041	35,305,000	35,305,000	–	
Student Recreation Center	2009	3%–5.25%	2019	–	1,420,000	–	2
Compton Union Building	2006B	5%–6%	2038	20,980,000	22,945,000	2,085,000	3
Trust and building fee revenue bonds	2009B	3%–6.41%	2034	82,745,000	86,420,000	3,795,000	4
General revenue bonds	2012A & B	2%–5%	2037	84,715,000	87,560,000	2,960,000	
	2013A & B	3%–5%	2038	42,670,000	44,565,000	1,995,000	
	2014A & B	1.75%–5%	2039	48,640,000	50,090,000	1,470,000	
	2015	3%–5%	2045	138,095,000	141,910,000	3,995,000	
	2016	3%–5%	2041	85,715,000	87,705,000	3,415,000	
	2018	3%–5%	2040	31,325,000		–	
State of Washington general obligation bonds	HE-WSU	3.5%–6.4%	2022	2,165,000	3,380,000	1,270,000	
	2001A	5%–5.6%	2025	6,875,000	7,670,000	840,000	
	2001C	5%–5.3%	2026	4,015,000	4,480,000	495,000	
	2002A	4%–6%	2026	2,845,000	3,125,000	295,000	
				593,455,000	**585,000,000**	**23,715,000**	
Less: unamortized insurance costs				(56,651)	(63,316)		
Plus: unamortized premiums				54,336,297	57,676,083		
Net bonds payable				**$ 647,734,646**	**$ 642,612,767**		

The University has pledged future revenues, net of specific operating expenses, to repay the principal and interest on revenue bonds. The following is a schedule of pledged revenues and related debt, as of June 30, 2019.

Ref		2019 total future pledged revenues	2019 revenues, net of expenses	2019 principal and interest	2018 revenues, net of expenses	2018 principal and interest
1	Housing and Dining system (2010)	$ 8,495,775	$ 28,341,890	$ 1,421,750	$ 27,150,733	$ 2,040,175
2	Student Recreation Center (2009)	–	–	1,476,800	4,600,067	1,486,400
3	Compton Union Building (2006B)	26,457,180	6,404,964	3,275,639	5,747,095	3,272,621
4	Trust and building fee bonds (2009B)	$ 129,257,566	$ 32,585,867	$ 8,881,541	$ 37,436,662	$ 8,944,713

Annual Debt Service Requirements

Future debt service requirements at June 30, 2019, are as follows:

	Revenue bond obligations			State of Washington general obligation bonds		
Fiscal year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2020	$ 20,815,000	$ 26,923,009	$ 47,738,009	$ 2,900,000	$ 737,850	$ 3,637,850
2021	21,790,000	25,948,338	47,738,338	2,335,000	607,850	2,942,850
2022	22,815,000	24,925,573	47,740,573	2,060,000	498,975	2,558,975
2023	24,200,000	23,810,026	48,010,026	1,885,000	401,350	2,286,350
2024	25,385,000	22,609,933	47,994,933	1,985,000	305,850	2,290,850
2025–2029	138,500,000	94,295,159	232,795,159	4,735,000	303,750	5,038,750
2030–2034	162,010,000	58,867,150	220,877,150	–	–	–
2035–2039	144,545,000	22,269,708	166,814,708	–	–	–
2040–2041	17,495,000	934,200	18,429,200			
Subtotal	**577,555,000**	**300,583,096**	**878,138,096**	**15,900,000**	**2,855,625**	**18,755,625**
Less: unamortized issuance costs	(56,651)		(56,651)			
Plus: unamortized premiums	54,336,297		54,336,297			
Total	**$ 631,834,646**	**$ 300,583,096**	**$ 932,417,742**	**$ 15,900,000**	**$ 2,855,625**	**$ 18,755,625**



15. Deferred Outflows of Resources and Schedule of Long-Term Liabilities

Following are the changes in refunding of debt (representing the difference between the reacquisition price and the net carrying amount of the old debt), deferred outflows of resources related to pensions, bond payable, capital leases, and other post-employment benefit obligations for the years ending June 30, 2019, and June 30, 2018.

		2019				
Deferred outflows of resources	**Total amount issued**	**Restated balances outstanding 6/30/2018**	**Additions**	**Reductions**	**Balance outstanding 6/30/2019**	**Current portion**
Revenue bonds						
Student recreation series 2009		$ 1,025,132		$ (73,727)	$ 951,405	
Student fee 2006A refunding (CUB)		1,796,703		(86,814)	1,709,889	
General revenue bonds Athletics 2007 refunding		811,309		(58,351)	752,958	
Parking series 2005		40,153		(7,050)	33,103	
General revenue bonds series 2013 refunding		415,288		(61,524)	353,764	
Housing and Dining Services (HDS) series 2005		122,667		(10,488)	112,179	
Housing and Dining Services (HDS) series 2010		577,232		(96,206)	481,026	
General revenue bond 2016 HDS 2008 refunding		1,588,447		(75,988)	1,512,459	
Subtotal revenue bonds		6,376,931	–	(470,148)	5,906,783	
Pension					–	
Pension differences between expected and actual expense		4,775,944		(1,765,859)	3,010,085	
Pension differences between projected and actual investment earnings		–			–	
Pension changes in assumption		471,136		(218,443)	252,693	
Pension changes in proportion		3,025,802		(1,500,766)	1,525,036	
Contributions subsequent to measurement date		17,603,439	$ 947,353		18,550,792	
Subtotal pension		25,876,321	947,353	(3,485,068)	23,338,606	
Supplemental retirement						
Changes in assumptions			6,886,690		6,886,690	
Subtotal OPEB		–	6,886,690	–	6,886,690	
OPEB						
Differences between expencted and acutal experience			9,247,100		9,247,100	
Transactions Subsequent to the Measurement Date		4,960,373		(92,046)	4,868,327	
Sub total OPEB		4,960,373	9,247,100	(92,046)	14,115,427	
Asset retirement obligation						
Asset retirement obligation (ARO)		7,472,640	2,040,360	(915,586)	8,597,414	
Subtotal ARO		7,472,640	2,040,360	(915,586)	8,597,414	
Total		**$ 44,686,265**	**$ 19,121,503**	**$ (4,962,848)**	**$ 58,844,920**	
Schedule of long-term liabilities						
Revenue and refunding bonds, net	$ 662,700,000	$ 623,957,767	$ 31,325,000	$ (23,448,121)	$ 631,834,646	$ 20,815,000
State of Washington general obligation bonds, net	29,235,000	18,655,000		(2,755,000)	$15,900,000	2,900,000
Capital leases		13,876,852		(1,880,829)	$11,996,023	1,800,181
Pension obligation, net		178,883,816	33,685,417	(50,637,478)	$161,931,755	
OPEB liability		313,439,155		(48,295,705)	$265,143,450	4,868,327
Asset retirement obligation		14,974,500	2,040,360		$17,014,860	
Total	**$ 691,935,000**	**$ 1,163,787,090**	**$ 67,059,777**	**$ (127,017,133)**	**$ 1,103,820,734**	**$ 30,383,508**

2018 Restated

Deferred outflows of resources	Total amount issued	Restated balances outstanding 6/30/2017	Additions	Reductions	Balance outstanding 6/30/2018	Current portion
Revenue bonds refundings						
Student Recreation Series 2009		$ 1,098,861		$ (73,729)	$ 1,025,132	
Student fee 2006A refunding (CUB)		1,883,518		(86,815)	1,796,703	
General revenue bonds Athletics 2007 refunding		869,659		(58,350)	811,309	
Parking series 2005		47,202		(7,049)	40,153	
General revenue bonds series 2013 refunding		476,812		(61,524)	415,288	
Housing and Dining Services (HDS) series 2005		133,155		(10,488)	122,667	
Housing and Dining Services (HDS) series 2010		673,438		(96,206)	577,232	
General revenue bond 2016 HDS 2008 refunding		1,664,434		(75,987)	1,588,447	
Subtotal revenue bonds		6,847,079	–	(470,148)	6,376,931	
Certificate of participation refunding						
Consolidated Information Center 365-272-1		8,222		(8,222)	–	
Subtotal certificate of participation		8,222	–	(8,222)	–	
Pension						
Pension differences between expected and actual expense		3,605,197	$ 1,170,747		4,775,944	
Pension differences between projected and actual investment earnings		9,837,545		(9,837,545)	–	
Pension changes in assumption		676,195		(205,059)	471,136	
Pension changes in proportion		4,496,328		(1,470,526)	3,025,802	
Contributions subsequent to measurement date		15,076,369	2,527,070		17,603,439	
Subtotal pension		33,691,634	3,697,817	(11,513,130)	25,876,321	
OPEB						
Transactions subsequent to the measurement date		5,161,935		(201,562)	4,960,373	
Subtotal OPEB		5,161,935	–	(201,562)	4,960,373	
Asset retirement obligation						
Asset retirement obligation (ARO)			7,472,640		7,472,640	
Subtotal ARO		–	7,472,640	–	7,472,640	
Total		**$ 45,708,870**	**$ 11,170,457**	**$ (12,193,062)**	**$ 44,686,265**	

Schedule of long-term liabilities						
Revenue and refunding bonds, net	$ 631,375,000	$ 646,695,888		$ (22,738,121)	$ 623,957,767	$ 20,115,000
State of Washington general obligation bonds, net	30,835,000	21,330,000		(2,675,000)	$18,655,000	2,755,000
Capital leases		15,507,695	929,491	(2,560,334)	$13,876,852	1,788,970
Pension obligation, net		215,040,786	20,843,869	(57,000,839)	$178,883,816	
OPEB obligation		341,792,867		(28,353,712)	$313,439,155	30,768,221
Asset retirement obligations			14,974,500		$14,974,500	
Total	**$ 662,210,000**	**$ 1,240,367,236**	**$ 36,747,860**	**$ (113,328,006)**	**$ 1,163,787,090**	**$ 55,427,191**

16. Pension Plans

The University offers four contributory pension plans: the Washington State Public Employees Retirement System (PERS) plan, the Washington State Teachers Retirement System (TRS) plan, the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan, and the Washington State University Retirement Plan (WSURP). PERS, TRS, and LEOFF are cost sharing multiple-employer defined benefit pension plans administered by the Washington State Department of Retirement Systems (DRS). WSURP is a defined contribution pension plan with a supplemental payment to beneficiaries when required and is administered by the University. WSURP is not subject to GASB 68 or 73 but the supplemental portion (SRP) is subject to GASB 73. The pension liabilities here in calculated are consistent with prior years.

As of June 30, 2019, the University's aggregate share of the unfunded liabilities associated with the defined benefit pension plans administered by DRS was $69,211,964. The liability associated with WSURP was $92,719,971. For the year ended June 30, 2019 total pension expense for University and DRS administered plans was $5,719,449.

PERS, TRS and LEOFF

The state of Washington, through the Department of Retirement Systems, administers the PERS, TRS, and LEOFF plans. Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed, investment gains and losses are recognized as incurred, and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans, and additions to/deductions from all plan fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans.

The authority to establish and amend benefit provisions resides with the legislature. Effective July 1, 2003 LEOFF Plan 2 Retirement Board was established to provide governance. The Board can adopt contribution rates and recommend policy changes to the legislature. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW, TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and LEOFF retirement benefits provisions are established in chapter 41.26 RCW. The Washington State Department of Retirement System (DRS) issues a publicly available financial report that includes financial statements and required supplementary information for PERS, TRS, and LEOFF. The report may be obtained by writing to the Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or on-line at http://www.drs.wa.gov/administration/annual-report.

Plan Descriptions.

PERS provides retirement, disability, and death benefits to eligible nonacademic employees not enrolled in other higher education retirement plans. PERS is a cost sharing, multiple employer retirement system comprised of three separate plans. Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. For reporting purposes Plan 2/3 is considered a single defined benefit plan. Plan 1 is closed to new entrants. Members are vested after five years of eligible service. The monthly benefit is calculated as two percent of average final compensation, (AFC) the average of the member's 24 highest consecutive service months, per year of service up to 60 percent. Members are eligible for retirement after 30 years of service, at age 60 with five years of service, or at age 55 with 25 years of service. Members retiring prior to age 65 may receive actuarially reduced benefits. Members may elect to receive an optional cost of living adjustment (COLA) based on the consumer price index. Plan 2 members are vested after five years of eligible service and eligible for retirement at age 65. The monthly benefit is two percent of the AFC per year of service with no cap on years of service credit and a COLA based on the consumer price index capped at three percent annually. For Plan 2 the AFC is the average of the member's 60 highest paid consecutive months. Members are eligible to retire early with reduced benefits. Plan 3 members are vested in the defined benefit portion after 10 years of service, or after 5 years of service if 12 months of that service are earned after age 44. The monthly benefit is 1 percent of the AFC per year of service with no cap on service years. The AFC and COLA are the same as Plan 2.

TRS provides retirement, disability, and death benefits to certified public school employees working in an instructional, administrative, or supervisory capacity. Similar to PERS, TRS Plan 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. For reporting purposes Plan 2/3 is considered a single defined benefit plan. Plan 1 is closed to new entrants. Members are vested after five years of eligible service and can retire at any age after 30 years of service, at age 60 after 5 years of service, or age 55 with 25 years of service. The monthly benefit is calculated as two percent of the AFC (total earnable compensation for two consecutive highest paid fiscal years divided by two) for year of service up to 60 percent. Plan 1 members may elect to receive an optional COLA amount based on the consumer price index capped at 3 percent annually, reducing the benefit. Plan 2 members are vested after 5 years of eligible service. Members are eligible for retirement at age 65 with 5 years of service. The monthly benefit is 2 percent of the AFC, the average of the member's 60 highest paid consecutive months, per year of service. A COLA is granted based on the consumer price index capped at 3 percent annually. Members can retire early with reduced benefits. Plan 3 members are vested after 10 years of service or after 5 years of service if 12 months of that service is earned after age 44. The defined benefit portion provides members a monthly benefit of 1 percent of the AFC per year of service, with the same AFC as Plan 2. The same COLA is used as Plan 2 and members can retire early with reduced benefits.

LEOFF 2 provides retirement disability, and death benefits to full time, fully compensated local law enforcement commissioned officers, fire fighters, and as of July 24, 2005 emergency medical technicians. Plan 2 members are vested after 5 years of eligible service. Members are eligible for retirement at age 53 with five years of service or age 50 with 20 years of service. The monthly benefit is 2 percent of the FAS (final average salary), based on the highest consecutive 60 months, per year of service. A COLA is granted based on the consumer price index capped at 3 percent annually. Members can retire early with reduced benefits.

Funding Policy. Each biennium, the state Pension Funding Council adopts PERS and TRS Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute. Under LEOFF, employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund the plan. All employers are required to contribute at the level established by state law.

Contributions for DRS Plans The University's contribution rates and required contributions for the above retirement plans for the year ending June 30, 2019 are as follows:

	Contribution rates*		Required employer contributions	
	Employee	University	FY2019	FY2018
PERS				
Plan 1	6%	12.70%	$ 6,645,224	$ 6,354,037
Plan 2	7.38%	12.70%	5,657,074	5,526,729
Plan 3	5%–15%	12.70%	3,891,517	3,609,199
TRS				
Plan 1	6%	15.20%	925,684	806,421
Plan 2	7.06%	15.20%	0	0
Plan 3	5%–15%	15.20%	974,731	868,149
LEOFF				
Plan 2	8.75%	8.93%	$ 199,047	$ 189,919

**Contribution rates as of measurment date 6/30/2018*

Actuarial Assumptions The total State pension liability was determined by an actuarial valuation performed by the Washington State Office of the State Actuary as of June 30, 2017 with the results rolled forward to the June 30, 2018 measurement date using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.40%
Discount rate	7.40%

Mortality rates were based on the RP-2000 "Combined Healthy Table and Combined Disabled Table" published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of OSA's 2007-2012 Experience Study and the 2017 Economic Experience Study. Additional assumptions are current for subsequent events and law changes as of the 2017 report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by the WSIB. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of the measurement date of June 30, 2018 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Fixed income	20%	1.7%
Tangible assets	7%	4.9%
Real estate	18%	5.8%
Global equity	32%	6.3%
Private equity	23%	9.3%
Total	**100%**	

Discount Rate. The discount rate used to measure the total state pension liability was 7.4 percent, a .1 percent difference from the previous measurement date of 7.5 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long- term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plans 2 and 3 and TRS Plans 2 and 3 whose rates include a component for the PERS/TRS Plan 1 liability). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent on pension plan investments was applied to determine the total pension liability.

Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate. The following presents the net pension liability/asset of the state as an employer, calculated using the discount rate of 7.4 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the rate.

2019

	Discount rate sensitivity on net pension liability		
Plan	1% decrease	Current discount rate	1% increase
PERS 1	$ 52,173,462	$ 42,454,119	$ 34,035,206
PERS 2/3	92,467,688	20,215,832	(39,022,626)
TRS 1	7,078,222	5,663,057	4,437,929
TRS 2/3	5,478,293	878,956	(2,857,306)
LEOFF 2	$ (295,683)	$ (2,223,495)	$ (3,795,849)

2018

	Discount rate sensitivity on net pension liability		
Plan	1% decrease	Current discount rate	1% increase
PERS 1	$ 56,445,492	$ 46,335,497	$ 37,578,076
PERS 2/3	113,856,757	42,261,445	(16,400,292)
TRS 1	7,083,251	5,696,321	4,495,838
TRS 2/3	5,972,192	1,758,409	(1,663,972)
LEOFF 2	$ 272,640	$ (1,259,899)	$ (2,508,548)

Proportionate Share. The state net pension liability was calculated as of the valuation date of June 30, 2017 and rolled forward to the measurement date of June 30, 2018. The basis for determining the proportionate share was the amount of employer contributions processed by DRS during the fiscal year ended June 30, 2018. The University's proportionate share by plan for the year ended June 30, 2019 is in the following table.

	Plan	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
2019	Proportionate share	.95%	1.18%	.19%	.20%	.11%
2018	Proportionate share	.98%	1.22%	.19%	.19%	.09%

The following table represents the aggregate pension amounts for each plan subject to the requirements of GASB Statement No. 68 for the University as an employer for the fiscal years ended June 30, 2019 and 2018 respectively.

2019

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Pension liability	$42,454,119	$ 20,215,832	$5,663,057	$ 878,956		**$69,211,964**
Pension asset					$2,223,495	**2,223,495**
Pension expense	$ 2,430,651	$ 385,185	$ 774,008	$ 660,338	$ (84,796)	**$ 4,165,386**

2018

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Pension liability	$46,335,497	$42,261,445	$5,696,321	$ 1,758,409		**$ 96,051,672**
Pension asset					$1,259,899	**1,259,899**
Pension expense	$ 951,928	$ 6,892,868	$ 773,263	$ 928,236	$ 58,584	**$ 9,604,879**

Deferred Outflows and Deferred Inflows of Resources

The below tables detail the University's deferred outflows and deferred inflows of resources as well as the schedule of future impacts to pension expense from the deferred amounts amortization. The $18,550,792 reported as deferred outflows of resources related to state pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2020.

2019

Deferred outflows of resources

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Differences between expected and actual experience		$ 2,477,931		$ 413,046	$ 119,108	**$ 3,010,085**
Changes in assumption		236,491		14,944	1,259	**252,694**
Changes in proportion		964,422		500,895	59,720	**1,525,037**
Contributions subsequent to the measurement date	$ 6,647,444	9,777,280	$ 925,786	997,140	203,142	**18,550,792**
Total	**$ 6,647,444**	**$ 13,456,124**	**$ 925,786**	**$ 1,926,025**	**$ 383,229**	**$ 23,338,608**

2018

Deferred outflows of resources

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Differences between expected and actual experience		$ 4,282,081		$ 438,488	$ 55,375	**$ 4,775,944**
Changes in assumption		448,897		20,721	1,517	**471,135**
Changes in proportion		2,235,242		705,907	84,653	**3,025,802**
Contributions subsequent to the measurement date	$ 6,356,510	9,358,012	$ 806,520	888,559	193,838	**17,603,439**
Total	**$ 6,356,510**	**$ 16,324,232**	**$ 806,520**	**$ 2,053,675**	**$ 335,383**	**$ 25,876,320**

2019

Deferred inflows of resources

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Differences between expected and actual experience		$ 3,539,421		$ 64,902	$ 51,630	**$ 3,655,953**
Changes in assumption		5,753,262		353,221	319,112	**6,425,595**
Net difference between projected and actual earnings on investments	$ 1,687,102	12,405,370	$ 242,175	743,362	389,142	**15,467,151**
Changes in proportion		2,118,522			205,551	**2,324,073**
Total	**$ 1,687,102**	**$ 23,816,575**	**$ 242,175**	**$ 1,161,485**	**$ 965,435**	**$ 27,872,772**

2018

Deferred inflows of resources

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Differences between expected and actual experience		$ 1,389,906		$ 89,707	$ 47,777	**$ 1,527,390**
Changes in assumption						
Net difference between projected and actual earnings on investments	$ 1,729,111	11,265,885	$ 241,325	636,366	282,856	**14,155,543**
Changes in proportion		1,153,289			30,346	**1,183,635**
Total	**$ 1,729,111**	**$ 13,809,080**	**$ 241,325**	**$ 726,073**	**$ 360,979**	**$ 16,866,568**

Deferred inflows and outflows will be recognized in pension expense with the exception of contributions made after the measurement date as follows:

Year	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2020	$ 73,811	$ (1,508,073)	$ 24,231	$ 166,896	$ (49,808)	**$ (1,292,943)**
2021	(368,810)	(4,352,081)	(50,133)	(23,075)	(121,629)	**(4,915,728)**
2022	(1,106,696)	(7,929,907)	(172,212)	(342,673)	(249,978)	**(9,801,466)**
2023	(285,407)	(3,148,506)	(44,061)	(84,432)	(103,025)	**(3,665,431)**
2024		(1,377,434)		20,190	(47,856)	**(1,405,100)**
Thereafter		(1,821,729)		30,493	(213,052)	**(2,004,288)**
Total	**$ (1,687,102)**	**$ (20,137,730)**	**$ (242,175)**	**$ (232,601)**	**$ (785,348)**	**$ (23,084,956)**

Washington State University Retirement Plan (WSURP)

Plan Description Faculty, librarians and other professional staff, are eligible to participate in the Washington State University Retirement Plan (WSURP), a single-employer 403b defined contribution plan administered by the University. The Teacher's Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF) are the companion organizations through which individual retirement annuities are purchased. Employees have at all times a 100% vested interest in their accumulations.

TIAA-CREF benefits are payable upon termination at the member's option unless the participant is re-employed in another institution which participates in TIAA-CREF.

WSURP has a supplemental payment (SRP) component that guarantees a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date when a member's goal income is greater than their assumed income. Assumed income must be calculated by an independent actuary. The minimum retirement benefit goal is 2% of the average annual salary for each year of full-time service up to a maximum of 25 years. However, if the participant does not elect to make the 10% TIAA-CREF contribution after age 49, the benefit goal is 1.5% for each year of full-time service for those years the lower contribution rate is selected.

The University makes direct payments to qualifying retirees when the retirement benefit provided by TIAA-CREF does not meet the benefit goal. Employees are eligible for a non-reduced supplemental payment after the age of 62 with ten years of full-time service.

The University's Board of Regents are authorized to amend benefit provisions under RCW 28B.10.400. In 2011, the plan was amended to eliminate the supplemental benefit provisions for all employees hired after June 30, 2011.

The WSURP supplemental pension benefits are unfunded and charged to operations in the years in which they are paid. The University makes no contributions other than benefit payments and there are no plan assets.

Benefit payments made during the fiscal year ended June 30, 2019 were $2,438,920

Actuarial Assumptions Material assumption changes during the measurement period include a decrease in the discount rate from 3.87 percent to 3.50 percent, CREF investment experience was lower than expected at 4.97 percent which caused an increase in total pension liability, and an updated SRP member file and the actual returns on the TIAA and CREF investments used in the Assumed Income impacting the difference between expected and actual experience. The other change of assumption for WSURP was the CREF accumulation rate increased from 6.25 percent to 6.50 percent. The following table represents significant assumptions used to measure the total pension liability.

Inflation	2.75%
Discount rate	3.50%
Source of mortality assumptions	Healthy RP-2000 table, generational improvements using scale BB
Date of experience study	April 2016
Salary changes	3.75%
Source of discount rate	Bond Buyer's 20 bond index

The following table presents the net pension liability using a discount rate of 3.5 percent as well as what the pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

Total pension liability 2019

1% decrease	Current discount rate	1% increase
$105,485,293	$ 92,719,791	$ 82,073,109

Total pension liability 2018

1% decrease	Current discount rate	1% increase
$94,146,000	$ 82,831,268	$73,380,000

Total Pension Liability. The total pension liability is based on an actuarial valuation performed as of June 30, 2018 using the entry age normal cost method and rolled forward to the measurement date of June 30, 2019. The WSURP supplemental pension benefits are unfunded and charged to operations in the years in which they are paid. The University makes no contributions other than benefit payments and there are no plan assets.

Schedule of changes in total pension liability	2019	2018
Beginning balance	$ 82,831,268	$ 89,414,276
Service cost	2,111,920	2,762,663
Interest on TPL	3,240,556	3,261,236
Differences between expected and actual experience in the measurement of TPL	(1,022,479)	(7,171,294)
Change of assumptions	7,997,446	(3,254,535)
Benefit payments	(2,438,920)	(2,181,078)
Ending balance	**$ 92,719,791**	**$ 82,831,268**

Pension expense for WSURP for the year ended June 30, 2019 was $1,554,063.

Deferred Inflows and Outflows of Resources

The tables below detail the deferred inflows and outflows of resources and the amortization of those deferred amounts on pension expense in future periods.

	2019	
	Deferred outflows	**Deferred inflows**
Differences between expected and actual experience		$ 15,298,456
Changes in assumption	$ 6,886,690	6,060,394
Total	**$ 6,886,690**	**$ 21,358,850**

	2018	
	Deferred outflows	**Deferred inflows**
Differences between expected and actual experience		$ 17,784,000
Changes in assumption		7,461,000
Total		**$ 25,245,000**

Amortization of deferred inflows and outflows of resources	
Year	
2020	$ (3,798,413)
2021	(3,798,413)
2022	(3,798,413)
2023	(3,123,000)
2024	(421,366)
Thereafter	467,445
Total	**$ (14,472,160)**



17. Other Post-Employment Benefits (OPEB)

Plan Description

The University is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a single employer defined benefit plan administered by the Washington State Health Care Authority (HCA). The PEBB is authorized to design benefits and determine terms and conditions of employee and retired employee participation and coverage per RCW 41.05.065. The OPEB plan provides medical, dental, prescription drug, vision, life insurance, disability, and long term care insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis.

The OPEB relationship between PEBB employers and employees is not formalized in a contract or plan document. Instead, the benefits are provided in accordance with a substantive plan in which the plan terms are understood by the employers and plan members based on communications between employers and members and the historical pattern of practice with regard to the sharing of benefits costs.

The employer's plan provides benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. This set dollar amount is recommended by PEBB and approved by the state Legislature annually and was set at $168 per member per month for fiscal year 2019. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

For information on the actuarial valuation of the employer provided subsidies, refer to the Office of the State Actuary's website: https://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx.

Employees covered by benefit terms- The table below shows the University's PEBB membership as of June 30, 2019:

	2019	2018
Active employees	6,430	6,638
Inactive employees or beneficiaries currently receiving benefits	1,761	1,727
Inactive employees entitled to but not yet receiving benefits	313	323

Funding Status and Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare trends. The differences between these assumptions and actual results could have a significant effect on the University's financial report.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information. However, the state operates on a pay-as-you-go basis and contributions from employers to the HCA only occur when benefits become due, so the actuarial value of the plan asset is zero.

Projections of benefits for financial reporting purposes are based on the terms of the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to that point.

Significant methods and assumptions used in the current valuation are as follows:

Actuarial valuation date	6/30/2018
Inflation rate	2.75%
Health care trend rate	8.00% initial rate, 4.5% ultimate rate in 2080
Projected salary increases	3.50%
Discount rate	3.87%
Source of mortality assumptions	RP-2000 combined healthy table and combined disabled table using 100 percent scale BB
Date of experience study	2007–2012 experience study report
Source of discount rate	Bond buyer general obligation 20-bond municipal bond index as of June 30, 2018

A material assumption change for the measurement period was updating the discount rate from 3.58 to 3.87 which caused a decrease in the total OPEB liability.

Sensitivity of the OPEB Liability on the Healthcare Cost Trend Rate and Discount Rate

The following presents the total OPEB liability of the state calculated using the current healthcare cost trend rate of 8%, as well as what the OPEB liability would be if it were calculated using a rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate.

2019

Health care cost trend rate sensitivity on OPEB liability

	1% decrease (7.00%)	Current health care cost trend rate (8.00%)	1% increase (9.00%)
Total OPEB liability	$217,657,079	$265,143,450	$328,291,317

2018

Health care cost trend rate sensitivity on OPEB liability

	1% decrease (6.00%)	Current health care cost trend rate (7.00%)	1% increase (8.00%)
Total OPEB liability	$253,215,704	$ 313,439,155	$394,264,401

The following presents the total OPEB liability of the state calculated using the discount rate of 3.87 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate.

2019

Discount rate sensitivity on OPEB liability

	1% decrease (2.87%)	Current discount rate (3.87%)	1% increase (4.87%)
Total OPEB liability	$319,700,665	$265,143,450	$222,577,012

2018

Discount rate sensitivity on OPEB liability

	1% decrease (2.58%)	Current discount rate (3.58%)	1% increase (4.58%)
Total OPEB liability	$382,434,466	$313,439,155	$260,047,860

Total OPEB Liability (TOL)

The TOL for the state of Washington was determined by an actuarial valuation, conducted by the Office of the State Actuary, using data as of June 30, 2018. The TOL reported at June 30, 2019 was calculated as of the valuation date. OPEB implicit and explicit subsidies are funded by required contributions made by participating employers, such as the University. These contributions are made on behalf of all active, healthcare-eligible employees regardless of enrollment status. As such, the allocation method used to determine the University's proportionate share of the statewide TOL is based on the proportionate share of the state's total active health care eligible employee head count

Changes in the total OPEB liability

The following is a schedule of the changes in the total OPEB liability for fiscal year 2019

Public Employee Benefits Board	2019
Total OPEB Liability at 7/1/2018	$ 313,439,155
Service cost	16,577,179
Interest	11,396,718
Differences between expected and actual experience	10,402,988
Changes of assumptions	(72,572,457)
Benefit payments	(4,813,404)
Changes in proportionate share	(9,286,729)
Total OPEB Liability at 6/30/2019	**$ 265,143,450**

Public Employee Benefits Board	2018
Total OPEB Liability at 7/1/2017	$ 341,792,867
Sevice cost	21,249,263
Intererst	9,953,285
Changes of assumptions	(48,552,300)
Benefits payments	(5,072,353)
Other changes	(5,931,607)
Total OPEB Liability at 6/30/2018	**$313,439,155**

OPEB Costs WSU reported a liability of $265,143,450 and $313,439,155 for its proportionate share of the state's OPEB liability for the years ended June 30, 2019 and June 30, 2018 respectively. For fiscal year 2019 the OPEB values were measured as of June 30, 2018 by an actuarial valuation. WSU's share of the liability was 5.22% and 5.38% as of June 30, 2019 and June 30, 2018 respectively. For the years ended June 30, 2019 and June 30, 2018 the University's proportionate share of OPEB expense was $14,024,594 and $25,158,734 respectively.

For fiscal years 2019 and 2018, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019	
	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 9,247,100	
Changes of assumptions		$ 101,152,891
Changes in proportion		13,804,646
Payments subsequent to the measurement date	4,868,327	
Total	**$14,115,427**	**$114,957,537**

	2018	
	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions		$ 43,157,600
Changes in proportion		5,192,911
Payments subsequent to the measurement date	$ 4,960,373	
Total	**$ 4,960,373**	**$ 48,350,511**

Deferred outflows of resources of $4,868,327 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	$ (13,949,302)
2021	(13,949,302)
2022	(13,949,302)
2023	(13,949,302)
2024	(13,949,302)
Thereafter	(35,963,927)
Total	**$ (105,710,437)**

18. Federal Retirement Plans

Selected positions related to the College of Agricultural, Human, and Natural Resource Sciences are eligible to participate in two federal retirement systems maintained by the Office of Personnel Management.

Civil Service Retirement System

Civil Service Retirement System (CSRS) is a defined benefit retirement plan for employees with federal appointments hired prior to January 1, 1984, and who chose not to transfer to Federal Employees Retirement System (FERS). Retirement benefits are vested after an employee completes five years of eligible service.

As of June 30, 2019 the University had 1 employee enrolled in the plan.

Federal Employees Retirement System

The Federal Employees Retirement System (FERS) is a defined benefit retirement plan for employees with federal appointments hired after December 31, 1983, and those Civil Service Retirement System (CSRS) employees choosing to transfer into this system. Retirement benefits are vested after an employee completes five years of eligible service.

As of June 30, 2019 the University had 6 employees enrolled in the plan.

The University's retirement contribution rates for the Federal Retirement Plans are as follows

	Contribution rates		**Required employer contributions**	
	Employee	**University**	**2019**	**2018**
CSRS	7%	7%	$11,944	$17,551
FERS	0.8%	16%	$65,542	$66,920

19. Operating Expenses by Function

	2019				
	Compensation and benefits	Supplies and services	Scholarships and fellowships	Depreciation	Total
Instruction	$ 244,904,650	$ 21,216,551			$ 266,121,201
Research	133,831,612	72,363,820			206,195,432
Public service	29,320,498	8,835,426			38,155,924
Academic support	71,528,360	19,286,832			90,815,192
Student services	24,783,025	5,931,853			30,714,878
Institutional support	58,929,069	49,235,793			108,164,862
Operation and maintenance of plant	29,023,450	40,936,129			69,959,579
Auxiliary enterprises	84,357,537	75,015,455			159,372,992
Student financial aid			$ 61,616,095		61,616,095
Depreciation				$ 102,317,684	102,317,684
Total operating expenses	**$ 676,678,201**	**$ 292,821,859**	**$ 61,616,095**	**$ 102,317,684**	**$ 1,133,433,839**

	2018 Restated				
	Compensation and benefits	Supplies and services	Scholarships and fellowships	Depreciation	Total
Instruction	$ 249,580,842	$ 22,756,100			$ 272,336,942
Research	133,120,911	61,052,313			194,173,224
Public service	33,708,376	8,458,490			42,166,866
Academic support	67,483,762	18,683,124			86,166,886
Student services	24,278,718	5,936,103			30,214,821
Institutional support	69,667,720	43,570,685			113,238,405
Operation and maintenance of plant	28,711,322	38,906,779			67,618,101
Auxiliary enterprises	87,756,037	72,600,968			160,357,005
Student financial aid			$ 63,480,962		63,480,962
Depreciation				$ 104,315,068	104,315,068
Total operating expenses	**$ 694,307,688**	**$ 271,964,562**	**$ 63,480,962**	**$ 104,315,068**	**$ 1,134,068,280**



20. Blended Component Unit

Below are the condensed financial statements for the Alumni Association.

Statement of financial position	2019	2018
Assets		
Total assets	**$ 14,567,133**	**$ 17,640,681**
Liabilities		
Other liabilities	$736,211	$177,874
Total liabilities	**736,211**	**177,874**
Net assets		
Without donor restrictions	11,681,067	12,698,654
With donor restrictions	2,149,855	4,764,153
Total net assets	**13,830,922**	**17,462,807**
Total liabilities and net assets	**$ 14,567,133**	**$ 17,640,681**
Statement of activities		
Revenue		
Support from WSU	$ 2,501,375	$ 2,465,941
Income from assets, net	742,358	1,431,963
Total revenue	**3,243,733**	**3,897,904**
Expense		
Program services	1,545,579	1,383,515
Support services	1,804,898	1,812,910
Total expenses	**3,350,477**	**3,196,425**
Nonoperating		
Nonoperating transfers out	(3,525,141)	–
Change in net assets	(3,631,885)	701,479
Net assets—beginning of year	17,462,807	16,761,328
Net assets—end of year	**$ 13,830,922**	**$ 17,462,807**
Statement of cash flows		
Operating activities		
Net cash used by operating activities	$ (317,763)	$ (503,761)
Investing activities		
Distribution from pooled endowment investment securities	166,617	648,044
Net increase (decrease) in cash	(151,146)	144,283
Cash—beginning of year	2,264,065	2,119,782
Cash—end of year	**$ 2,112,919**	**$ 2,264,065**

21. Commitments and Contingencies

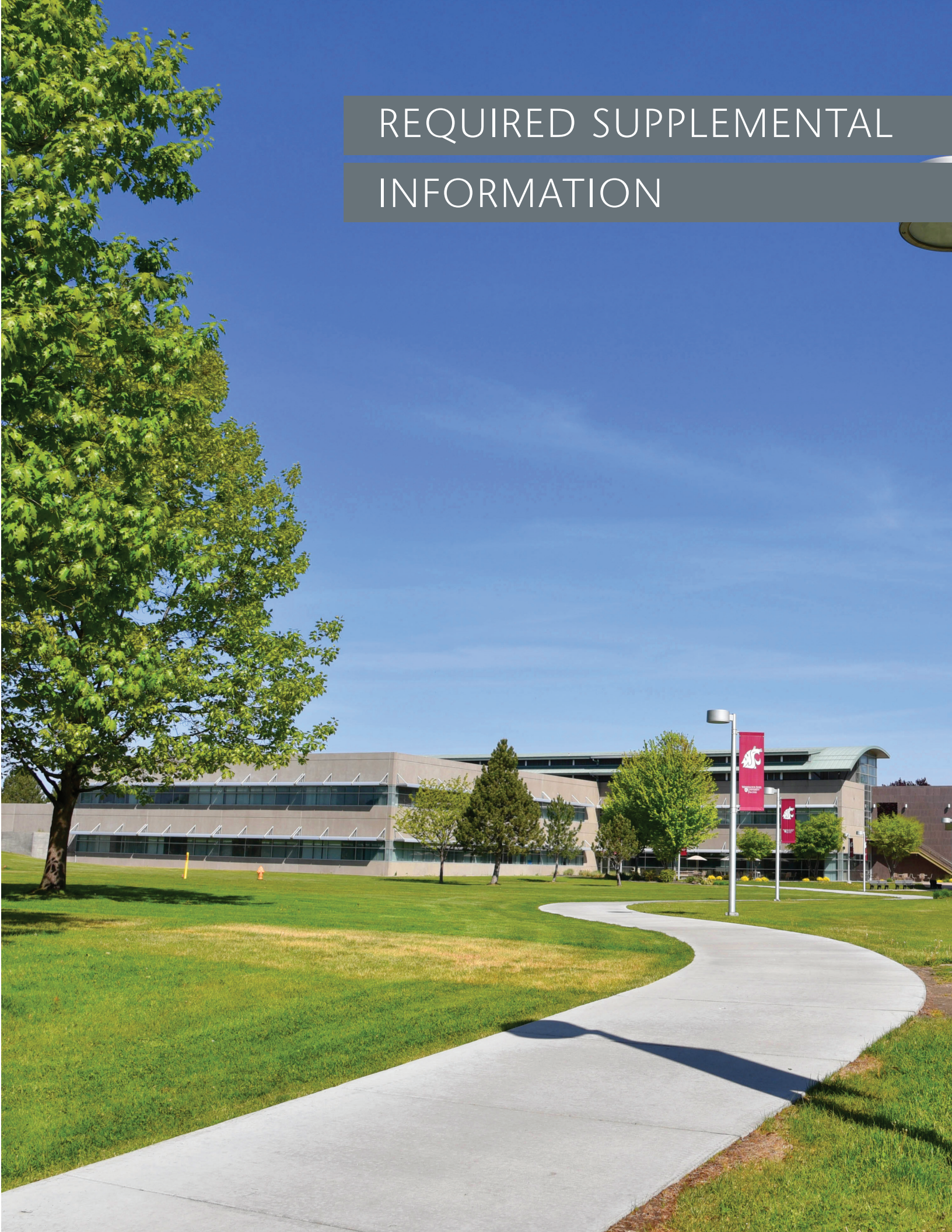
The University is engaged in various legal actions in the ordinary course of business. Management does not believe the ultimate outcome of these actions will have a material adverse effect on the financial statement.

The University will refund the 2009 Trust and Building Fee series bonds early in fiscal year 2020. This will result in a zero cash exchange, but will have a present value savings on future cash flow of $12,570,522.

The University expects to issue new debt obligations with net proceeds after cost of issuance not to exceed $3,500,000 and a maximum term not to exceed 5.5 years. The debt proceeds will be used to complete the baseball clubhouse to include a locker room, pitching lab, academic space, team meeting rooms and areas for equipment and training.

The University has commitments of $43,215,647 for various capital improvement projects that include construction and completion of new buildings and renovations of existing buildings.

REQUIRED SUPPLEMENTAL INFORMATION



Schedule of WSU Contributions

Public Employees' Retirement System (PERS) Plan 1 Last 10 Fiscal Years
Fiscal year ending June 30*

	2019	2018	2017	2016	2015	2014
Contractually required contributions	$ 6,645,224	$ 6,354,037	$ 5,873,872	$ 5,739,650	$ 4,445,539	$ 4,108,597
Contributions in relation to the contractually required contribution	(6,645,224)	(6,354,037)	(5,873,872)	(5,739,650)	(4,445,539	(4,108,597)
Contribution deficiency (excess)	–	–	–	–	–	–
Covered payroll	$128,281,013	$124,750,748	$ 120,938,855	$120,186,698	$ 107,767,738	$ 99,541,744
Contributions as a percentage of covered payroll	5.18%	5.09%	4.86%	4.78%	4.13%	4.13%

This schedule is to be built prospectively until it contains ten years of data.

Schedule of WSU Contributions

Public Employees' Retirement System (PERS) Plan 2/3 Last 10 Fiscal Years
Fiscal year ending June 30*

	2019	2018	2017	2016	2015	2014
Contractually required contributions	$ 9,548,591	$ 9,135,929	$ 7,429,172	$ 7,202,615	$ 5,285,672	$ 4,742,786
Contributions in relation to the contractually required contribution	(9,548,591)	(9,135,929)	(7,429,172)	(7,202,615)	(5,285,672)	(4,742,786)
Contribution deficiency (excess)	–	–	–	–	–	–
Covered payroll	$127,047,653	$123,376,553	$119,248,641	$118,023,229	$105,292,307	$96,729,193
Contributions as a percentage of covered payroll	7.52%	7.40%	6.23%	6.10%	5.02%	4.90%

This schedule is to be built prospectively until it contains ten years of data.

Schedule of WSU Contributions

Teachers Retirement System Last (TRS) Plan 1 Last Fiscal Years
Fiscal year ending June 30*

	2019	2018	2017	2016	2015	2014
Contractually required contributions	$ 925,684	$ 806,421	$ 659,336	$ 402,431	$ 292,813	$ 164,453
Contributions in relation to the contractually required contribution	(925,684)	(806,421)	(659,336)	(402,431)	(292,813)	(164,453)
Contribution deficiency (excess)	–	–	–	–	–	–-
Covered payroll	$12,505,211	$11,393,621	$10,512,086	$ 8,871,010	$6,390,188	$3,741,023
Contributions as a percentage of covered payroll	7.40%	7.08%	6.27%	4.54%	4.58%	4.40%

This schedule is to be built prospectively until it contains ten years of data.

Schedule of WSU Contributions

Teachers Retirement System (TRS) Plan 2/3 Last 10 Fiscal Years*
Fiscal year ending June 30*

	2019	2018	2017	2016	2015	2014
Contractually required contributions	$ 974,731	$ 868,149	$ 701,980	$ 712,476	$ 359,625	$ 207,092
Contributions in relation to the contractually required contribution	(974,731)	(868,149)	(701,980)	(712,476)	(359,625)	(207,092)
Contribution deficiency (excess)	–	–	–	–	–	–
Covered payroll	$ 12,448,690	$ 11,338,800	$10,446,117	$ 8,802,686	$ 6,327,223	$ 3,642,005
Contributions as a percentage of covered payroll	7.83%	7.66%	6.72%	8.09%	5.68%	5.69%

This schedule is to be built prospectively until it contains ten years of data.

Schedule of WSU Contributions

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Last 10 Fiscal Years
Fiscal year ending June 30*

	2019	2018	2017	2016	2015	2014
Contractually required contributions	$ 199,047	$ 189,919	$ 143,426	$ 145,308	$ 136,419	$ 122,092
Contributions in relation to the contractually required contribution	(199,047)	(189,919)	(143,426)	(145,308)	(136,419)	(122,092)
Contribution deficiency (excess)	–	–	–	–	–	–
Covered payroll	$ 2,274,829	$ 2,177,248	$1,705,430	$1,691,590	$ 1,638,448	$ 1,461,750
Contributions as a percentage of covered payroll	8.75%	8.72%	8.41%	8.59%	8.33%	8.35%

**This schedule is to be built prospectively until it contains ten years of data.*

Schedule of WSU Contributions

WSURP Supplemental Retirement Plan as of June 30*

	2019	2018	2017
Contractually required contributions	$ 25,478,226	$ 25,552,852	$ 25,429,397
Contributions in relation to the contractually required contribution	(25,478,226)	(25,552,852)	(25,429,397)
Contribution deficiency (excess)	–	–	–
Covered payroll	$171,012,253	$186,365,000	$ 196,596,000
Contributions as a percentage of covered payroll	14.90%	13.71%	12.93%

**This schedule is to be built prospectively until it contains ten years of data.*



Schedule of WSU's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS) Plan 1
Measurement Date of June 30*

	2018	2017	2016	2015	2014
PERS 1 employers' proportion of the net pension liability	0.95%	0.98%	1.01%	0.97%	0.93%
PERS 1 employers' proportionate share of the net pension liability	$ 42,454,119	$ 46,335,497	$ 54,355,128	$ 50,597,060	$ 46,759,620
PERS 1 employers' covered payroll	$124,750,748	$120,938,855	$116,436,524	$ 108,182,777	$ 98,779,796
PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered payroll	34.03%	38.31%	46.68%	46.77%	47.34%
Plan fiduciary net position as a percentage of the total pension liability	63.22%	61.24%	57.03%	59.10%	61.19%

**As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Schedule of WSU's Proportionate Share of the Net Pension Liability

Public Employees' Retirement System (PERS) Plan 2/3
Measurement Date of June 30*

	2018	2017	2016	2015	2014
PERS 2 employers' proportion of the net pension liability	1.18%	1.22%	1.25%	1.19%	1.12%
PERS 2 employers' proportionate share of the net pension liability	$ 20,215,832	$ 42,261,445	$ 62,818,595	$ 42,397,358	$ 22,694,083
PERS 2 employers' covered payroll	$ 123,376,553	$119,248,641	$ 114,375,414	$ 105,747,583	$ 95,879,972
PERS 2 employers' proportionate share of the net pension liability as a percentage of its covered payroll	16.39%	35.44%	54.92%	40.09%	23.67%
Plan fiduciary net position as a percentage of the total pension liability	95.77%	90.97%	85.82%	89.20%	93.29%

** As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Schedule of WSU's Proportionate Share of the Net Pension Liability

Teachers' Retirement System (TRS) Plan 1
Measurement Date of June 30*

	2018	2017	2016	2015	2014
TRS 1 employers' proportion of the net pension liability	0.19%	0.19%	0.18%	0.13%	0.08%
TRS 1 employers' proportionate share of the net pension liability	$ 5,663,057	$ 5,696,321	$ 6,014,486	$ 4,144,932	$ 2,452,825
TRS 1 employers' covered payroll	$11,393,621	$10,512,086	$ 8,491,289	$ 6,453,097	$ 3,791,772
TRS 1 employers' proportionate share of the net pension liability as a percentage of its covered payroll	49.70%	54.19%	70.83%	64.23%	64.49%
Plan fiduciary net position as a percentage of the total pension liability	66.52%	65.58%	62.07%	65.70%	68.77%

** As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Schedule of WSU's Proportionate Share of the Net Pension Liability

Teachers' Retirement System (TRS) Plan 3
Measurement Date of June 30*

	2018	2017	2016	2015	2014
TRS 3 employers' proportion of the net pension liability	0.20%	0.19%	0.18%	0.14%	0.08%
TRS 3 employers' proportionate share of the net pension liability	$ 878,956	$ 1,758,409	$ 2,438,303	$ 1,141,883	$ 272,606
TRS 3 employers' covered payroll	$11,338,800	$ 10,446,117	$ 8,426,012	$ 6,390,132	$ 3,699,860
TRS 3 employers' proportionate share of the net pension liability as a percentage of its covered payroll	7.75%	16.83%	28.94%	17.87%	7.37%
Plan fiduciary net position as a percentage of the total pension liability	96.88%	93.14%	88.72%	92.48%	96.81%

** As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Schedule of WSU's Proportionate Share of the Net Pension Asset

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2
Measurement Date of June 30*

	2018	2017	2016	2015	2014
LEOFF 2 employers' proportion of the net pension asset	0.11%	0.09%	0.09%	0.09%	0.09%
LEOFF 2 employers' proportionate share of the net pension asset	$ 2,223,495	$1,259,899	$ 552,438	$ 956,615	$ 1,152,604
LEOFF 2 employers' covered payroll	$ 2,177,248	$1,705,430	$1,694,590	$1,638,448	$ 1,461,750
LEOFF 2 employers' proportionate share of the net pension asset as a percentage of its covered payroll	102.12%	73.88%	32.60%	58.39%	78.85%
Plan fiduciary net position as a percentage of the total pension asset	118.50%	113.36%	106.04%	111.67%	116.75%

** As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Schedule of Changes in Total Pension Liability and Related Ratios

WSURP Supplemental Retirement Plan
Measurement Date of June 30*

	2019	2018	2017
Total pension liability			
Service costs	$ 2,111,920	$ 2,763,000	$ 3,803,000
Interest	3,240,556	3,261,000	3,140,000
Changes of benefit terms	–	–	–
Differences between expected and actual experience	(1,022,479)	(7,171,000)	(16,390,000)
Changes in assumptions	7,997,446	(3,255,000)	(6,574,000)
Benefit payments	(2,438,920)	(2,181,000)	(1,890,000)
Other	–	1,268	–
Net change in total pension liability	**9,888,523**	**(6,581,732)**	**(17,911,000)**
Total pension liability—beginning	**82,831,268**	**89,413,000**	**107,324,000**
Total pension liability—ending	**92,719,791**	**82,831,268**	**89,413,000**
Covered-employee payroll	**$ 171,012,253**	**$ 186,365,000**	**$ 196,596,000**
Total pension liability as a percentage of covered payroll	54.22%	44.45%	45.48%

– indicates data not available.

**As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

Schedule of Changes in Total OPEB Liability

Measurement Date of June 30*

	2019	2018
Total OPEB liability		
Service cost	$ 16,577,178	$ 21,249,263
Interest	11,396,717	9,953,285
Changes of benefit terms	10,402,988	–
Differences between expected and actual experience	(72,572,455)	(48,552,300)
Changes in assumption	–	–
Benefits payments	(4,813,404)	(5,072,353)
Changes in proportionate share	(9,286,729)	(5,931,607)
Other		-
Net changes in total OPEB liability	**(48,295,705)**	**(28,353,712)**
Total OPEB liability—beginning	**313,439,155**	**341,792,867**
Total OPEB liability—ending	**265,143,450**	**313,439,155**
Covered-employee payroll	**$ 70,794,306**	**$ 70,792,643**
Total OPEB liability as a percentage of covered-employee payroll	375%	443%

**As of June 30; this schedule is to be built prospectively until it contains ten years of data.*

Schedule of WSU's Proportionate Share of the Net OPEB Liability

Measurement Date of June 30*

	2018	2017
OPEB employers' proportion of the net OPEB liability	5.22%	5.38%
OPEB employers' proportionate share of the net OPEB liability	$ 265,143,450	$ 313,439,155
OPEB employers' covered-employee payroll	$ 70,794,306	$ 70,792,643
OPEB employers' proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	375%	443%

Notes to Required Supplementary Information for the Year ended June 30, 2019

DRS Administered Plans

The Actuarially Determined Contributions are calculated by the Office of the State Actuary based on the results of an actuarial valuation. The actuarial valuation is performed biennially, on odd numbered years. The results of the valuation determine the actuarially determined contributions for the biennium beginning two years later. Depending on the governing bodies' actions, adopted contribution rates can vary.

The Office of the State Actuary uses the same methods and assumptions to calculate the contractually required contributions for cost-sharing plans as the actuarially determined contributions, with the difference being the contractually required contributions reflect the adopted contribution rates for the time period shown. These rates may differ from the actuarially determined contribution rates.

University Administered Plans

The University's Supplemental Retirement plan has no assets accumulated in a trust meeting the criteria of GASB 73 to pay related benefits.

As required under GASB 73, the discount rate was changed from 3.87% to 3.50% reflected in the changes in assumption. This decrease in discount rate, increased the liability. Also, actual CREF return was lower than expected at 4.97% compared to the expected rate of 6.5%. This is reflected in the differences between expected and actual experience, resulting in an increase in the total pension liability.

Health Care Authority Administered OPEB Plan

The OPEB plan has no assets accumulated in a trust meeting the criteria of GASB 75 to pay related benefits.

A material assumption change was an increase to the discount rate from 3.58% to 3.87%, reflected in the change in assumptions. This decreased the total OPEB liability.



2019 Annual Financial Report

Fiscal year ended June 30, 2019

PULLMAN | SPOKANE | TRI-CITIES | VANCOUVER | GLOBAL CAMPUS | EXTENSION | EVERETT

We would like to acknowledge the following staff responsible for the content of this report:

Tami Bidle, Karen Breese, Rick Combs, Jennifer Druffel, Amberly Marino, Karen Kellerman, Mollie Holt, Robert Wright

Office of the Washington State Auditor
Pat McCarthy

Exit Conference: Washington State University

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Financial statement audit for July 1, 2017 through June 30, 2019 - see draft report.
- Comprehensive Annual Financial Report opinion letter – see letter.

Audit Highlights

- We would like to thank the Financial Reporting Manager and University staff for making every effort to provide us with requested documents timely.
- University staff was professional and efficient to work with during our audit.

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Status of Prior Management Letter items

Brief Description	Partially Resolved	Unresolved
Financial Statement Preparation	X	

Communications required by audit standards

In relation to our financial statement audit report, we would like to bring to your attention:

- Uncorrected misstatements in the audited financial statements are listed below. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.

Description	Statement / Schedule
The University overstated its pension liability by including the pension liability for another government entity. The amount overstated cannot be readily determined but is presumed to be insignificant. (overstatement)	Statement of Net Position
Error in reporting payments to suppliers expenses by $1,102,288 based on the auditor's best estimate because of inaccurate accrual of expenses. (overstatement)	Statement of Revenues, Expenses, and Changes in Fund Net Position

- There were no material misstatements in the financial statements corrected by management during the audit.

Work of Other Auditors

A financial statement audit was performed by KPMG of the WSU Foundation and by CliftonLarsonAllen of the Intercollegiate Athletics Department. Professional audit standards require us to evaluate relevant work done by other auditors and communicate certain matters to the governing body.

- We performed procedures to ensure we could rely on the work of the external auditors and reference their audit in our audit report. These procedures included consideration of attendance at key meetings, evaluation of the firm's last peer review report, review of the other auditor's work, review of the other auditor's results and communications with the other auditor.
- We did not become aware of any instance in which the work of the other auditors gave rise to concern about the quality of their work.
- There were no limitations that restricted our analysis of the other audit(s).
- We did not become aware of any instance in which a material misstatement of the financial statements has or may have resulted from fraud or suspected fraud.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: https://portal.sao.wa.gov/SAOPortal/

Audit Finding Resolution Requirements

Chapter 55.10 of the State Administrative Accounting Manual describes agency responsibilities for providing correction action plans for each audit finding contained in state audit reports. Specifically, agencies must submit a correction action plan to OFM within 30 days of reports with audit findings.

Corrective active plan templates can be found at www.ofm.wa.gov/policy/55.10.htm.

Upon completion of correction action related to audit findings, agency heads or their designees are required to certify in writing to OFM that the audit resolution process is complete.

Management Representation Letter

We have included a copy of representations requested of management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be $62,040, plus up to $8,000 travel costs, and actual audit costs will approximate these amounts.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2020 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement (including Comprehensive Annual Financial Report Opinion Letter)

Working Together to Improve Government

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Questions?

Please contact us with any questions about information in this document or related audit reports.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Washington State University
July 1, 2017 through June 30, 2019

Board of Regents
Washington State University
Pullman, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Washington State University, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 19, 2020.

Our report includes a reference to other auditors who audited the financial statements of the Washington State University Foundation (the Foundation) and the Washington State University Intercollegiate Athletic Department (Athletics), as described in our report on the University's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation. Although the financial statements of Athletics were not audited in accordance with *Government Auditing Standards,* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Athletics, this report, insofar as it relates to significant deficiencies in internal control as defined below identified by the other auditor, is based solely on the report of the other auditor.

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The financial statements of the Washington State University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2019 and 2018, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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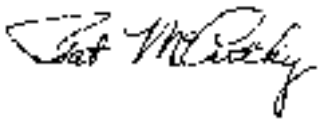
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of the University's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we have reported to the management of the University in a separate special investigation report dated February 10, 2020.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy

State Auditor

Olympia, WA

February 19, 2020

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Washington State University
July 1, 2017 through June 30, 2019

Board of Regents
Washington State University
Pullman, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Washington State University, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed on page 11.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Washington State University Foundation (the Foundation), which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit. We also did not audit the financial statements of the Washington State University Intercollegiate Athletics Department (Athletics), which represents 5.8 percent, (4.7) percent and 6.4 percent, respectively, of the assets, net position and revenues of the University business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and Athletics, is based solely on the report of the other auditors.

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We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation and Athletics were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Washington State University, as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of the Washington State University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the

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financial position of the state of Washington as of June 30, 2019 and 2018, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter

Other Matters

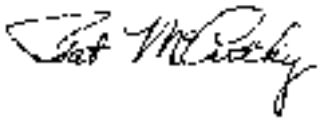
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on page 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2020 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

February 19, 2020

Preliminary Draft - Please do not duplicate, distribute, or disclose.

February 19, 2020

Washington State Auditor's Office
316 W Boone Ave, Ste 680
Spokane, WA 99201

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of Washington State University for the period from July 1, 2017 through June 30, 2019. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquires to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available requested and relevant information of which we are aware, including:
   a. Financial records and related data.
   b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
   c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
   d. Communications from regulatory agencies, government representatives or others concerning possible material noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.
   e. Related party relationships and transactions.
   f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.

2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information, and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.

3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.

4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.

6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.

7. We have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.

8. Except as reported to you in accordance with RCW 43.09.185, we have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.

9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records, notwithstanding immaterial uncorrected items referenced below.

Additional representations related to the financial statements:

10. We acknowledge our responsibility for fair presentation of financial statements and believe financial statements are fairly presented in conformity with generally accepted accounting principles in the United States of America.

11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.

12. The financial statements include financial information of the primary government and all component units, fiduciary and other activity required by generally accepted accounting principles to be included in the financial reporting entity.

13. The financial statements properly classify all funds and activities.

14. All funds that meet the quantitative criteria in GASB requirements or are otherwise particularly important to financial statement users, are presented as major funds.

15. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and depreciated as applicable.

16. We have no plans or intentions that may materially affect the reported value or classification of assets, liabilities or net position.

17. Revenues are appropriately classified by fund and account.

18. Expenses have been appropriately classified by fund and account, and allocations have been made on a reasonable basis.

19. Net position components (net investment in capital assets, restricted and unrestricted) are properly classified and, as applicable, approved.

20. Significant assumptions we used in making accounting estimates are reasonable.

21. The following have been properly classified, reported and disclosed in the financial statements, as applicable:

    a. Interfund, internal, and intra-entity activity and balances.

    b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

    c. Joint ventures and other related organizations.

    d. Guarantees under which the government is contingently liable.

    e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

    f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements, and other loss contingencies.

22. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.

23. We acknowledge our responsibility for reporting supplementary information in accordance with applicable requirements and believe supplementary information is fairly presented, in both form and content in accordance with those requirements.

24. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.

25. We acknowledge our responsibility for the supplementary information required by generally accepted accounting principles in the United States (RSI) and believe RSI is measured and presented within prescribed guidelines.

26. We have disclosed to you all significant changes in the methods of measurement and presentation of RSI, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation of the RSI.

27. We believe the effects of uncorrected financial statement misstatements summarized below are not material, both individually and in the aggregate, to each applicable opinion unit.

Description	Statement / Schedule
The University overstated its pension liability by including the pension liability for another government entity. The amount overstated cannot be readily determined but is presumed to be insignificant. (overstatement)	Statement of Net Position
Error in reporting payments to suppliers expenses by $1,102,288 based on the auditor's best estimate because of inaccurate accrual of expenses. (overstatement)	Statement of Revenues, Expenses, and Changes in Fund Net Position

28. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.

29. We understand our federal tax responsibilities for any Unrelated Business Income (UBI) and have evaluated our operations to identify any such taxable income. We have completely and properly reported UBI to the Internal Revenue Service and on our financial statements.

30. We adequately considered the qualifications of Duff & Phelps and agree with conclusions regarding the valuation of componentized buildings, which are reflected in financial statement amounts and disclosures. We provided Duff & Phelps with accurate and complete information in response to requests and did not give or cause any instructions to be given to Duff & Phelps with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of Duff & Phelps.

Stacy Pearson
Vice President, Finance and Administration

Matt Skinner
Associate Vice President for Finance

Mollie Holt
Controller

FUTURE ACTION ITEM #1

Fiscal Year 2021-2023 Biennial Operating Budget Request
(Stacy Pearson/Colleen Kerr)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2021-2023 Biennial Operating Budget Request

PROPOSED: That the Board of Regents approve the FY2021-2023 Biennial Operating Budget Request and further delegate authority to the President to approve changes or adjustments that may be needed before the submission to the Office of Financial Management.

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

SUPPORTING INFORMATION: A FY2021-2023 Biennial Operating Budget request will be submitted to the Office of Financial Management this fall in accordance with their instructions, which will be published later this spring. A list of request items will be presented in May for Board approval.

FUTURE ACTION #2

Fiscal Year 2021-2023 Biennial Capital Budget Request Approval (Stacy Pearson/Olivia Yang/Colleen Kerr)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2021-2023 Biennial Capital Budget Request Approval

PROPOSED: That the Board of Regents approve the FY2021-2023 Biennial Capital Budget Request and delegate authority to President to designate specific projects for the "Stand Alones" category.

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

SUPPORTING INFORMATION: The goal of this process is to improve the efficacy of the state capital funding through both process changes and structural additions to the state capital budget request, starting with the FY2021-2023 request.

We have previously discussed and reviewed the poor condition of many of our academic facilities and research labs and presented the negative impact that these facilities conditions have on WSU's teaching, research and Drive to 25 progress and goals. In addition, we are seeking to propose a more holistic approach for the purposes of leveraging partnerships and other funding sources by utilizing our capital planning process to clearly identify and prioritize our capital needs.

We propose to use this process to inform decision-making and to narrow the focus on the top system-wide needs and priorities in an increasingly competitive funding environment. In addition, this process can inform our 10-year capital plan and more clearly define our needs to better leverage state, private, federal and other non-State funding sources.

<u>Process</u>

The following describes the steps in documenting programmatic needs, obtaining University wide input on criteria for prioritization and developing a structure and timeline for the State Capital Budget request.

The components of this process includes;

a. Identification of programmatic needs
b. Integration of these needs with associated infrastructure support, into a comprehensive list of capital projects, and concurrently:
    - Development of prioritization criteria
    - Scoring of comprehensive list of capital projects based upon the agreed upon prioritization criteria
    - Development of the 2021-23 State Capital Budget request
    - Utilization of this data for future funding/partnership opportunities

Structure of State Capital Budget Request

The structure of the state capital budget request includes the following:

a. Previous requests for major projects (Vancouver, Spokane, Pullman Life/Physical Sciences)
b. Minor Capital Preservation and Program/Omnibus
c. "Stand Alones", which refers to requests of less than $10M. If approved, these projects are appropriated for design and construction funding in one biennium. Our process is to evaluate needs, develop them into project scope and aggregate the projects into "themes" of under $10M (i.e. Student Success, STEM teaching space, learning space optimization, etc.) that are recurring across biennia.

Timeline: Regents and State

By May 2020, we will utilize University input to create the categories and names for the "Stand Alone" recurring themes. In the May BOR Action, we will seek approval of the state capital budget strategy and structure, the identification of major capital projects and ask that the Regents delegate authority to the President to make the final determination of individual projects that would populate each of these recurring themes. University leadership will finalize the prioritized list by the end of spring semester.

For the State submission, we will submit this list to the Office of Financial Management for scoring by August 2020. The state capital request is due September 2020.

Timeline: Internal

To support the Regents and State submission, the following activities were completed:

- October 22: VPFA released project prioritization criteria and Capital Needs Statement.
- November 6, campus leadership provided input to VPFA on the project prioritization criteria (November 14 BOR presentation as Information Item).
- December 13, campus leadership submitted their highest priority needs, including capital (major, stand-alones or minor), equipment and omnibus, and space requests.

Looking ahead, we have the following milestones:

- By March 30, VPFA provides preliminary prioritization and ranking based on the approved criteria and submitted capital project needs.
- By April 30, VPFA provides preliminary state capital budget projects list.
- May BOR Action Item, approval of state capital budget request structure and major projects and delegate authority to President to approve individual projects within Stand Alones and Minors.
- By May - August, VPFA prepares the state capital budget request for submission to State.
- By August - September, WSU submits budget request to State Office of Financial Management.

ATTACHMENT: Attachment A - Capital Budgeting Process Presentation

Attachment A

Capital Budgeting Process

Board of Regents

March 12 - 13, 2020



Goal

University Facilities, System Wide, to Support Drive to 25

Challenge

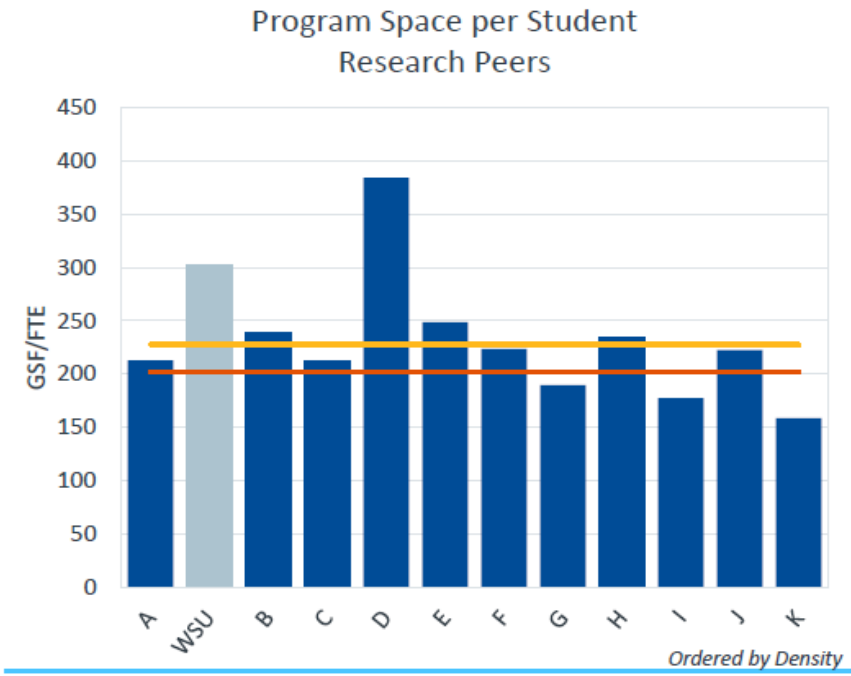
Too Much Space
Not all Space Appropriate for Function
Underfunding of Building O&M

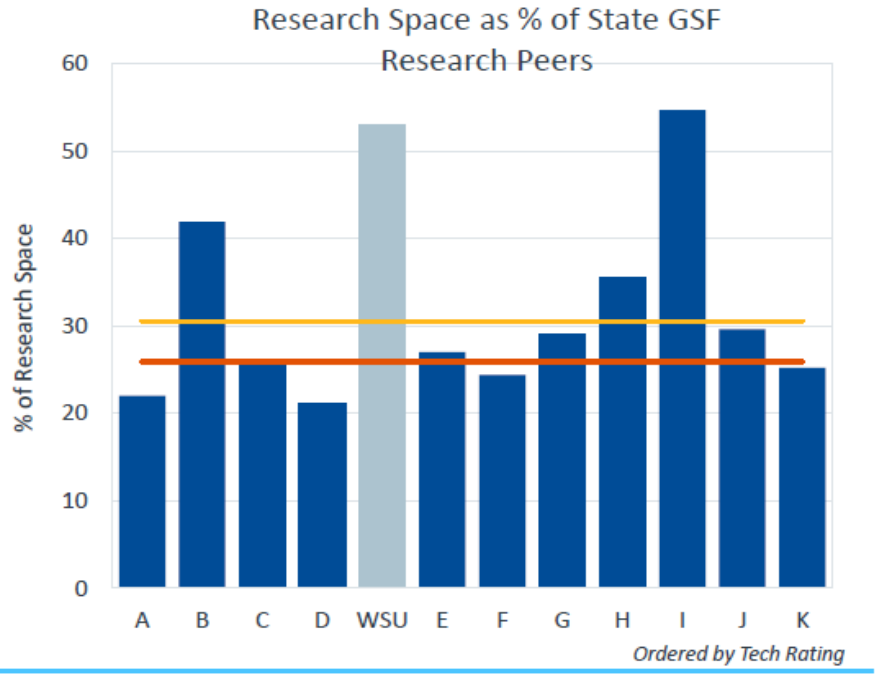
Too Much Space



More Core Academic Space Than Peers

Program Space = State Academic, Administrative and Research Buildings





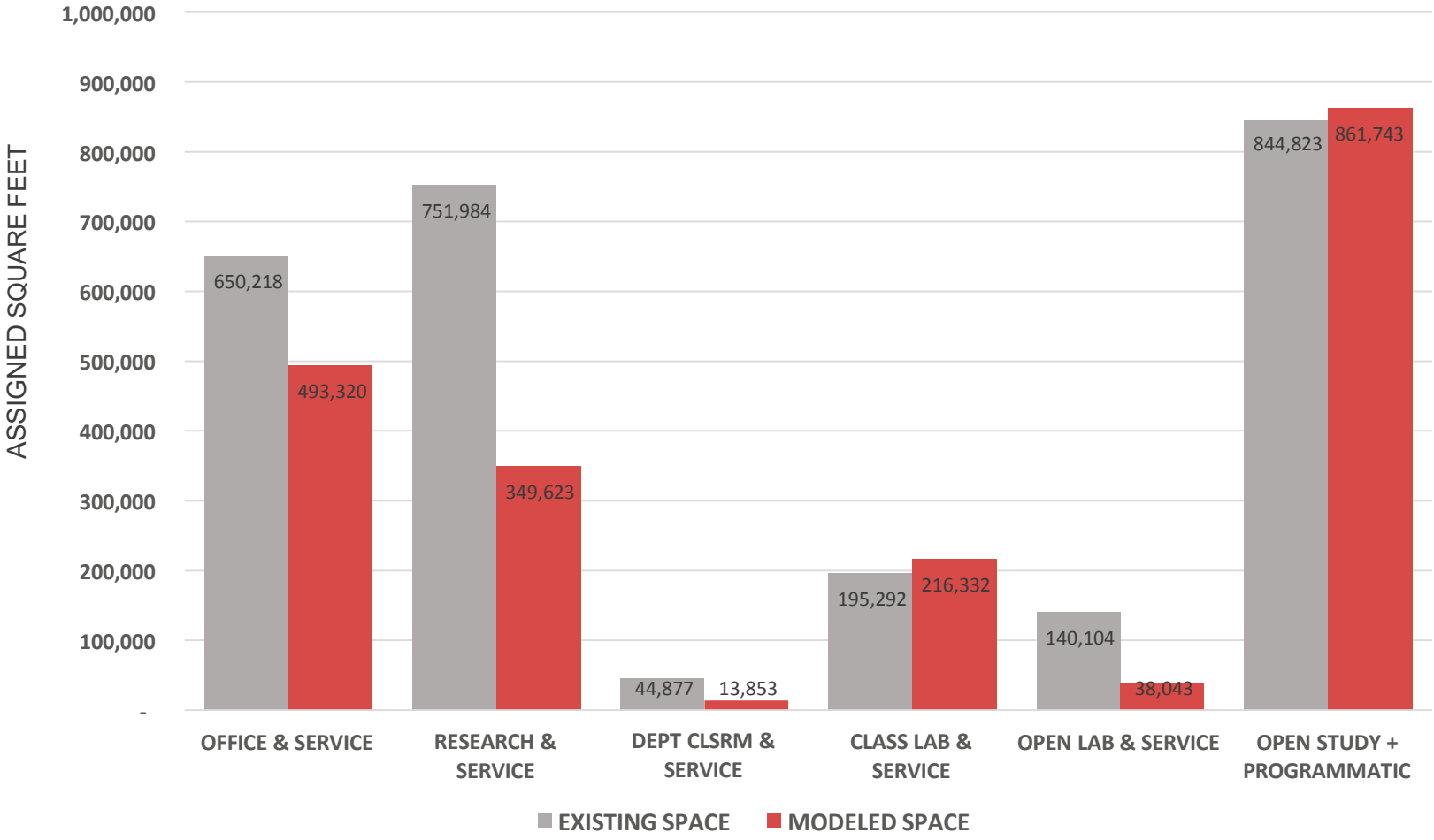
Research Peer Avg.

PAC-12 & Land Grant Peer Avg.

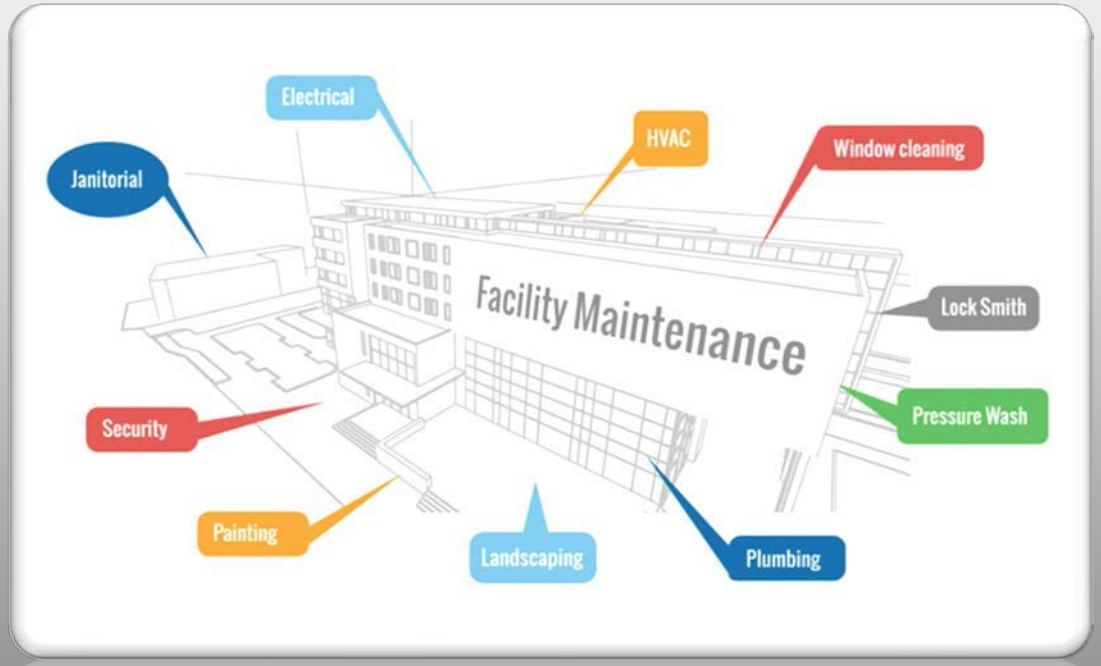
sightlines
a GORDIAN company

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WSU Pullman Academic Space



Underfunded O&M



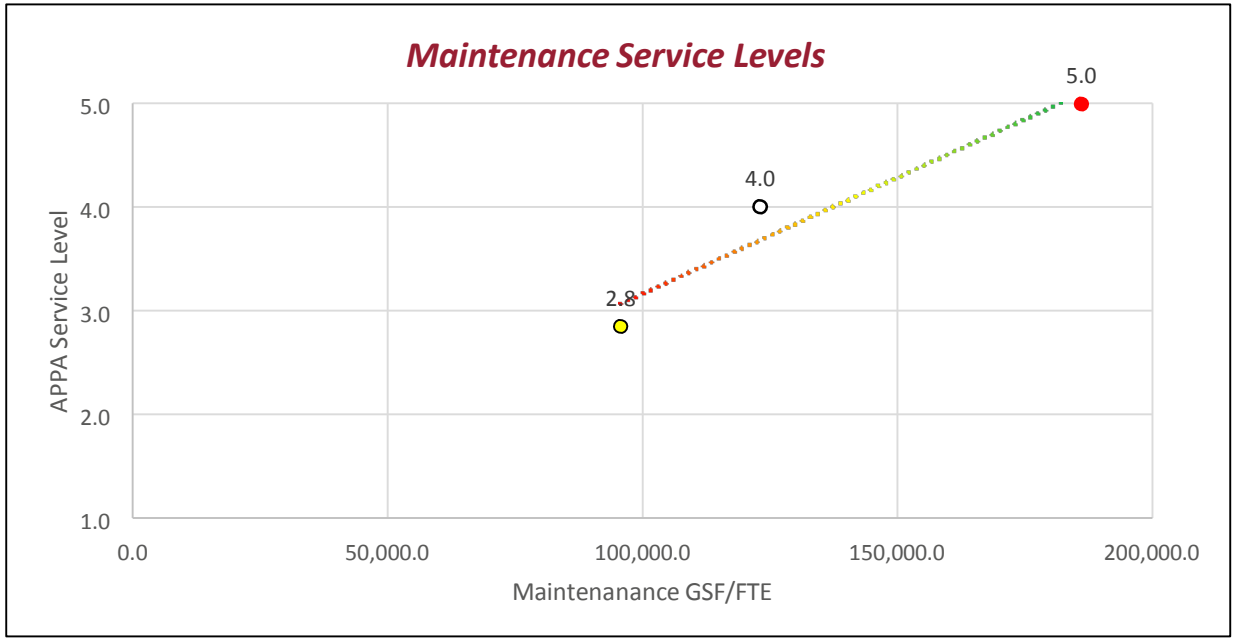
Maintenance Service Levels

Current and 10-year Projection

Crisis Response

Worse

Showpiece



WSU Staffing Levels (2016):	(GSF / FTE)	WSU APPA Rating Based on Staffing Factors
WSU Current Maintenance Staffing (GSF/FTE)	123,080.3	**4.0**
No GSF Reduction; No Budget Increase; 4.7% Annual Inflation (+10 yrs)	186,097.4	**5.0**
Research Peer Group Current Staffing (GSF/FTE)	95,736	**2.8**

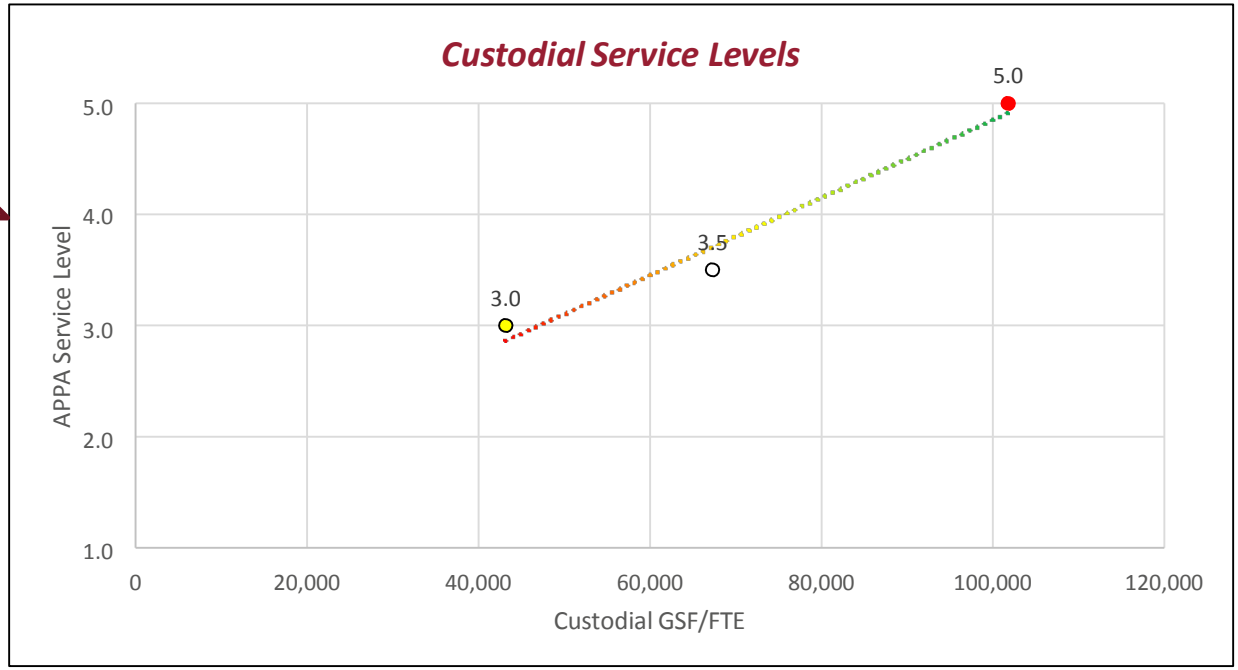
Custodial Service Levels

Current and 10-year Projection

Unkempt Neglect

Worse

Orderly Spotlessness



WSU Staffing Levels (2016):	(GSF / FTE)	WSU APPA Rating Based on Staffing Factors
WSU Current Custodial Staffing (Self-Assessment)	67,327	**3.5**
No GSF Reduction; No Budget Increase; 4.7% Annual Inflation (+10 yrs)	101,791	**5.0**
Research Peer Group Current Staffing (GSF/FTE)	43,196	**3.0**

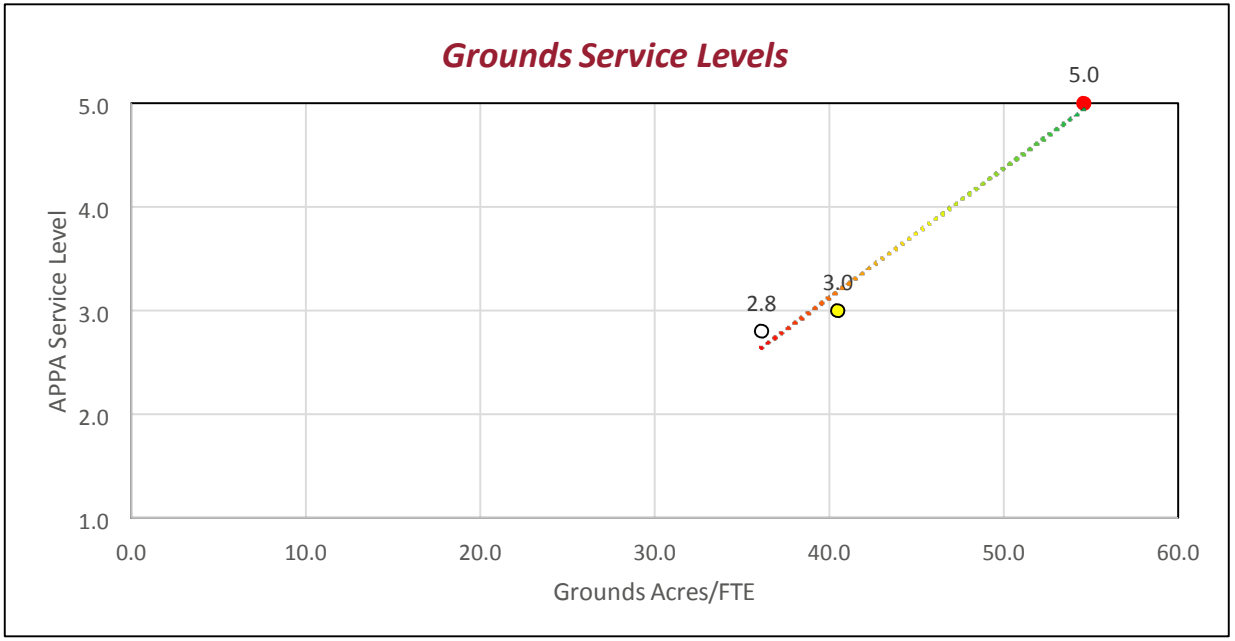
Grounds Service Levels

Current and 10-year Projection

Minimum

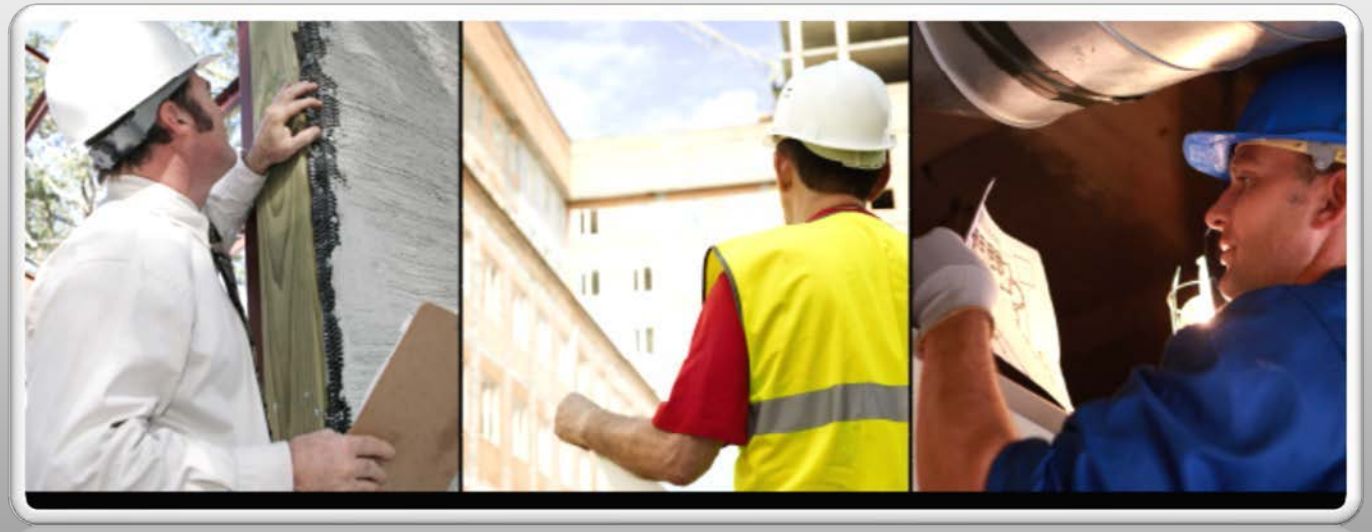
Worse

State of the Art



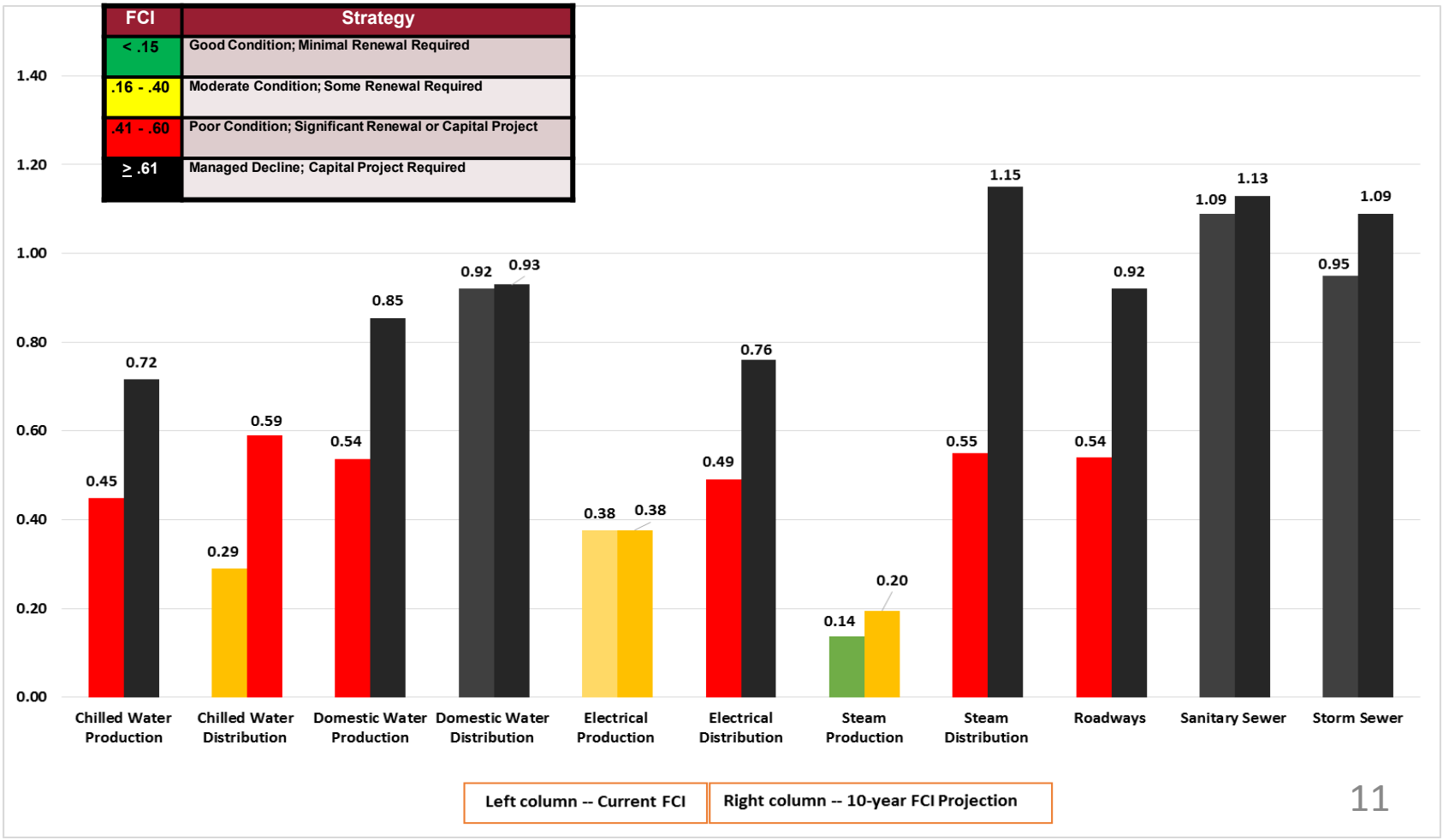
WSU Staffing Levels (2016):	(acres / FTE)	WSU APPA Rating Based on Staffing Factors
WSU Current Grounds Staffing (Self-Assessment)	36.1	**2.8**
No GSF Reduction; No Budget Increase; 4.7% Annual Inflation (+10 yrs)	54.6	**5.0**
Research Peer Group Staffing (GSF/FTE)	40.5	**3.0**

Facilities Condition

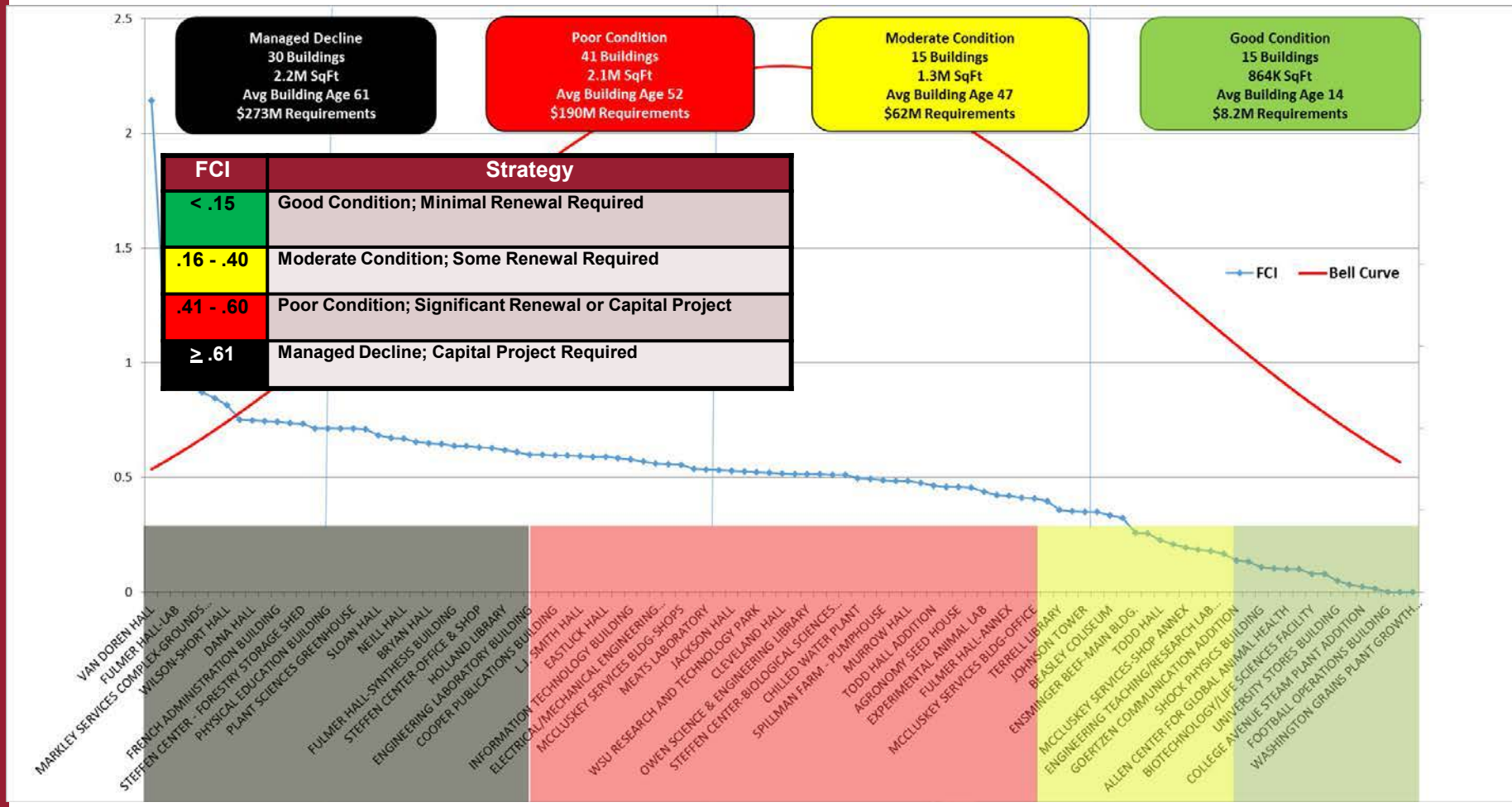


Infrastructure Condition

Current FCI and 10-year Projection



Facility Condition Index (FCI)
Current Condition



Facility Condition Index (FCI)
Current Condition



WASHINGTON STATE UNIVERSITY

WSU Pullman
Facility Condition Index - Current

Date: 3/19/2019
Facilities Services
Geographic Information System

Facility Condition Index (FCI)

10-year FCI Projection



WASHINGTON STATE UNIVERSITY

WSU Pullman

Facility Condition Index - 10 Yr Projection

Date: 3/19/2019

Facilities Services

Geographic Information System

All Funds, All Needs Project Development

- Alignment with University Goals
  - Drive to 25
  - Strategic Plan
- Inclusive and Transparent

Components of Process

- Identification of programmatic needs
- Integration of these needs with associated infrastructure support, into a comprehensive list of capital projects, and concurrently:
- Development of prioritization criteria
- Scoring of the list of capital projects against the agreed upon prioritization criteria
- Development of the 2021-23 State Capital Budget request

Timeline
Completed Activities

- October 22: VPFA released project prioritization criteria and Capital Needs Statement.
- November 6, campus leadership provided input to VPFA on the project prioritization criteria.
- November 14, BOR/ presented Information Item in the Institutional Infrastructure Committee.
- December 13, campus leadership submitted their highest priority needs, including capital (major, mini majors/"Stand Alones" or minor), equipment and omnibus, and space requests.

Timeline
Upcoming Milestones

- By March 30, VPFA provides preliminary prioritization and ranking based on the approved criteria and submitted capital project needs.
- By April 30, VPFA provides preliminary state capital budget projects list.
- May BOR, approval of state capital budget request structure and major projects and delegate to President individual projects within Mini-Majors/"Stand Alones" category.
- May-August, VPFA prepares state capital budget request for submission to State.
- August- September WSU submits budget request to State Office of Financial Management.

Criteria - Programmatic Needs

- Learning:
  - Retention Rates (SP)
  - Recruitment / Enrollment (D25 & SP)
  - Graduation Rates (SP)
  - Graduate Placement / Employment Goals (SP)
  - Interdisciplinary / Cross Institutional (SP)
  - Student Experience (SP)
  - Accreditation
- Research:
  - Total Research and Development Expenditure (D25)
  - Graduate Degrees Awarded (D25)
  - Innovation / Commercialization (SP & D25)
  - Cross Disciplinary Multi-Institutional Grants (D25)
  - Faculty Awards (D25)
  - Post Doc Appointees (D25)
  - Economic Development (incubator)
  - Accreditation
- Service:
  - Outreach, Sharing Knowledge, Providing Service

Criteria - Operational Efficiencies

- Risk Mitigation:
  - Code Compliance / Regulatory Action (ADA/AALAC)
  - Risk of Future System / Facility Failures
  - Life Safety Risk
  - Washington State Energy Performance Standard (HB 1257 Law)
- Space Optimization:
  - Existing Space Utilization / Efficiency
  - Demolition of Existing Conditioned Space
  - New Space Includes Demo (no net new space)
  - Functionality and Adequacy of Existing Space for Proposed Project
- Deferred Maintenance / Infrastructure Investment:
  - Deferred Maintenance Backlog impact
  - Project Improves Core Infrastructure (including utilities and core IT systems)
  - Energy and Water Conservation / Resource Utilization / Operational Savings
  - Maintenance & Operations Funding Plan

Scoring Committee Methodology

- Scoring Committee – (12) people
- Consensus based scoring

Needs/Omnibus Summary

- Capital Needs:
  - # of needs = 141
  - # removed = 24 (repeats, old, etc.)
  - # shifted to omnibus or MCR = 16
  - # shifted to an “all campus” category = 9
  - # of needs scored = 92
  - Total estimate of capital needs = approximately $800M

- Omnibus:
  - # of requests = 147
  - Total cost of Omnibus requests = $36,010,171

Information and Feedback Sessions

- Faculty Senate
- Deans' Council
- Associate Deans
- Research Council
- President's Cabinet
- Chancellors/Vice Chancellors/Assoc. Chancellors

Proposed Structure of State Capital Budget

- Previous commitments
  - Vancouver
  - Spokane
  - Pullman Life/Physical Sciences
- Minors
- Majors
- Mini-Majors/“Stand Alones”
  - Projects under $10M
  - Themes
  - Recurring

FUTURE ACTION ITEM #3

Academic Year 2020-2021 Tuition Rates
(Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Academic Year 2020-2021 Tuition Rates

PROPOSED: That the Washington State University Board of Regents set tuition rates for academic year 2020-2021

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

SUPPORTING INFORMATION: State law authorizes the governing boards of the four-year higher education institutions to establish tuition 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. This index has been approximately 2% for the previous two years.

The WSU Board of Regents has the authority to set all non-resident undergraduate, resident and non-resident graduate, and resident and non-resident professional tuition rates.

Tuition rates will be finalized for action at the May 2020 Board of Regents meeting, pending approval of the final legislative budget, evaluation of proposed rates, and gathering of student feedback.

The current full-time annual rates for 2019-2020 are shown below along with the proposed changes for academic year 2020-2021.

Tuition Rates	Current	Proposed	Change	%Change
Undergraduate Resident	$ 9,953	TBD		
Undergraduate Non-Resident (Attachment A)	$24,531	$25,267	$736	3.0%
Undergraduate Resident Global Campus	$ 9,953	TBD		
Undergraduate Non-Resident Global Campus	$11,135	$11,469	$334	3.0%
Graduate Resident (Attachment B)	$11,493	$11,838	$345	3%
Graduate Non-Resident	$25,248	$26,005	$757	3%
Graduate – Global Campus	$11,493	$11,838	$345	3%
Master of Nursing Resident	$17,234	$17,234	$0	0%
Master of Nursing Non-Resident	$32,256	$32,256	$0	0%
PharmD Resident (Attachment C)	$21,990	$23,990	$2,000	9%
PharmD Non-Resident	$38,644	$40,644	$2,000	5.20%
DVM Resident (Attachment D)	$25,744	$27,031	$1,287	5%
DVM Non-Resident	$61,156	$61,768	$612	1%
ESG College of Medicine Resident (Attachment E)	$38,357	$39,508	$1,151	3%
Masters in Athletic Training – Resident	$13,074	$13,074	$0	0%
Masters in Athletic Training – Non-Resident	$26,506	$26,506	$0	0%

The MBA programs are self-sustaining programs and as such charge a per credit hour tuition rate. The current per credit rates for 2019-2020 are shown below along with the proposed changes for academic year 2020-2021.

Online MBA (per credit) (Attachment F)	$834	$876	$42	5%
Online MBA – Military Rate (per credit)	$732	$769	$37	5%
Executive MBA (per credit)	$1,264	$1,292	$28	2.25%

ATTACHMENTS: Attachment A -Non-Resident Undergrad Tuition Rate Supporting Documents
Attachment B - Graduate Tuition Rate Supporting Documents
Attachment C - Pharmacy Tuition Rate Supporting Documents
Attachment D - Veterinary Tuition Rate Supporting Documents
Attachment E - Medicine Tuition Rate Supporting Documents
Attachment F - MBA Tuition Rate Supporting Documents

Tuition and Fee Rate Increase Request

Fee name: Non-resident Undergraduate Tuition

	Resident	Non-Resident
Current Rate (Annual)	Click or tap here to enter text.	$24,531 (on campus) $11,135 (online)
Proposed Rate (Annual)	Click or tap here to enter text.	$25,267 (on campus) $11,469 (online)
$ Increase	Click or tap here to enter text.	$736 (on campus) $334 (online)
% Increase	Click or tap here to enter text.	3.0%

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

Non-resident undergraduate students.
On campus rates are the same for all physical campuses, the online campus rate for non-residents was reduced in AY 2013-14 to equal the resident online rate.
These are full-time fall and spring semester rates for students enrolled in 10-18 credits. Over 18 credits pay an additional 1/10th of this rate per credit, part-time and summer session rates are 1/10th of these amounts per credit hour.

Justification for the increase / consequence for not increasing :

State appropriations and tuition are the major funding sources for the operating budget. The state does not provide inflationary increases in appropriations, and further, the state budget assumes that new funding for incremental cost increases like salaries and benefit rates are funded in part through tuition increases. The proposed inflationary increase balances the necessity to keep pace with rising costs while protecting the interest of students by keeping costs as low as possible.

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)

A 2.4% increase in non-resident undergraduate rates for AY 19-20 was the first increase in the on campus rate since AY 12-13 (six year freeze from 2013-14 through 2018-19). The online rate had been the same since 2013-14, when the rate was decreased to align resident and non-resident rates for global campus.
Based on current year rates, WSU has lowest non-resident undergraduate (on campus) tuition and fees when compared to Pac-12 peers.
(See supporting information-Attachment A)

Tuition and Fee Rate Increase Request

Alternatives Considered:
No increase would amount to a budget cut as costs continue to rise, and the State assumes the University to partially fund salary increases and benefit rate increases for faculty and staff with tuition rate increases.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
Proposals will be presented to student leadership on all campuses to share with constituents, all students will have opportunity to provide feedback which will be made available to the Regents for the May meeting.

Please Attach Any Supporting Documents

Attachment A: Non-Resident Undergraduate Tuition Rates

WSU Rate History, Tuition only:

Historical Tuition Rates (Annual)				
	Non-Resident Undergraduate		Non-Resident Undergraduate Online	
AY	$	% Incr.	$	% Incr.
2010-11	$19,122	5.3%	$12,118	14.0%
2011-12	$20,652	8.0%	$14,058	16.0%
2012-13	$23,956	16.0%	$14,058	0.0%
2013-14	$23,956	0.0%	$10,874	-22.6%
2014-15	$23,956	0.0%	$10,874	0.0%
2015-16	$23,956	0.0%	$10,874	0.0%
2016-17	$23,956	0.0%	$10,874	0.0%
2017-18	$23,956	0.0%	$10,874	0.0%
2018-19	$23,956	0.0%	$10,874	0.0%
2019-20	$24,531	2.4%	$11,135	2.4%
2020-21 (Proposed)	*$25,267*	*3.0%*	*$11,469*	*3.0%*

Pac-12 Peers, Tuition and Fees AY 2019-20:

PAC-12: Non-Resident Undergraduate Tuition and Fees (On campus rates)	
Institution	Non-Resident Undergrad
USC	58,195
Stanford	53,529
Cal	44,008
UCLA	42,993
Colorado	38,318
UW	37,071
Oregon	36,615
Arizona	36,600
ASU	31,228
OSU	31,215
Utah	28,788
WSU	**26,419**

Attachment B - Graduate Tuition Rate Supporting Documents

Tuition and Fee Rate Increase Request

Fee name: Graduate Resident and Non-resident Tuition

	Resident	Non-Resident
Current Rate (Annual)	$11,493	$25,248 (on campus) $11,493 (online)
Proposed Rate (Annual)	$11,838	$26,005 (on campus) $11,838 (online)
$ Increase	$345	$757 (on campus) $345 (online)
% Increase	3%	3%

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

Resident and non-resident graduate students in all programs except Medicine, Nursing, Pharmacy, and Veterinary Medicine.
Resident rates are the same for all campuses, the online campus rate for non-residents was reduced in AY 2013-14 to equal the resident rate.
The rates above are full-time fall and spring semester rates for students enrolled in 10-18 credits. Over 18 credits pay an additional 1/10th of this rate per credit, part-time and summer session rates are 1/10th of these amounts per credit hour.

Justification for the increase / consequence for not increasing :

State appropriations and tuition are the major funding sources for the operating budget. The state does not provide inflationary increases in appropriations, and further, the state budget assumes that new funding for incremental cost increases like salaries and benefit rates are funded in part through tuition increases. The proposed inflationary increase balances the necessity to keep pace with rising costs while protecting the interest of students by keeping costs as low as possible.

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)

A 2.4% increase in graduate rates for AY 19-20 was the first increase since AY 12-13 (six year freeze from 2012-13 through 2018-19)

Based on current year rates, WSU has the 5th lowest graduate tuition and fees when compared to Pac-12 peers.
(See supporting information - Attachment A)

Tuition and Fee Rate Increase Request

Alternatives Considered:
No increase would amount to a budget cut as costs continue to rise, and the State assumes the University to partially fund salary increases and benefit rate increases for faculy and staff with tuition rate increases.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
Proposals will be presented to student leadership on all campuses to share with constituents, all students will have opportunity to provide feedback which will be made available to the Regents for the May meeting.

Please Attach Any Supporting Documents

Attachment A: Graduate Tuition Rates

WSU Rate History, Graduate Tuition:

Historical Tuition Rates (Annual)						
	Resident Graduate		Non-Resident Graduate		Non-Resident Graduate Online	
AY	$	% Incr.	$	% Incr.	$	% Incr.
2010-11	$8,340	5.0%	$21,138	5.0%	$12,512	5.0%
2011-12	$9,676	16.0%	$22,830	8.0%	$14,514	16.0%
2012-13	$11,224	16.0%	$24,656	8.0%	$14,514	0.0%
2013-14	$11,224	0.0%	$24,656	0.0%	$11,224	-22.7%
2014-15	$11,224	0.0%	$24,656	0.0%	$11,224	0.0%
2015-16	$11,224	0.0%	$24,656	0.0%	$11,224	0.0%
2016-17	$11,224	0.0%	$24,656	0.0%	$11,224	0.0%
2017-18	$11,224	0.0%	$24,656	0.0%	$11,224	0.0%
2018-19	$11,224	0.0%	$24,656	0.0%	$11,224	0.0%
2019-20	$11,493	2.4%	$25,248	2.4%	$11,493	2.4%
2020-21 (Proposed)	*$11,838*	*3.0%*	*$26,005*	*3.0%*	*$11,838*	*3.0%*

Pac-12 Peers, Tuition and Fees AY 2019-20:

PAC-12: Resident Graduate Tuition and Fees	
Institution	Resident Grad
USC	59,653
Stanford	52,479
Oregon	17,238
UW	15,882 - 18,198
OSU	14,598
Cal	14,188
Colorado	13,556
WSU	13,095
UCLA	12,953
ASU	12,608
Arizona	11,500
Utah	8,395

PAC-12: Non-Resident Graduate Tuition and Fees	
Institution	Non-Resident Grad
USC	59,653
Stanford	52,479
Colorado	33,014
UW	28,467 - 32,439
Cal	29,290
Oregon	29,091
UCLA	28,055
WSU	26,850
OSU	26,712
Utah	26,639
ASU	24,432
Arizona	22,500

Attachment C - Pharmacy Tuition Rate Supporting Documents

Tuition and Fee Rate Increase Request

Fee name: Doctor of Pharmacy Resident and Non-Resident Tuition

	Resident	Non-Resident
Current Rate (Annual)	21990	38644
Proposed Rate (Annual)	23990	40644
$ Increase	2000	2000
% Increase	~9%	~5.2

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

Annual Operating Fee plus Building Fee paid by doctor of pharmacy students in Spokane and Yakima in the College of Pharmacy and Pharmaceutical Sciences (CPPS)

Justification for the increase / consequence for not increasing :

With current national trend of declining enrollment and the increasing costs of doctor of pharmacy education an increase is necessary and justifiable to ensure that we continue to provide the best educational opportunties to our students to ensure they are competitive and highly sought by the employers upon their graduation. The current funding model for the CPPS relies on tuition from our enrollment. We must be able to cover our costs as we experience revenue loss from declining enrollment. Although we are implementing expense reductions in many areas of the college, in order to cover the base costs of the program, we must increase tuition.

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)

Our last tuition increase was for the academic year 2018-19 and the previous increase to that increase was for the academic year 2012-13. The 2018-19 increase was $2000 annually for both residents and non-residents. Our peer instituitions are charging tuition rates near or higher than our rates. Please see attached Exhibit A providing tuition plus mandatory fees at competitor and regional institutions. University of Washington is our only in-state competitor and its tuition is significantly higher. Other competitor schools are Oregon, Roseman- Nevada, and several of the California schools. All of these schools' tuition and mandatory fees are currently higher than our tuition. Assuming a $2000 increase in our tuition and mandatory fees and leaving the other schools with no increase, we would still have lower tuition than our competitor schools. See Exhibit B attached. Finally, the total 4-year tuition and mandatory fees for the WSU Doctor of Pharmacy student will be roughly $100,000 while the average tuition paid by our regional schools is $150,000. We remain a quality, competitive program that is afforable to our students and to the students we are recruiting.

Tuition and Fee Rate Increase Request

Alternatives Considered:
Other than not increasing our tuition, one alternate approach would be to increase enrollment. This approach is not viable at this time due to the national enrollment trends in pharmacy. We are currently not able to meet our enrollment goal and are looking at a reduction of 40% in our application pool. Other approaches we are exploring and implementing are creating new revenue sources for CPPS. Although we have had success in some areas, we need time and additional resources for these opportunities to mature to make a significant impact and change our funding model.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
We have been discussing these trends and issues with our faculty, our dean's advsory council, professional student advisory council, and other strategic partners in the national pharmacy community. Although frustrated with the trends, all parties understand the reality of the situation and our need to increase revenues while coming up with innovative appraoches to maintaining our enrollment levels. We are seeing other schools struggle with accreditation issues, closing of their extension sites, and reducing their enrollment. Our stakeholders believe in our commitment to continue our efforts to maintain our enrollment, maintain our extension site in Yakima, provide an innovative curriculum, and graduate the best pharmacists who will be well prepared for and sought after by pharmacist employers. We have a plan to communicate this tuition increase and our commitment to provide the best opportunities and personalized education to our students to assure they are highly marketable and sought after by the pharmacy profession upon graduation. We have scheduled local Townhall meetings with the students over the next month to communicate our plans for the tuition increase and our continuing commitment to our doctor of pharmacy students. The Dean will also be communcating the same information to her Advisory Council.

Please Attach Any Supporting Documents

Exhibit A

Current Tuition Rates at Regional and/or Competitor Schools

School Name	State	Annual In-state tuition + Mandatory fee year 1	Total In-State + Mandatory fees (4 years)	% WSU TOTAL comparator In-state	Total Out-State + Mandatory fees (4 years)
Washington State University		**$22,846**	**$91,526**		**$158,142**
University of California, San Diego	CA	$39,804	$159,216	174%	$208,196
University of California, San Francisco	CA	$47,242	$166,164	182%	$215,144
California Health Sciences University	CA	$46,397	$185,412	203%	$185,412
California Northstate University	CA	$50,160	$199,090	218%	$199,090
Touro University California	CA	$47,120	$188,475	206%	$188,475
University of Southern California	CA	$62,494	$248,461	271%	$248,461
University of the Pacific	CA	$81,094	$215,734	236%	$215,734
Western University of Health Sciences	CA	$50,715	$203,210	222%	$203,210
University of Colorado	CO	$31,738	$126,532	138%	$160,512
Idaho State University	ID	$19,248	$86,611	95%	$178,870
The University of Montana	MT	$13,094	$52,376	57%	$127,832
The University of New Mexico	NM	$21,771	$87,084	95%	$176,796
Roseman University of Health Sciences	NV	$58,582	$170,196	186%	$170,196
Oregon State University	OR	$26,560	$110,864	121%	$181,392
Pacific University Oregon	OR	$49,890	$148,964	163%	$148,964
The University of Utah	UT	$31,110	$149,995	164%	$278,975
University of Washington	WA	**$32,779**	**$131,116**	**143%**	**$217,564**
University of Wyoming	WY	$17,299	$70,560	77%	$144,945
PEER GROUP AVERAGE		**$40,394**	**$150,003**		**$191,654**

Exhibit B

Comparison after $2000 Annual Tuition Increase at WSU

School Name	State	Annual In-state tuition + Mandatory fee year 1	Total In-State + Mandatory fees (4 years)	% WSU TOTAL comparator In-state	Total Out-State (4 years)
Washington State University		**$24,846**	**$99,526**		**$166,142**
University of California, San Diego	CA	$39,804	$159,216	160%	$208,196
University of California, San Francisco	CA	$47,242	$166,164	167%	$215,144
California Health Sciences University	CA	$46,397	$185,412	186%	$185,412
California Northstate University	CA	$50,160	$199,090	200%	$199,090
Touro University California	CA	$47,120	$188,475	189%	$188,475
University of Southern California	CA	$62,494	$248,461	250%	$248,461
University of the Pacific	CA	$81,094	$215,734	217%	$215,734
Western University of Health Sciences	CA	$50,715	$203,210	204%	$203,210
University of Colorado	CO	$31,738	$126,532	127%	$160,512
Idaho State University	ID	$19,248	$86,611	87%	$178,870
The University of Montana	MT	$13,094	$52,376	53%	$127,832
The University of New Mexico	NM	$21,771	$87,084	87%	$176,796
Roseman University of Health Sciences	NV	$58,582	$170,196	171%	$170,196
Oregon State University	OR	$26,560	$110,864	111%	$181,392
Pacific University Oregon	OR	$49,890	$148,964	150%	$148,964
The University of Utah	UT	$31,110	$149,995	151%	$278,975
University of Washington	WA	**$32,779**	**$131,116**	**132%**	**$217,564**
University of Wyoming	WY	$17,299	$70,560	71%	$144,945
PEER GROUP AVERAGE		**$40,394**	**$150,003**		**$191,654**

Attachment D - Veterinary Tuition Rate Supporting Documents

Tuition and Fee Rate Increase Request

Fee name: College of Veterinary Medicine DVM Program

	Resident	Non-Resident
Current Rate (Annual)	$25,744	$61,156
Proposed Rate (Annual)	$27,031	$61,768
$ Increase	$1,287	$612
% Increase	5%	1%

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

This increase applies to full-time professional DVM students on the Pullman campus for both the fall and spring semesters.

Justification for the increase / consequence for not increasing :

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

The above loss of revenue contributed significantly to an ongoing CVM cary-forward deficit that must be eliminated by FY2023. Despite positive run rates that have exceeded targets over the past two years, this deficit remains > $4M. Expenses associated with operating our veterinary teaching hospital (VTH) and delivering our DVM curriculum continue to rise at a higher rate than the revenue generated by the VTH and the Washington Animal Disease Diagnostic Laboratory (WADDL), despite fee increases implemented by both of these units. This tuition increase is a necessary component in our strategy to eliminate our deficit by 2023.

Based on the typical mix of student enrollments from WA residents, residents of contract/partner states, and non-residents, these increases would generate ~$647,000 in additional revenue for FY21 (of this, ~$270,000 would flow to the "central" budget). This request follows on 3% and 1% tuition increases for resident and non-resident DVM students, respectively, approved in FY20.

Tuition and Fee Rate Increase Request

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)
For 8 years, from FY2002 – FY2009, DVM tuition at WSU's CVM rose 7% each year. When the Great Recession occurred and WSU undergraduate tuition rose precipitously, we worked with university leadership to hold DVM tuition growth lower than the undergraduate tuition raises of 14%, 14%, 16%, and 16%, from FY10-FY13, and "only" increased DVM student tuition by 7% in each of those 4 years. DVM tuition was more than double undergraduate tuition, and increases of 14-16% were out of the question. Subsequent to that period, over the 4 years from FY14-FY17, DVM student tuition was not increased, for both residents and non-residents. This matched the policy for undergraduate tuition in FY14 and FY15. For FY16 and FY17 we again held DVM tuition flat; for these two years the Washington legislature lowered undergraduate tuition 5% and 10% by appropriating a backfill of the reduced tuition revenue – however, this backfill was not provided for graduate and professional student tuition. Even though our limiting of tuition increases, including flat tuition for two years prior to FY16, were starting to erode revenue in relation to expenses that continued to increase, we felt we could not increase DVM student tuition in a climate where undergraduate tuition was decreasing. Thus, we also kept it flat for those two years. Subsequently, for FY18 and FY19, tuition for both resident and non-resident DVM students returned to the previous norm of 7% increases per year; in FY20 tuition increases were held to a lower level of 3% for resident DVM and 1% for non-resident DVM students. This 20-year tuition history through FY20 is shown in Attachment A. Given the compounding over many years contributing to growing educational debt, increases of 7% per year are not sustainable, particularly for non-resident tuition. Our approved smaller increase of 3% in resident DVM tuition last year recognized this. Because non-resident tuition is ~2.5 fold greater than resident tuition, we requested only a 1% increase last year, so that the absolute increase was comparable to that of the 3% increase in resident tuition. In order to meet our financial recovery plan goals, we are requesting a slightly higher increase of 5% in resident tuition for AY 2020-2021. Because our non-resident tuition is significantly higher than our resident tuition, we request a lower 1% increase this year, as we did last year. Attachment B shows that our current base resident DVM tuition is 11th lowest out of our 30 US peers, the same as last year. Our requested resident tuition increase for AY 2020-2021 will not move us out of that 11th lowest spot. Our resident tuition has always been in the lower one-half to one-third of peer tuition comparisons, and has drifted further down in that range because of our flat tuition from FY14-FY17. Comparatively, because Washington allows true (i.e., not supported by their home state) non-resident DVM students to convert to WA residency, our 4-year tuition total for non-resident DVM students is 2nd lowest among the 30 US schools. The exception to this is the cohort of ~10 non-resident students per class that are admitted to our regional program (WIMU), and who start at Utah State University. Because these students spend time at both USU and WSU, our agreement with USU is that these students do not convert to residency of either state during their 4 years of study. Their tuition is discounted (currently by $11,600 per year) so as to keep it near the mid-point of the US market for 4-year total non-resident tuition. Attachment B also shows the total 4-year cost estimated by the Association of American Veterinary Medical Colleges (AAVMC) for both resident and non-resident students across the 30 US colleges. Total cost as defined by the AAVMC is the sum of tuition/fees, estimated cost of living provided for FAFSA purposes, and imputed interest on the average student debt accrued during vet school

(student educational debt interest accrues during all 4 years of study toward the DVM). These data show that the WSU CVM's total cost for resident DVM students is 7th lowest among the 30 US colleges and 3rd lowest for non-resident students, in general. As stated above, the USU students are an exception and pay non-resident tuition (at a discounted rate) all 4 years. Their total 4-year cost of education is therefore ~$72,000 higher than for other true non-residents in our program, and this approximate cost is shown on the chart in Attachment B.

High total educational debt for DVM graduates is a national problem in the veterinary profession because it leads to debt loads that are considered unwise. The mean educational debt of DVM graduates nationally is about $168,000 for those graduating in 2019. At WSU, it was about $113,000. Our graduates typically have lower debt because our resident tuition is lower than the national average and also because such a high proportion of our students pay resident tuition (i.e., those from our contract states of Idaho, Montana, Utah, and other WICHE states, and because most non-residents can convert to WA residency after their 1st year). As a result, 2019 WSU DVM graduates had the 3rd lowest educational debt among the 30 US colleges (Attachment B).

Alternatives Considered:

Although our graduates are relatively advantaged compared to most of their peers nationally, they still carry a large educational debt load, and we have taken pride in trying to keep our tuition down to help address this issue within the profession and for our students. However, as expenses have risen over the past few years, and as state appropriations continue to lag the university's needs coming out of the recession, we must rely increasingly on non-state sources of revenue. We have been regularly increasing fees in our VTH and WADDL, and we will continue to do so as our regional markets will allow. However, our opportunity to do so is somewhat limited given our location in Pullman, well away from centers of population, and what the veterinary services market will bear. Given the overall situation, regular tuition increases must now also be a part of our portfolio of revenue increases as we try to keep pace with increasing costs.

In summary, no tuition increase is welcome, but they are needed because of our lagging tuition revenue over the past several years in relation to limits on how much we can grow other revenue (for example, VTH and WADDL fees, and the erosion of state appropriations in relation to ever-growing expenses. It is important to note that the recently approved structural increase in fourth year tuition, implemented to cover the increased training costs incurred throughout the entire calendar year during the fourth year (and which will not take effect until 2024) does not obviate the need for these regular tuition increases in years 1-4 to help meet our ongoing and increasing expenses. Fortunately, even with the proposed increase, WSU's College of Veterinary Medicine will remain among the U.S. schools with the lowest costs, and thus will remain near the bottom in educational debt given our overall set of circumstances.

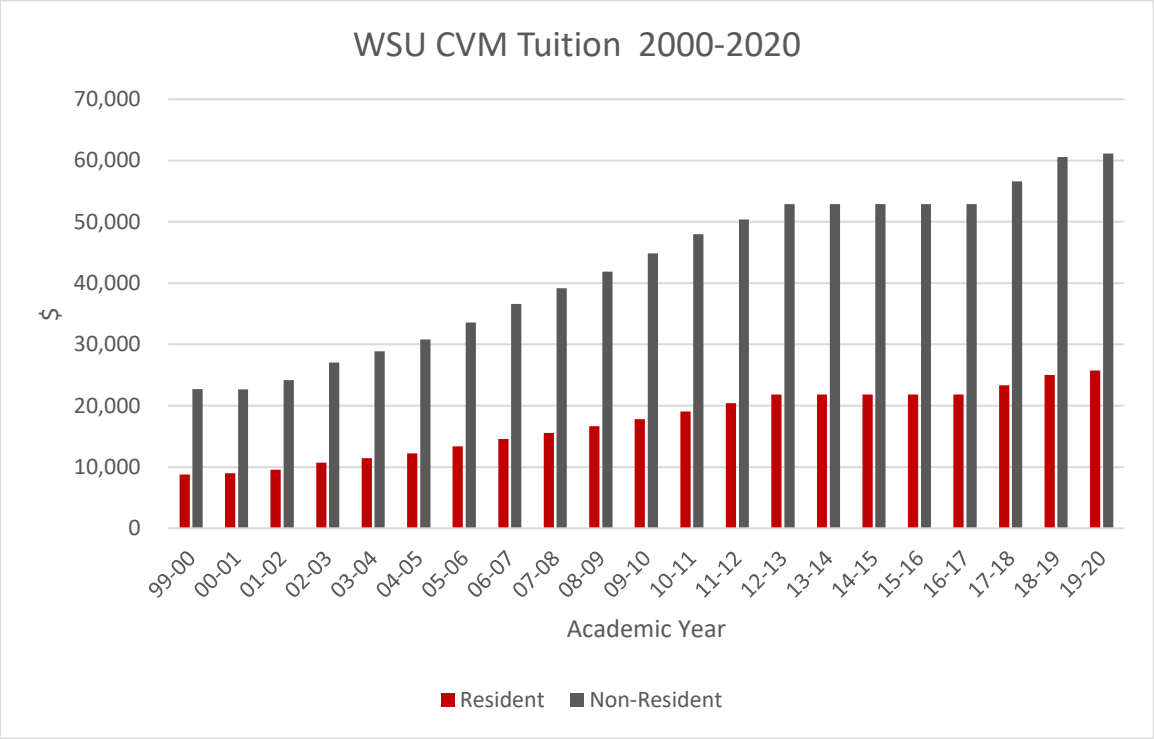
How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?

Tuition and Fee Rate Increase Request

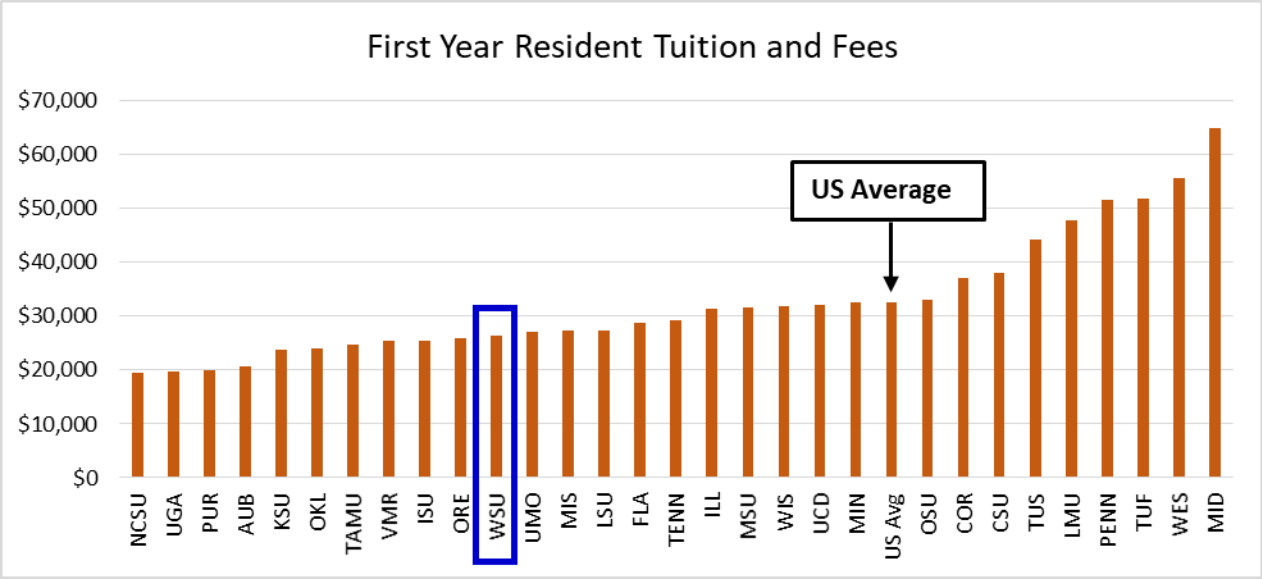
We will communicate the impacts of this proposed tuition increase by sending this proposal and justification to all professional DVM students in our program by email. We will solicit feedback on the proposal and impact for 2 weeks. The results of this feedback will be compiled and forwarded to the WSU CFO before May 2020.

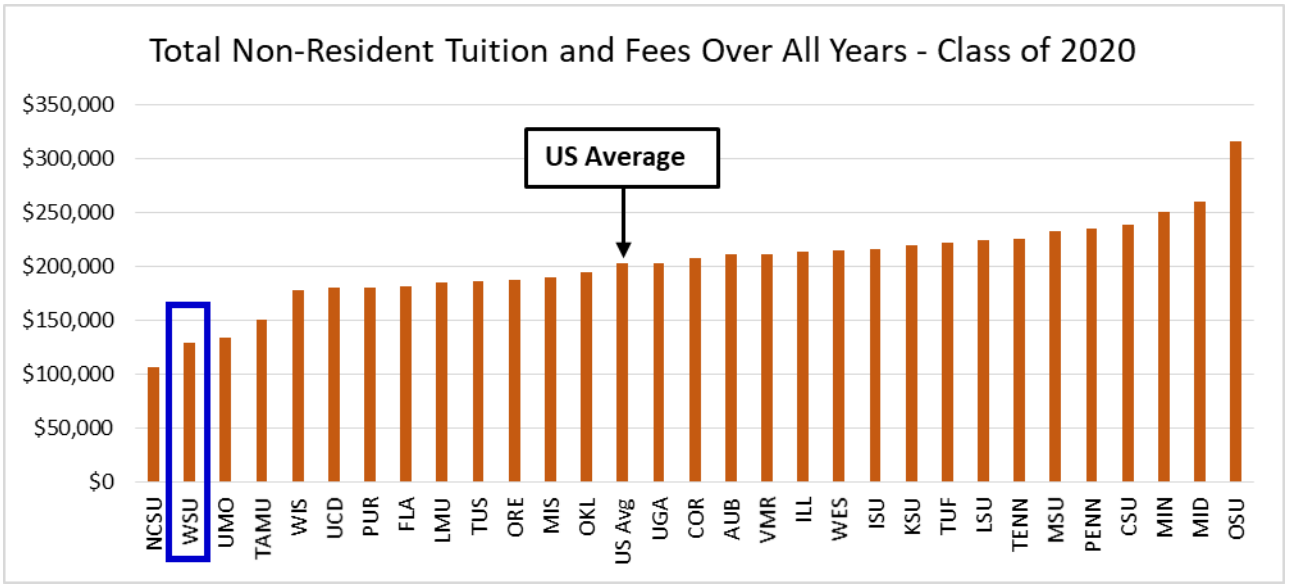
Please Attach Any Supporting Documents

Attachment A

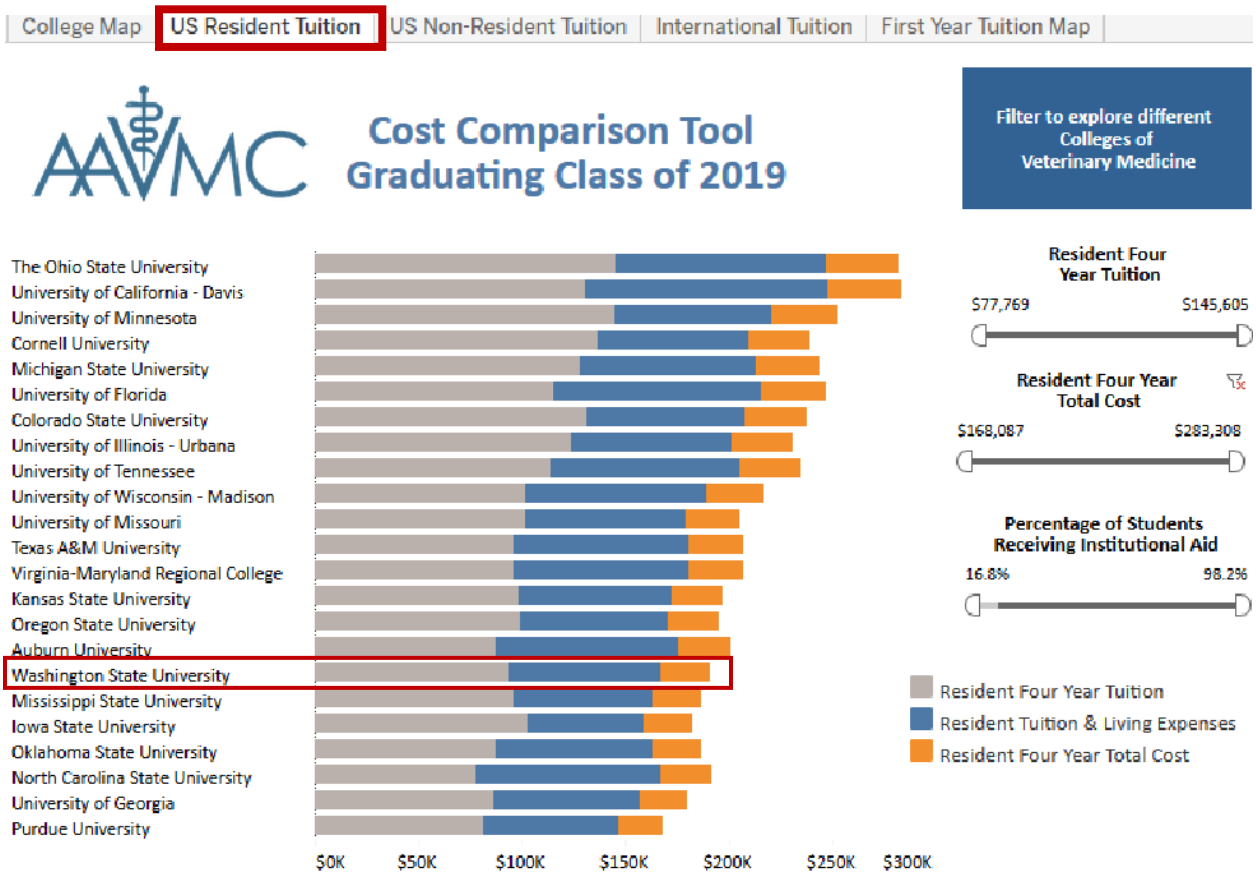


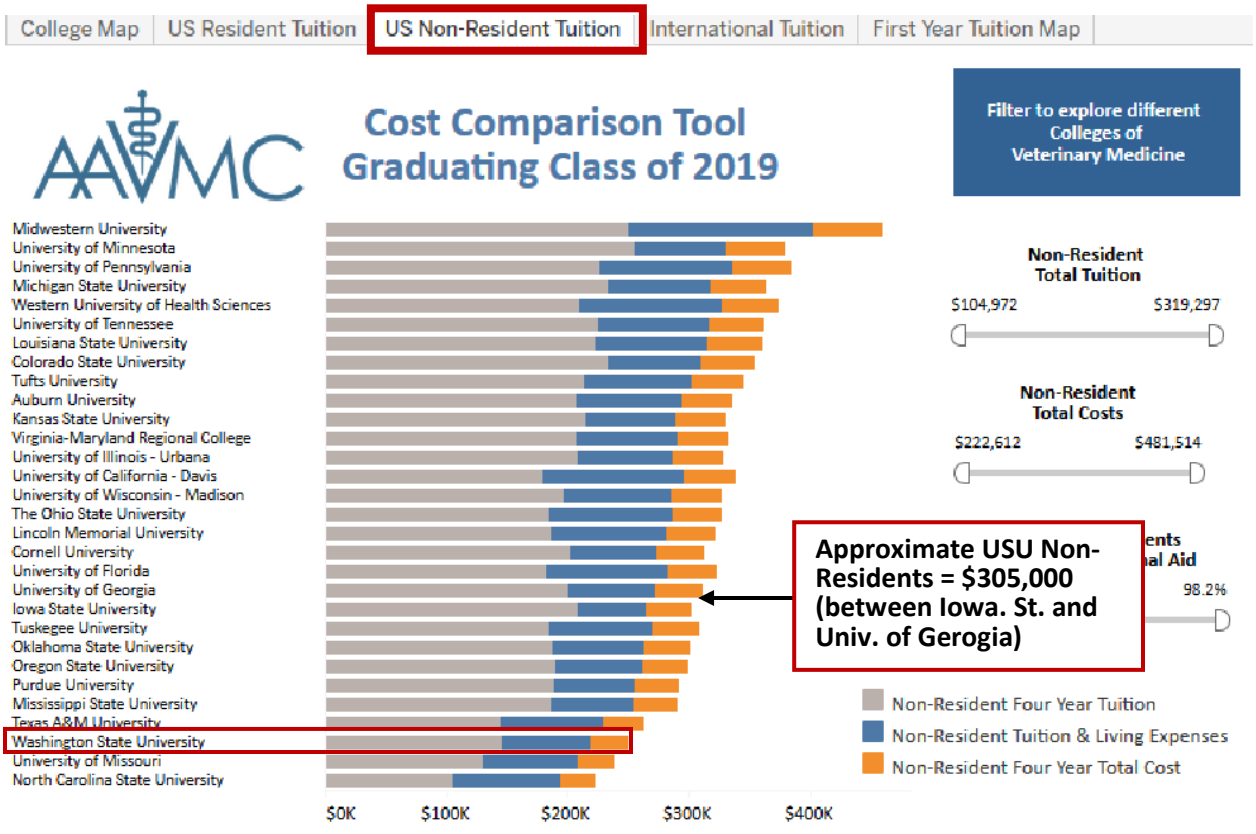
Attachment B



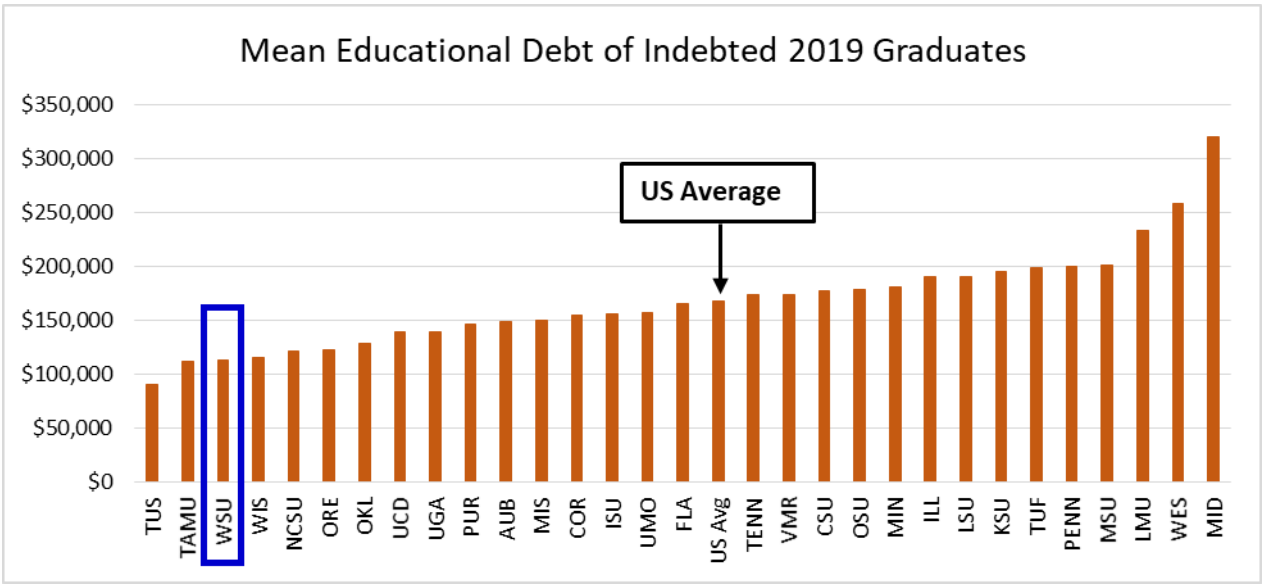


Source: Association of American Veterinary Medical Colleges (AAVMC) Comparative Data Report for 2019-2020.





The data above do not reflect any scholarship offsets.



Source: Association of American Veterinary Medical Colleges (AAVMC) Comparative Data Report for 2019-2020.

Attachment E - Medicine Tuition Rate Supporting Documents

Tuition and Fee Rate Increase Request

Fee name: Tuition Increases Resident Students in the Elson S. Floyd College of Medicine

	Resident	Non-Resident
Current Rate (Annual)	$38,357	Click or tap here to enter text.
Proposed Rate (Annual)	$39,508	Click or tap here to enter text.
$ Increase	$1,151	Click or tap here to enter text.
% Increase	3.0%	Click or tap here to enter text.

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

The ESF College of Medicine requests tuition increases of 3.0% for resident medical students. Medical Students Campus locations include Spokane, Tri-Cities, Vancouver and Everett.

Justification for the increase / consequence for not increasing :

Additional revenue for the College of Medicine will provide the ability to have sufficient funding in order to cover the costs of retaining quality faculty and to invest in equipment upgrades across several programs to continue to train students at an optimal level. The proposed tuition increase will also help the college achieve break-even levels with our annual operation budget as we begin enrollments of our fourth year of medical students.

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)

The college's pro-forma included an annual 3% tuition increase. The increased tuition and fees will assist with the provision of sustainable financial support for the ESFCOM and our students. The attached document reflects the following: Table 1) in-state tuition comparison against UW School of Medicine. Table 2) AY2019-20 Community Based Medical Schools 4-year tuition average comparison. Table 3) Total cost of attendance for ESFCOM compared to the public schools across all regions. In summary ESFCOM's tuition is 15% lower when compared to the University of Washington's School of Medicine. Furthermore, ESFCOM total costs of attendance is below the national average for Public Universities. Please see the attached supporting tables.

Alternatives Considered:

Tuition and Fee Rate Increase Request

Tuition and fees represent less than 20% of the college's total annual revenues and will remain at that level for the first 10 years of operations. It should be noted that most public schools have academic health centers (practice plans) that provide a diverse source of income and help defray the dependence of tuition funding.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?

Proposed increases will be communicated to our students, and students will have opportunity to provide feedback which will be made available to the Regents for the May meeting.

Please Attach Any Supporting Documents

Table 1: State of Washington Tuition Comparison

	First Year Students	Second Year Students	Third Year Students	Fourth Year Students	Average
WSU- ESFCOM	$38,357	$38,357	$38,357	NA	$38,357
University of WA-SOM (Resident)	$36,792	$42,289	$48,699	$48,699	$44,120
UW- SOM (NR)	$66,987	$77,092	$88,878	$88,878	$80,459

- Source is 2019-20 AAMC Tuition and Student Fees Questionnaire

Table 2: AY2019-20 Community Based Medical Schools 4-year tuition average

Community Based Medical Schools	**4-year Average**
University of South Carolina School of Medicine	$42,888
Central Michigan University College of Medicine	$42,880
Southern Illinois University School of Medicine	$41,843
CUNY School of Medicine	$41,600
Northeast Ohio Medical University	$41,274
Michigan State University College of Human Medicine	$39,140
Washington State University Elson S. Floyd College of Medicine	$38,357
Wright State University Boonshoft School of Medicine	$37,934
University of Hawaii, John A. Burns School of Medicine	$36,672
East Tennessee State University James H. Quillen College of Medicine	$35,543
Florida International University Herbert Wertheim College of Medicine	$32,738
Eastern Virginia Medical School	$32,456
University of North Dakota School of Medicine and Health Sciences	$32,064
University of South Dakota, Sanford School of Medicine	$31,787
University of Nevada, Reno School of Medicine	$28,810
Charles E. Schmidt College of Medicine at Florida Atlantic University	$28,111
University of Central Florida College of Medicine	$25,490
Marshall University Joan C. Edwards School of Medicine	$22,682
Florida State University College of Medicine	$22,408
University of Texas at Austin Dell Medical School	$18,593
Texas Tech University Health Sciences Center Paul L. Foster School of Medicine	$16,070
Texas Tech University Health Sciences Center School of Medicine	$15,616
University of California, Riverside School of Medicine	$13,661

Table 3: Total Cost of Attendance

	First Year Resident Total Costs of Attendance	*Second Year Resident Total Cost of Attendance*	*Third Year Resident Total Cost of Attendance*	*Fourth Year Resident Total Cost of Attendance*
Washington State-Floyd	$60,395	$63,278	$63,104	NA
Public, All Regions Average	$62,551	$63,392	$68,286	$64,283

Tuition and Fee Rate Increase Request

Fee name: MBA Tuition Increase

	Resident	Non-Resident
Current Rate (Annual)	OMBA: $834 per credit, program rate of $30,024-$43,368 OMBA Military Rate: $732 per credit, program rate of $26,352-$38,064 EMBA: $1264 per credit, program rate $55,616	N/A
Proposed Rate (Annual)	OMBA: $876 per credit, program rate of $31,525-$45,536 OMBA Military Rate: $769 per credit, $27,670-$39,967 EMBA: $1,292 per credit, program rate of $56,867	N/A
$ Increase	OMBA: $42 per credit OMBA military: $37 per credit EMBA: $28 per credit	N/A
% Increase	OMBA and OMBA military rate: 5% EMBA rate: 2.25%	N/A

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

Online MBA and Executive MBA students (those students admitted to the "Business Career") pay on a per credit basis. Tuition rates are based on program and there is not a differential between resident/non-resident tuition.

Tuition and Fee Rate Increase Request

Justification for the increase / consequence for not increasing :

The Carson College proposes to implement 5% OMBA and 2.25% EMBA increase for the 2020-2021 AY for all our students.

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

As the market of solely online MBA program becomes more saturated, we need to ensure we continue investing resources into our programs. As expected, the previous, modest tuition increases did not fully capture increased costs. Incrementally increasing tuition is a result of strategic consideration of the level of tuition that will cover costs and provide funds for continued investment, signal our quality and reputation, and be perceived and experienced as an affordable, accessible degree program. As we intended, we studied the responses of current and prospective students' responses to higher tuition.

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)

This increase would be the 4th tuition increase since the program's inception in 2008. Analysis of the competitive landscape indicates that the OMBA tuition is 15% less and EMBA tuition is 7% less than competitors with similar product offerings and reputation. Relatively low tuition rates have been part of the student value proposition for each of the two online MBA programs at WSU. Per-credit online tuition rates have only increased 10% since the programs' inception. The OMBA program can be completed in as few as 36 credits by students who have prior business education and are able to waive foundation courses and as many as 52 for students with little or no business education. The duration of the OMBA program is 22-29 months. The EMBA program is 44 credits over 18 months. The Carson College OMBA and OEMBA remain "value-priced," delivering high quality with relatively low tuition rates relative to competitive programs.

Alternatives Considered:

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

Tuition and Fee Rate Increase Request

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
Carson College of Business department staff in the office of Graduate and Online Programs will send an email to current students enrolled in either of the MBA and EMBA program tracks from the Associate Dean mailbox. There will be an opportunity for students to respond to the email from the Associate Dean mailbox with their thoughts and opinions on the proposed tuition increases for their respective programs. Students will have a minimum of 21-days to respond. The Carson College of Business department staff in the office of Graduate and Online Programs will compile all responses submitted to the Associate Dean mailbox and those responses will be presented to the Board of Regents at their meeting in May 2020.

Please Attach Any Supporting Documents

CARSON COLLEGE OF BUSINESS
MBA TUITION PROPOSAL FOR FY 2021

REQUEST:

The Carson College of Business requests tuition increases for the Online Masters of Business Administration (OMBA) and Online Executive Masters of Business Administration (OEMBA) for AY 2020-2021. The rate of increase will be program dependent. The increase that we request for the OMBA is 5% and for the EMBA, 2.25%. Based on anticipated enrollments, we estimate that this would increase overall gross revenue by nearly $505,000 annually. This change will continue our progress towards an eventual sustainable price commensurate with our brand reputation and our costs.

These self-sustaining programs are delivered entirely online, and there is no differentiation between resident and non-resident tuition for these programs. This request follows the 2.5% increase implemented for both programs in the current year and we are now proposing another incremental increase for FY21. This adjustment is in support of major co-curricular investments in support of today's MBA market expectations.

EXECUTIVE SUMMARY:

- This increase would be the 4th tuition increase since the program's inception in 2008

- The Carson College proposes to implement 5% OMBA and 2.25% EMBA increase for the 2020-2021 AY for all our students and to continue to study this increase, the competitive landscape, and our own brand reputation and capabilities in preparation for future adjustments.

- Costs to provide instruction and other program costs have risen significantly over that decade. The proposed increases are a step toward covering those increases. There continues to be a need for providing investment in the program given the competitive landscape. This increase will be a move in the right direction and may not be sufficient for long term investment.

- Analysis of the competitive landscape indicates that the OMBA tuition is 15% less and EMBA tuition is 7% less than competitors with similar product offerings and reputation.

- The Carson College OMBA and OEMBA remain "value-priced," delivering high quality with relatively low tuition rates relative to competitive programs.

Background: the MBA market

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

The Carson College decision to launch the online MBA was prescient; leading MBA programs, especially at state universities, continue to struggle with the economics of the MBA market. The most visible ranking schemes for programs (e.g. *Business Week*, *US News)* highlight face-to-face programs at flagship campuses, these rankings depend substantially on the qualifications of incoming students, and student recruitment in turn depends on rankings. The result has been intense competition for strong students (through financial aid), such that many face-to-face programs operate at small scale and at significant financial loss. The trend reached an extreme point in 2015, when Arizona State University announced

that its entire MBA entering class of 2016 – up to 120 students – would receive full-tuition scholarships. The University of Iowa has chosen a different approach, eliminating its face to face MBA program entirely. The Carson College had until recently offered opportunities to earn face-to-face degrees at Pullman, Vancouver, and Tri-Cities campuses. All of these campuses have now stopped enrolling new MBA students; each is redirecting efforts toward undergraduate and online programs and considering new graduate programs that are more in step with the current market. While MBA programs are recognizing a decline in enrollments and specialized masters an increase, the WSU Carson MBA programs continue to see a steady climb in enrollment.

The Carson College Online MBA

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

The online MBA and Executive MBA programs have built solid, stable enrollment profiles, based on delivering high quality instruction at an attractive price point. Enrollment grew very quickly in the OMBA subsequent to the program's No. 1 ranking among online MBA programs by *U.S. News and World Report* in 2013. The 2020 ranking by *U.S. News* places WSU at No. 18 overall out of a field of 335 online MBA programs (an increase from 285 in 2019) nationwide and recognizes the Carson College as among the best online graduate business programs for veterans.

In 2018, 301 of the 517 AACSB accredited business schools in the U.S. offered online or hybrid programs and in 2019, 335 offered online programs. The program landscape continues to dramatically year over year. Regional programs continue to develop including the program recently introduced by the University of Washington; a 90% online MBA. The Carson College OMBA continues to be ranked in the top tier of programs. While there was a small decline in students as the initial effect of the #1 ranking eroded, and more options emerged, enrollments have returned to peak levels and signs are positive with respect to sustainability. The Carson College is well positioned amongst AACSB-accredited schools of business offering fully online degree. Some research institutions remain reluctant to enter this market. Those in more urban locations are more likely to offer hybrid degrees, for example. The fully online niche therefore remains an attractive one for the College. Further, the WSU and College reputations are especially strong in the Pacific Northwest, and a majority of the students have some combination of residential, career, and family ties to the region.

Relatively low tuition rates have been part of the student value proposition for each of the two online MBA programs. Per-credit online tuition rates have only increased 10% since the programs' inception. The OMBA program can be completed in as few as 36 credits by students who have prior business education and are able to waive foundation courses and as many as 52 for students with little or no business education. The duration of the OMBA program is 22-29 months. The EMBA program is 44 credits over 18 months.

Tuition increases

Over the past decade, the underlying costs to provide the online MBA program did not increase concurrently with the cost of living or other cost increases in higher education. As the program grew rapidly, costs per student decreased: online programs can be delivered efficiently at large scale.

Instructional costs do not necessarily rise proportionally to the number of students and extra students do not require additional physical facilities. Well-designed course delivery models such as those used by the Carson College combine the leadership of a "master teacher" (typically, a member of the research faculty) with small-section facilitators who are the first point of student contact. Additional students require additional facilitators but master teachers can typically teach sections of up to 100 students while maintaining program quality.

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

As the market of solely online MBA program becomes more saturated, we need to ensure we continue investing resources into our programs. As expected, the previous, modest tuition increases did not fully capture increased costs. Incrementally increasing tuition is a result of strategic consideration of the level of tuition that will cover costs and provide funds for continued investment, signal our quality and reputation, and be perceived and experienced as an affordable, accessible degree program. As we intended, we studied the responses of current and prospective students' responses to higher tuition. Our 2.5% increase to new students in the current year, was an effort to be able to invest in staffing and services to support students in the program.

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

The Carson College of Business, consistent with our mission and in support of members of our armed services, has maintained an Online MBA military tuition rate of $732 per credit for service members and veterans of the United States Armed Forces. Fully online MBA programs are especially attractive to active members who may be redeployed while they are students; we see this as a market advantage relative to hybrid programs. We also seek to increase this rate by 5% to $769 per credit.

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

Next steps

We expect to propose a similar tuition increase for new students for the upcoming biennium. We have recently, undertaken significant redesign of each of our two online MBA programs, with the intention of implementing the redesigned programs in in full in Fall 2020. Simultaneous with the redesign we will continue to study our brand reputation. For example, our low cost may be a signal to prospective or current students a lower level of quality than we actually provide relative to competitors.

Table 1

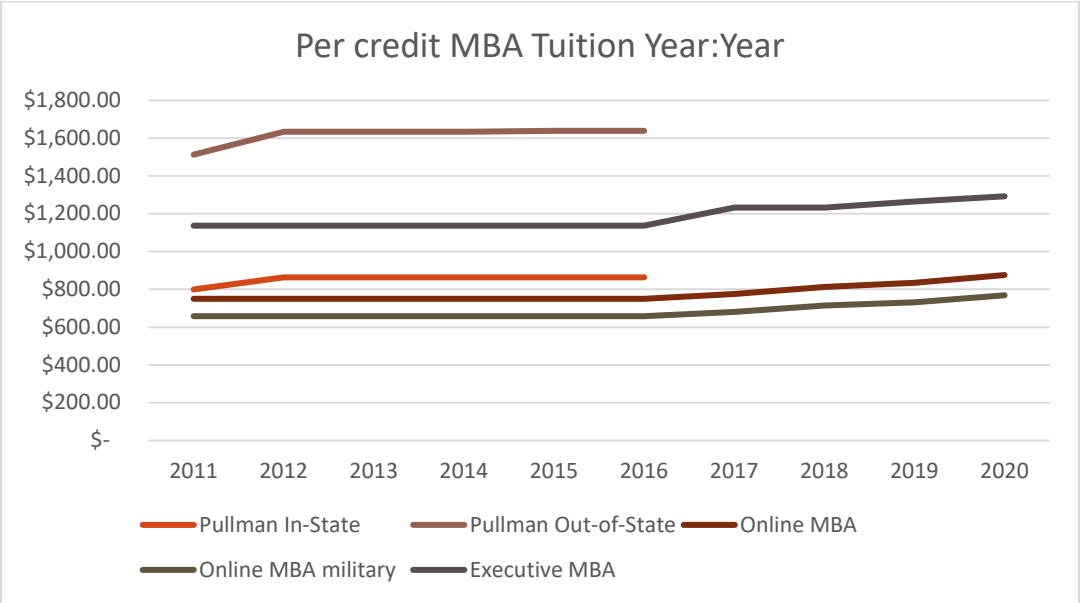
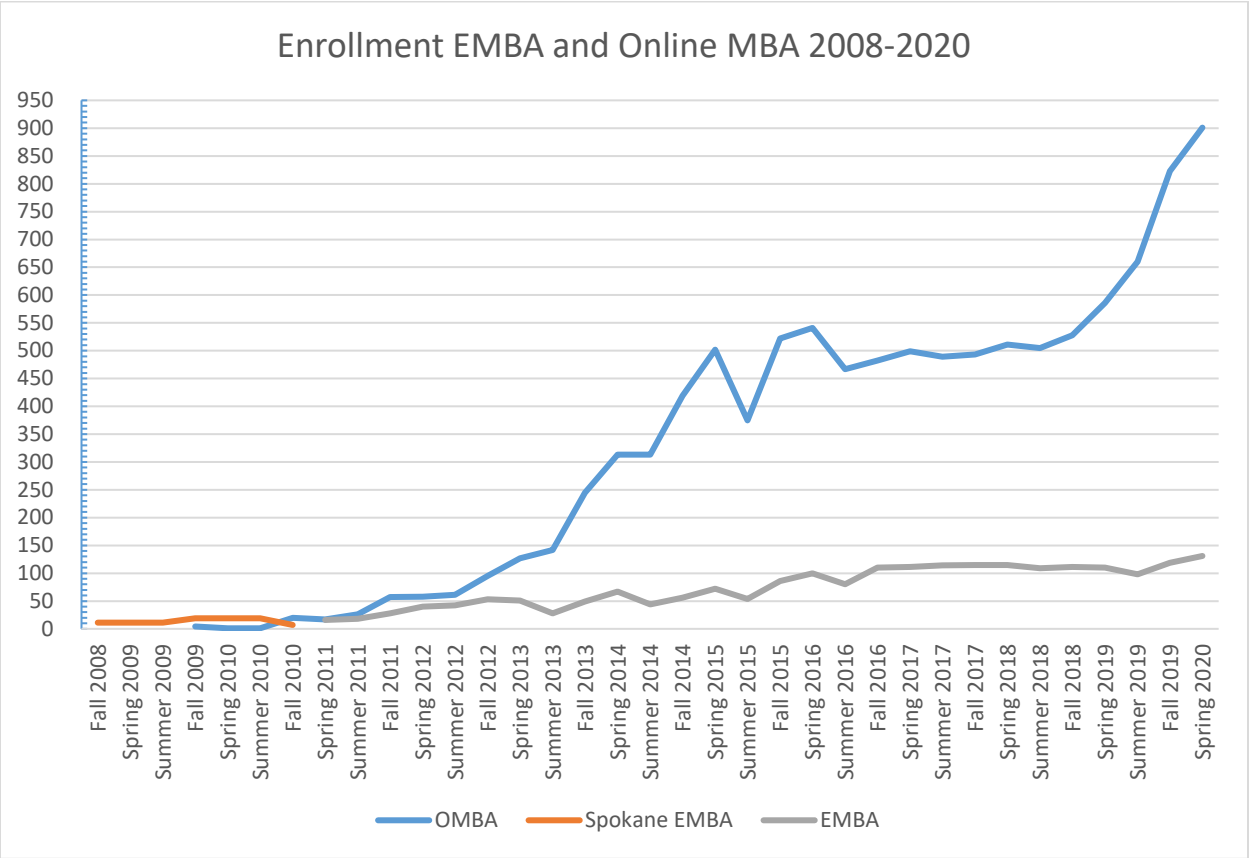

Per credit MBA Tuition Year:Year
$1,800.00
$1,600.00
$1,400.00
$1,200.00
$1,000.00
$800.00
$600.00
$400.00
$200.00
$-
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Pullman In-State
Pullman Out-of-State
Online MBA
Online MBA military
Executive MBA

Table 2

Program	Current Tuition per credit	Total Cost of completion (without "Foundation" courses)	Total Cost of completion with Foundation courses
OMBA current	$834	$30,024	$43,368
OMBA proposed	$876	$31,525	$45,536
OMBA current (military rate)	$732	$26,352	$38,064
OMBA proposed (military rate)	$769	$27,670	$39,967
EMBA current	$1,264	NA	$55,616
EMBA proposed	$1,292	NA	$56,867

Table 3


Enrollment EMBA and Online MBA 2008-2020
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
50
0
Fall 2008
Spring 2009
Summer 2009
Fall 2009
Spring 2010
Summer 2010
Fall 2010
Spring 2011
Summer 2011
Fall 2011
Spring 2012
Summer 2012
Fall 2012
Spring 2013
Summer 2013
Fall 2013
Spring 2014
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Summer 2015
Fall 2015
Spring 2016
Summer 2016
Fall 2016
Spring 2017
Summer 2017
Fall 2017
Spring 2018
Summer 2018
Fall 2018
Spring 2019
Summer 2019
Fall 2019
Spring 2020
OMBA
Spokane EMBA
EMBA

FUTURE ACTION ITEM #4

Services and Activities Fee Rates for Academic Year 2020-2021
(Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Services and Activities (S&A) Fee Rate Changes for Academic Year 2020-2021

PROPOSED: That the Board of Regents authorize rate changes in campus Services and Activities Fees for the academic year 2020-2021.

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

SUPPORTING INFORMATION: By law, the Board of Regents may increase Services and Activities (S&A) Fees annually by amounts that shall not exceed four percent. There is no such control on rate decreases.

All WSU campuses have a student led S&A Fee committee that makes a recommendation to the Board of Regents, through President Schulz, concerning the amount of any S&A fee rate change, as well as the allocations of S&A revenues to student groups. The campus committees may independently choose to recommend an increase or decrease in the S&A Fee rate, and the rate can vary among campuses. The committees are currently beginning their consideration processes. Rate recommendations will be finalized prior to the May 2020 Board of Regents meeting and will be an action item at that meeting.

Current annual rates are:

Everett	$527
Global Campus	$415
Pullman	$558
Spokane	$582
Tri-Cities	$512
Vancouver	$559

FUTURE ACTION ITEM #5

WSU Tri-Cities Safety and Transportation Fee
(Stacy Pearson/Sandra Haynes)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Establish a WSU Tri-Cities Safety and Transportation Fee

PROPOSED: That the Board of Regents approve a new mandatory fee for the Tri-Cities campus of $65 per semester (fall and spring) and $5 per credit (maximum $30) for summer session. The Safety and Transportation Fee would begin in the fall of 2020.

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

SUPPORTING INFORMATION: This action brings forward for Regent approval the establishment of a mandatory Safety and Transportation Fee for students at the Washington State University Tri-Cities Campus.

The WSU Tri-Cities administration approached the Associated Students of WSU Tri-Cities (ASWUTC) to discuss implementing a student fee that would assist the campus in providing transportation, safety, and security enhancements. Campus leadership and ASWSUTC developed a MOU outlining the fee during the fall 2019 semester. The MOU calls for the student fee to be combined with a campus contribution of $160 annually per faculty and staff FTE to be used for specific acceptable uses as outlined in the MOU (See Attachments). An advisory committee, including student representatives, will provide recommendations to the Chancellor as to the allocation of these funds.

RCW 28B.15.610 grants authority to students to create or increase voluntary student fees for each academic year when passed by a majority vote of the student government or its equivalent, or referendum presented to the student body.

The campus administration collaborated with ASWSUTC on the consideration of this fee for the spring 2020 (February 26-28) general election ballot through student engagement and marketing (See Attachments). ASWSTC and Campus Safety staff hosted multiple forums on campus to educate the student population in addition to electronic media and campus communications.

ASWSUTC held their Spring 2020 elections and the Safety and Transportation Fee Referendum passed with an 80 percent approval rating.

ATTACHMENT: WSU Tri-Cities Safety and Transportation Comprehensive Fees

Attachment: WSU Tri-Cities Safety and Transportation Comprehensive Fee Document

Tuition and Fee Rate Increase Request

Fee name: WSU Tri-Cities Safety and Transportation Comprehensive Student Fee

	Resident	Non-Resident
Current Rate (Annual)	New fee	New fee
Proposed Rate (Annual)	$160 annually	$160 annually
$ Increase	New fee	New fee
% Increase	New fee	All

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

All credit-bearing students enrolled at WSU Tri-Cities (including Running Start students) will be assssed the fee based on the criteria based on their enrollment level in courses located at Tri-Cities.

Fall and Spring Semesters
Students enrolled in ten (10) or more credits at a Tri-Cities location during the Fall and Spring semesters will be assessed a $65 fee. Fees for students enrolled in less than ten (10) credit hours will be prorated at $6.50 per credit hour.

Summer Session
Students enrolled in any credits conducted at a Tri-Cities location will pay $5 per credit hour, capping at $30 for the entire summer session

Justification for the increase / consequence for not increasing :

WSU Tri-Cities has lacked funding for improved transportation, as well as upgraded safety and security measures. The WSU Tri-Cities administration approached the Associated Students of WSU Tri-Cities (ASWSUTC) to discuss implementing a student fee that would assist the campus in providing transportation, safety, and security enhancements. This fee will be used to improve campus safety and security equipment on campus, construction and repars of existing parking areas and walkways, and to provide subsidies for students to have access to Benton Franklin Transit buses while enrolled. A newly-established advisory committee ensuring for proper represenation of the student body will provide reccomendations to the Chancellor on the allocation of funds.

Tuition and Fee Rate Increase Request

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)
The fee is considered a preferable solution over administrative fees to fund services that require a revenue source not derived from tuition or state legislative funding. The fee is also a more economical solution for students for access to parking as opposed to implementing a permitting system. An $160 annual fee is comparable to the other WSU campuses that have parking fees but also provides additional value in safety and transit improvements. The major transfer feeders for the campus (CBC, YVCC, WWCC) have similar parking and security fees, so we are aligning with local rates.

Alternatives Considered:
A permitting system for parking was considered and it was determined that a mandatory fee provides more value to students as oppposed to the operation of a permitting system on a small campus.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
A MOU outlining the fee was signed by campus leadership and ASWSUTC during the fall 2019 semester. The campus administration is collabroating with ASWSUTC on the consideration of the fee on the spring 2020 (February 26-28) general election ballot through collabrative student engagement and marketing. ASWSUTC and Campus Safety staff are hosting multiple forums on campus to educate the student population in addition to electronic media and campus communications.

Please Attach Any Supporting Documents

Memorandum of Understanding
between the
Associated Students of Washington State University Tri-Cities
and
Washington State University Tri-Cities
on the
Safety and Transportation Comprehensive Student Fee

DRAFT

ARTICLE I – PARTIES AND PURPOSE

The Associated Students of Washington State University Tri-Cities ("ASWSUTC") and Washington State University Tri-Cities ("WSU Tri-Cities") enter into this Memorandum of Understanding ("MOU") in order to establish a Safety and Transportation Comprehensive Student Fee ("Student Fee").

ARTICLE II – BACKGROUND

Safety and transportation fees increase access to campus and the ability to provide modern safety measures. A safety and transportation student fee is a common fee in institutions of higher education, and WSU Tri-Cities is the only campus in the WSU system that does not charge a safety and transportation fee. In addition, Columbia Basin College, Central Washington University, and Eastern Washington University all have similar fees.

ARTICLE III – FEE AMOUNTS

SUBSECTION A – STUDENT FEE AMOUNTS

Fall and Spring Semesters
Students enrolled in ten (10) or more credits at a Tri-Cities location during the Fall and Spring semesters will be assessed a $65 fee. Fees for students enrolled in less than ten (10) credit hours will be prorated at $6.50 per credit hour.

Summer Session
Students enrolled in any credits conducted at a Tri-Cities location will pay $5 per credit hour, capping at $30 for the entire summer session.

SUBSECTION B – STAFF & FACULTY FEE AMOUNTS

WSU Tri-Cities will contribute an annual amount equal to the student fee based on the annualized total Full Time Employment (FTE) of faculty and staff ($160 per 1

FTE) where their primary office location is the Tri-Cities campus or affiliated facilities.

Student employees shall pay the Student Fee based on their student enrollment only, and they will not be subject to additional staff or faculty fees.

SUBSECTION C – STUDENT FEE INCREASES

The Student Fee may be increased by following the ASWSUTC Constitution and Bylaws as well as appropriate WSU policies and procedures.

ARTICLE IV – ACCEPTABLE USES OF THIS STUDENT FEE

Acceptable uses of this Student Fee include:

- Equipment, improvements, or other measures that result in improvements to campus safety and/or security.
- Repair, replacement, enhancement, construction, and expansion of parking areas, roadways, and pedestrian paths, in areas not funded by capital projects.
- Providing subsidy for public Transit Passes to encourage alternative transportation.
- Other transportation alternatives which may become necessary upon completion of regional and campus Commute Trip Reduction plans.

ARTICLE V – PROJECT SELECTION

An Advisory Committee will be created to provide recommendations to the Chancellor on how to allocate these funds. This committee will consist of the ASWSUTC President, two at-large students, the Director of Safety, the Campus Facilities Executive, and the Director of Campus Student Life. The Director of Campus Student Life and the Vice Chancellor for Finance and Administration will co-chair the Advisory Committee, and the Director of Safety on the Tri-Cities campus is responsible for providing regular reports to the committee about the safety and transportation operations.

ARTICLE VI – PARKING PERMIT PROHIBITION

Upon the implementation of this MOU, in accordance with *Article VII*, WSU Tri-Cities will not assess students another parking or safety fee alternative, such as a parking permit system or similar. Implementation of a parking permit system or similar, or adoption of a separate parking or safety fee, will cancel this Student Fee and any associated agreements.

DRAFT

This prohibition applies only to students. *Article VI* shall not create any limitation on WSU Tri-Cities' ability to create or modify fees charged to staff, faculty, and/or visitors, nor shall this section prohibit WSU Tri-Cities from implementing alternative systems impacting staff, faculty, and/or visitors.

ARTICLE VII – MOU IMPLEMENTATION

This MOU will be implemented once the General Membership of ASWSUTC votes in favor of assessing the Student Fee and the Washington State University Board of Regents approves the Student Fee.

ARTICLE VIII – SIGNATURES

_____ _____

Zachary Harper — Date

President, Associated Students of WSU Tri-Cities

_____ _____

Dr. Sandra Haynes — Date

Chancellor, WSU Tri-Cities

_____ _____

Ray White — Date

Vice Chancellor, Finance and Administration

_____ _____

Dr. Chris Meiers — Date

Vice Chancellor, Student Affairs

DRAFT

ASWSUTC
Associated Students of Washington State University Tri-Cities

Referendum #01 – 2019-2020

Author: Zachary Harper, ASWSUTC President

Sponsor: Danae Williams, ASWSUTC CAHNRS Senator

SAFETY AND TRANSPORTATION FEE

BE IT ENACTED BY THE SENATE OF THE ASSOCIATED STUDENTS OF WASHINGTON STATE UNIVERSITY TRI-CITIES (ASWSUTC)

Authority In accordance with Article VIII of the ASWSUTC Constitution, the ASWSUTC Senate has the authority to submit any measure that it determines to be of substantial student interest to the membership of ASWSUTC for a vote within a reasonable time period.

Background Safety and transportation fees increase access to campus and the ability to provide modern safety measures. A safety and transportation student fee is a common fee in institutions of higher education, and WSU Tri-Cities is the only campus in the WSU system that does not charge a safety and transportation fee. In addition, Columbia Basin College, Central Washington University, and Eastern Washington University all have similar fees.

Fee Amount Students enrolled in ten (10) or more credit hours at a Tri-Cities location during the Fall and Spring semesters will be assessed a $65 fee per semester.

Students enrolled in less than ten (10) credit hours at a Tri-Cities location during the Fall and Spring semesters will be assessed a $6.50 fee per credit hour.

Students enrolled in any credits at a Tri-Cities location during the summer session will pay a $5 fee per credit hour, capping at $30 for the entire summer session.

WSU Tri-Cities will contribute an annual amount equal to the student fee based on the annualized total Full Time Employment (FTE) of faculty and staff ($160 per 1 FTE) where their primary office location is the Tri-Cities campus or affiliated facilities.

Fee Usage Acceptable uses of this Student Fee include:

- Equipment, improvements, or other measures that result in improvements to campus safety and/or security.
- Repair, replacement, enhancement, construction, and expansion of parking areas, roadways, and pedestrian paths, in areas not funded by capital projects.
- Providing subsidy for public Transit Passes to encourage alternative transportation.
- Other transportation alternatives which may become necessary upon completion of regional and campus Commute Trip Reduction plans.

An Advisory Committee will be created to provide recommendations to the Chancellor on how to allocate these funds. This committee will consist of the ASWSUTC President, two at-large students, the Director of Safety, the Campus Facilities Executive, and the Director of Campus Student Life. The Director of Campus Student Life and the Vice Chancellor for Finance and Administration will co-chair the Advisory Committee, and the Director of Safety on the Tri-Cities campus is responsible for providing regular reports to the committee about the safety and transportation operations.

Prohibition Upon approval of this Student Fee, WSU Tri-Cities will not assess students another parking or safety fee alternative, such as a parking permit system or similar. Implementation of a parking permit system or similar, or adoption of a separate parking or safety fee, will cancel this Student Fee and any associated agreements.

This prohibition shall not create any limitation on WSU Tri-Cities' ability to create or modify fees charged to staff, faculty, and/or visitors, nor shall this section prohibit WSU Tri-Cities from implementing alternative systems impacting staff, faculty, and/or visitors.

Fee Increase The Student Fee may be increased by following the ASWSUTC Constitution and Bylaws as well as appropriate WSU policies and procedures.

Approval In accordance with Section 2007.00 of the ASWSUTC Bylaws, the Fee Referendum must receive at least sixty percent (60%) of the votes cast in the election to be passed by the General Membership of ASWSUTC.

Upon approval from the General Membership of ASWSUTC, this Fee Referendum must be sent to the WSU Board of Regents for final approval.

Passed with 07 votes in favor, 00 votes in opposition, and 00 abstentions on November 12, 2019.

Signed,

Dawan Williams
The Main Sponsor

11/14/19
Date

The Senate Pro-Tempore

11/14/19
Date

Zachary M Harper
The ASWSUTC President

11/13/19
Date

ASWSUTC
Associated Students of Washington State University Tri-Cities



WHAT IS REF. #01 SAFETY AND TRANSPORTATION FEE?

THE PREFFERED METHOD TO FUND CRITICAL ENHANCEMENT, REPAIRS, AND MAINTENANCE OF CAMPUS INFRASTRUCTURE RELATED TO SAFETY, SECURITY, AND TRANSPORTATION

WHAT IS REF. #01?

The Safety and Transportation Fee is a proposed student fee, that, upon approval, would support transportation, safety, and security enhancements on campus.

HOW MUCH WILL IT COST?

The fee would be a cheaper option for students than a parking permit for campus, which would be implemented should the fee not pass.

The Safety and Transportation Fee would cost $6.50 per credit hour, capping at $65 per semester.

During the summer, the free would be $5 per credit hour, capping at $30 per summer session.

WHAT IS IT PAYING FOR?

Public Transit

Bus pass for all students

Expanded Parking

Repair, expand, and construct parking areas, roadways, and paths

Campus Safety

Improve campus safety and security through updated equipment

GENERAL ELECTION FEB. 26 - 28
MAKE SURE YOU VOTE!

FUTURE ACTION ITEM #6

WSU Pullman, Student Health Fee Increase
(Gonzales/ Taylor)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Pullman, Student Health Fee Increase

PROPOSED: That the Board of Regents approve a $40 per semester increase to the Academic Year (Fall/Spring) Student Health Fee beginning Fall 2020 and Summer Health Fee increase by $13 for Summer 2021.

SUBMITTED BY: Terry Boston, Acting Vice President for Student Affairs

SUPPORTING INFORMATION: Currently WSU-Pullman students are charged $204 per Fall/Spring semester for student health fees and $70 per Summer semester. Cougar Health Services (CHS) is proposing an increase to the health fee. This fee was last increased and approved by the Board of Regents in Spring 2017.

Pullman Health Fee Rate Recommendation				
	Current Rate	Proposed Rate	$ Increase	% Increase
Health Fee - Regular term (Fall/Spring)	$204/semester	$244/semester	$40	20%
Health Fee - Summer	$70	$83	$13	19%

Health care costs continue to escalate across the nation and particularly in the state of Washington with focus on access. The proposed increases would enhance access to holistic well-being efforts (including medical and mental health services) for WSU-Pullman students, address compliance and risk management needs, and begins to establish a sustainable funding model. Regular and manageable periodic and predictable small increases commensurate with the Medical CPI will be necessary moving forward. The health fee cannot be the only element of this long-term stabilization plan; CHS will also update processes and systems to more effectively realize potential revenue from third party payors and other sources. This will enable us to

fulfill our mission with more nominal increases to the health fee in the future.

CHS has a long history of providing excellent medical and mental health care, as well as vision, pharmacy, and health promotion/prevention services to enrolled students on the Pullman campus. The demand for care, both in volume and acuity, has increased steadily in recent years. At the same time, the compliance and regulatory landscape has expanded, increasing administrative burden of providing health care for our students. Pullman is a federal designated shortage area for mental health services, meaning that CHS must fill as much of the need as possible. This places pressure on the medical clinic, Counseling and Psychological Services (CAPS), and the Pharmacy. During the 2019-20 academic year, the Medical Clinic saw a 9% increase in student visits from the prior year and an 18% increase in mental health related visits. Similarly, CAPS has seen 5% to 15% increases in requests for service each year for the past several years. The Pharmacy now fills over 46,000 prescriptions each year, a 41% increase since 2015. Much of this increase is in chronic and mental health conditions.

These current proposed health fee increases are based on a yearlong analysis of the current state of CHS, including staffing levels, compliance and risk management concerns, and the need for long-term stability. A five-year budget plan is in development to determine the necessity and timing of future fee increases. CHS is at risk in continuing to fulfill its mission due to rising costs, increased demands, and inadequate revenue. Our goal is to ensure CHS is firmly grounded as an effective, efficient, compliant, and fiscally sound service provider.

The increased fees will be used to fund operations and to expand capacity and student access to Same-Day Mental Health and the medical clinic. In addition, funding is needed to address recruitment and retention in CAPS, replace obsolete medical equipment, and enhance compliance and billing support.

This proposal was presented to the Student Health Advisory Committee (SHAC) on February 20, 2020. The committee, comprised of undergraduate and graduate students on the Pullman campus, expressed their support for the plan.

FUTURE ACTION ITEM #7

WSU Spokane, Student Health Fee Increase
(Stacy Pearson/Daryll DeWald)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Spokane, Health Fee Increase

PROPOSED: That the Board of Regents approve an increase in the mandatory fall and spring semester Spokane Health Fee and establish a mandatory Spokane Health Fee for summer term.

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

BACKGROUND INFORMATION: WSU Spokane proposes an increase in the mandatory student Health Fee of $8 per semester for fall and spring semester. In addition, WSU Spokane seeks to create a new mandatory Health Fee of $100 for summer term. Currently students pay a mandatory Health Fee of $92 in fall and spring, and the fee is voluntary in summer.

This proposal is consistent with the recommendations of the Spokane Student Fee Committee. If approved, the fee would be implemented fall 2020.

WSU Health Sciences campus is proud of the high level of support provided for student health care needs and neither administration nor students want to cut services. Current services include medical care with MultiCare/Rockwood, free on-campus counseling, health and wellness programs, an after-hours crisis line, new telemedicine services that will expand from Yakima to all Spokane students, and support for the on-campus fitness center. These fee adjustments will offset rising costs and numbers of students served.

The fee adjustments have been approved unanimously by the students, faculty, and administrators present at the Student Fee Committee on October 15, 2019. The proposal was also presented to ASWSU-Spokane Senate and they expressed support. WSU Spokane Administration has sent emails to students informing them of the increased fee; to date no feedback was received.

ATTACHMENT: Attachment A - WSU Spokane Student Health Fee

Attachment A

Tuition and Fee Rate Increase Request

Fee name: Spokane Student Health Fee

	Resident	Non-Resident
Current Rate (Annual)	$184 mandatory, fall & spring $92 voluntary, summer	Same as resident
Proposed Rate (Annual)	$200 mandatory, fall & spring $100 mandatory summer	Same as resident
$ Increase	$16 annually fall & spring New mandatory fee for summer ($8 increase over current voluntary summer fee)	Same as resident
% Increase	8.6% fall & spring New mandatory fee for summer	Same as resident

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

Undergraduates, graduate, professional students, full-time and part-time in Spokane and Yakima. The fee is mandatory ($92 per term) for Fall and Spring semester. This proposal seeks to create a mandatory fee for Summer and increase the regular term fee by $16 annually.

Tuition and Fee Rate Increase Request

Justification for the increase / consequence for not increasing :

The current health fee for Spokane and Yakima students is $92 per semester, mandatory for Fall and Spring semester and voluntary for Summer term. This fee covers the costs of counseling, health services, fitness center, and wellness programs. This proposal represents two recommendations of the Spokane Student Fee Committee: 1) Make the fee mandatory in the summer, 2) Increase the fee from $92 per semester to $100 per semester.

WSU Health Sciences has seen an increase in student demand for services in the summer. Currently, the services in the summer are covered by mandatory fees collected in fall and spring, and students who voluntarily pay the fee in the summer. Unfortunately, this does not properly cover the costs of expanding counseling to 12 months from a previous time of 10 months. When students are in crisis, we will always stabilize the student; however, for the student to continue to receive counseling in the summer, they must pay the fee. Students often do not think they will need care, so they do not want to pay the voluntary fee ahead of time, and when they realize they need care, they do not expect to be asked to pay a fee and this creates conflict when we should be providing care.

The most cost effective and efficient method of providing health care and counseling to students year around is to make the fee mandatory in fall, spring, and summer for enrolled students.

The second recommendation of the Student Fee Committee is to increase the fee from $92 to $100 per student per semester. The Health Fee budget in Spokane is estimated to be in a deficit of over $40,000 by the end of the 2021FY and the deficit would continue to increase every year without action. The fee budget in Yakima should have a reserve of about $48,000 at the end of this fiscal year but that will continue to decease without a rate adjustment due to us adding telehealth services and expanding brick and mortar services for Yakima students. WSU Health Sciences is proud of the high level of support we provide for student health care needs and neither administration nor students want to cut services. Our services include medical care with MultiCare/Rockwood, free on-campus counseling, health and wellness programs, an after-hours crisis line, new telemedicine services that will expand from Yakima to all Spokane students, and support for the on-campus fitness center. These fee changes will help Spokane/Yakima to solve problems before they happen.

Multicare/Rockwood Clinic, which provides health services to students in Spokane, are increasing their charge from $43 per student per semester to $46 per student per semester. This has an impact on the budget. In Yakima, based on new contracts, how services are paid for in Yakima (per service as opposed to per student), and an increase in marketing and outreach, Yakima costs will increase substantially. Based on the new contracts and outreach, more students are already using the services and we are seeing higher costs than initially estimated.

The funds generated through these two recommended changes will keep the Health Services budgets on solid financial grounds and maintain the high level and diverse health services we provide to students. These recommendations were approved unanimously by the students, faculty, and administrators present at the Student Fee Committee on October 15, 2019. It was also presented to ASWSU Senate where they expressed support for the proposal.

Tuition and Fee Rate Increase Request

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)
In 2014-15 the Spokane Health Fee was increased from $85 to $87 where it remained until it was increased in 2017-18 to the current $92.00 per semester. From the 2017-18 academic year to 2018-19, Spokane experienced a 105% increase in students using counseling. We added an additional counselor in Spokane and a part-time counselor in Yakima to meet these needs. We contract with Multicare/Rockwood Clinic for services and the associated costs with these services are increasing. We have expanded services in Yakima and more students are using these services. Finally, we have established a fitness center on campus, which is partially funded through the health fee. The increase in student demand for services and the addition of new programs has put a strain on the budget.

Alternatives Considered:
We did consider cutting services but that would not meet the growing demands that students are putting on our counseling and health services. We also considered shifting costs off of the health fee to S & A fees but this would put to much strain on these funds.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
The above mentioned recommendations were approved unanimously by the students, faculty, and administrators present at the Student Fee Committee on October 15, 2019. It was also presented to ASWSU Senate where they expressed support for the proposal. Emails have gone out to students informing them of the change but no feedback was received.

Please Attach Any Supporting Documents

FUTURE ACTION ITEM #8

WSU Undergraduate Application Fee Increase
(Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Undergraduate Application Fee Increase

PROPOSED: That the Board of Regents approve a $20 increase to WSU Undergraduate Application Fee.

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

SUPPORTING INFORMATION: WSU proposes an increase to the undergraduate application fee from $50.00 per application to $70.00 per application. This increase would apply to freshmen, international, and transfer students.

The costs associated with recruitment, admissions, and supporting systems have increased significantly due to the growing number of applicants, the need to improve technology, and the staffing required to adequately serve our students. Raising the application fee to $70.00 places WSU in-line with competitor institutions both in Washington and out-of-state. Students with financial need would not be impacted by the increase, because fee-waivers for students demonstrating need would continue to be granted. Increasing the fee will provide the resources necessary to implement best practices in communication and recruitment campaign management, and admissions, recruitment and systems training across the WSU system.

ATTACHMENT: Attachment A - WSU Undergrad Application for Admission

Attachment A

Tuition and Fee Rate Increase Request

Fee name: WSU Undergrad Application for Admission

	Resident	Non-Resident
Current Rate (Annual)	$50.00 per application	$50.00 per application
Proposed Rate (Annual)	$70.00 per application	$70.00 per application
$ Increase	$20.00 per application	$20.00 per application
% Increase	40%	40%

Description of who pays the fee: *(undergraduates, graduates, full-time, part-time, / what campus/what terms – fall, spring and summer?):*

The $70 fee applies to WSU Undergrad Application for Admission of Freshmen, International, & Transfer Students. Non-Degree Seeking & Former Students receive a 50% discount, thus will pay $35 per application.

Justification for the increase / consequence for not increasing :

See the attached justification.

Decision Support information: when was the last increase, 5-year rate history, peer comparisons, etc)

Competitor comparison – Washington State University has not increased application fees in several years, while many competitors have increased application fees, placing WSU among the lowest in the state and out-of-state.

University of Washington:	$80.00
University of CA system:	$70.00 (per application, per campus)
California State University:	$70.00
Oregon State University:	$65.00
University of Oregon:	$65.00
Eastern Washington University:	$60.00
Western Washington University:	$60.00
Arizona State University:	$50.00 resident, $70 non-resident
Central Washington University:	$50.00
Washington State University:	$50.00

Tuition and Fee Rate Increase Request

Alternatives Considered:
Multiple financial models were considered. However, as oultined in the attached justification, the cost of enrollment management to underpin WSU's growth and success -- specifically hiring and cross-training recruiting professionals, and supporting them with the marketing and software systems needed to manage undergraduate recruitment across the WSU system -- are rising as we invest to improve and modernize. Increasing the application fee to that of our peer instituions is needed to provide the funds needed to invest in our goals for improved enrollment management as the "front end" of meeting our Land Grant access mission and our corresponding goals for student success.

How have (or will) you communicate impacts of the rate increase to students? What was the feedback received?
Impact communication will be distributed to seek input before this proposal appears as an action item. Notable groups to receive communication include undergraduate students, recruiting and enrollment management units, legislative liasons, and community partners. This proposal was developed with input from recruiting professionals and enrollment management leadership, and their opinion is that WSU fee pricing is well below market competitors, as shown in the decision support information section of this request. The existing fee waiver program will continue, unchanged, to provide applicants an avenue for consideration based on need. In the last admission cycle, for example, approximately 26% of application fees were waived on the Pullman campus. Implementation is anticipated for the next admission cycle, and thus this increased fee would be effective August 1, 2020.

Please Attach Any Supporting Documents

WSU Undergraduate Application for Admission – Fee Increase Justification

Current Situation

WSU has a single application for all applicants throughout the WSU system. We currently charge one application fee regardless of residency, campus, or undergraduate student type. The fee has not been raised in decades and is lower than most other 4-year publics in Washington and at out-of-state competitor institutions. Students do not pay additional application fees to have their application moved to another WSU campus. The current fee of $50.00 can be waived if a student or high school counselor requests a fee waiver and the student is eligible, based on a variety of criteria (student previously qualified for a fee waiver from SAT or ACT, student participates in a TRiO program, student is Pell eligible, etc.). Currently 30-40% of student applicants (depending on campus) receive fee waivers.

Proposed Increase

We propose that the application fee be increased from $50.00 to $70.00 per application (regardless of student type or residency) effective August 1, 2020. With the proposed increase all eligible students will continue to receive fee-waivers as under the current program, and non-degree seeking and former students will continue to receive a 50% discount.

Justification

- **WSU fees are low in comparison to our in-state and out-of-state peers** – Washington State University has not increased application fees in several years, while many competitors have increased application fees, placing WSU among the lowest both in the state and out-of-state.

University of Washington:	$80.00
University of CA system:	$70.00 (per application, per campus)
California State University:	$70.00
Oregon State University:	$65.00
University of Oregon:	$65.00
Eastern Washington University:	$60.00
Western Washington University:	$60.00
Arizona State University:	$50.00 resident, $70 non-resident
Central Washington University:	$50.00
***Washington State University*:**	**$50.00**

- **The costs associated with recruiting and admitting nationally declining numbers of students in an increasingly competitive market continue to rise –** Recently, WSU moved from having multiple CRM (customer relationship management) contracts/systems to one system-wide CRM vendor (Slate). The application for admission will move from a third-party hosted application vendor to the new system-wide CRM, effective August 1, 2020, providing many improvements in the application experience for students, and increased efficiency in processing the applications internally. Further, WSU has seen a significant increase in the number of applications in the last several years, without additional resources to manage the intake and processing of the applications. The new system will help streamline processes and will create additional efficiencies. In addition to the existing costs to process an application (admissions staff, technology, IT support, communication), supporting an enterprise-wide platform with equitable support throughout the WSU system will require additional

resources. Increasing the application fee offers the opportunity to fully support the new system and move WSU towards the One WSU mission.

- **Lowering barriers for students –** The new application will provide students the opportunity to submit their application to their campus of choice, and to select a secondary campus if the student is considering more than one campus. Other systems similar to WSU typically charge an application fee for each campus to which the student applies. WSU will allow students to submit required documentation via instant upload into the WSU hosted application, potentially saving students' time and money. WSU will maintain its commitment to our access mission by ensuring that students demonstrating need are granted an application fee waiver. And, as noted previously, the need-based fee waiver program will remain in place so those applicants will not be affected.

- **We desire to continue to enhance WSU system-wide collaboration and efficiency, promoting success across all WSU campuses –** By increasing the application fee, WSU will be able to better support the new system and develop business process that not only benefit the student, but help to ensure that students are receiving communication, support, and information that equips them to consider the WSU campus that is their best fit. WSU lacks resources to provide adequate development and execution of specific needs of each campus partner. Increasing the fee will contribute to the staffing costs of system-wide technology support related to the CRM and application for admission. Many departments/campuses have supplemental applications and require additional supporting documents or interviews for admission into specific programs (i.e. nursing, nutrition exercise physiology). This type of support will help these programs recruit students and streamline admission processes between campuses. In addition, a system-wide CRM trainer will help develop consistent best-practices for use of the system to recruit students to WSU to meet enrollment goals and that aligns with the WSU mission and vision. A system-wide campaign manager who works closely with university marketing, the CRM project manager, and enrollment and marketing staff at each campus will ensure that communication campaigns for the system and each campus are coordinated, branded, and executed to the standards of WUS's brand, mission, and vision. The Campaign manager will provide additional needed support and resources to build out segmented, targeted communication strategies for the system, each campus and academic programs.

Summary

The application for admission fee has not been raised in decades at Washington State University, while the costs associated with recruitment, admissions, and supporting systems have increased significantly due to the growing number of applicants, the need to improve technology, and the staffing required to adequately serve our students. Raising the application fee to $70.00 places WSU in-line with competitor institutions both in Washington and out-of-state. Students with financial need would not be impacted by the increase, because fee-waivers for students demonstrating need would continue to be granted. Increasing the fee will provide the resources necessary to implement best-practices in communication and recruiting campaign management, and admissions, recruitment and systems training across the WSU system. Further, the fee increase will contribute to the One WSU mission by aligning our campuses with the resources, support, and training needed to implement a system approach to recruitment, and enrollment at WSU.

FUTURE ACTION ITEM #9

Services and Activities Fees Committee Allocations for Summer 2020, and Academic Year 2020-2021
(Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Services and Activities Fee Committee Allocations for summer 2020 and Academic Year 2020-2021

PROPOSED: That the Board of Regents approve the allocation of Services & Activities Fees for summer 2020 and academic year 2020-2021, as recommended by the Services and Activities Fee committees representing each campus of Washington State University.

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

SUPPORTING INFORMATION: Services and Activities (S&A) fees are used to fund student activities, programs and student buildings. S&A fees are charged to all students registering at any WSU campus, including the Global Campus.

Each campus retains 100% of its own S&A fees and is able to recommend a rate increase or decrease. The S&A fee committee on each campus is student led, with a majority of votes assigned to students from that campus. S&A fees are self-assessed and controlled locally.

The committees listed below are beginning their consideration processes. Their allocation recommendations will be submitted for approval to President Schulz and will be an action item at the May 2020 Board of Regents meeting. The recommendations are developed following guidelines governing the establishment and funding of student programs set forth in RCW 28B.15.045.

Information about S&A Fees may be found at:
https://studentfees.wsu.edu/home/

Services & Activities Fee Committee - Everett
Services & Activities Fee Committee - Global Campus
Services & Activities Fee Committee - Pullman
Services & Activities Fee Committee - Spokane
Services & Activities Fee Committee - Tri-Cities
Services & Activities Fee Committee - Vancouver

FUTURE ACTION ITEM #10

WSU Pullman, Undergraduate Technology Fee Committee Allocations for Academic Year 2020-2021
(Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Pullman Student Technology Fee Committee Allocations for Academic Year 2020-2021.

PROPOSED: That the Board of Regents approve the Academic Year 2020-2021 allocations as recommended by the Pullman Student Technology Fee Committee.

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

SUPPORTING INFORMATION: During the 2015 Spring Semester, the ASWSU-Pullman Senate approved a $20/semester student technology fee for undergraduate students, effective beginning with the 2015 Fall Semester. This fee is authorized by RCW 28B.15.051, which states that the revenue generated by the technology fee "shall be used exclusively for technology resources for general student use".

The Pullman Student Technology Fee Committee is in the process of reviewing funding requests from a variety of university groups for technology projects that will benefit WSU students. Allocation recommendations from the committee will be forwarded to President Schulz for approval and will be an action item at the May 2020 Board of Regents meeting.

FUTURE ACTION ITEM #11

WSU Vancouver, Technology Fee Committee Allocations for
Academic Year 2020-2021
(Stacy Pearson)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Vancouver Student Technology Fee Committee Allocations for Academic Year 2020-2021

PROPOSED: That the Board of Regents approve the Academic Year 2020-2021 allocations as recommended by the Vancouver Student Technology Fee Committee.

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

SUPPORTING INFORMATION: During the 2017 Spring Semester, the ASWSU-Vancouver Senate approved a $20/semester student technology fee for undergraduate and graduate students effective beginning with the Fall Semester 2017. This fee is authorized by RCW 28B.15.051, which states that the revenue generated by the technology fee "shall be used exclusively for technology resources for general student use".

The Vancouver Student Technology Fee Committee is in the process of reviewing funding requests from a variety of university groups for technology projects which will benefit WSU students. Allocation recommendations from the committee will be forwarded to President Schulz for approval and will be an action item at the May 2020 Board of Regents meeting.

FUTURE ACTION ITEM #12

WSU Pullman, Proposed Changes to Parking System Rates and Fines (Stacy Pearson/John Shaheen)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Changes to WSU Pullman Parking System Rates and Fines

PROPOSED: That the Board of Regents adopt proposed changes to parking rates and fines effective Fall 2020 on the Pullman campus. The final proposal will be included as an Action Item at the Board of Regents meeting in May.

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

SUPPORTING INFORMATION: Pursuant to resolution at their meeting of March 12, 2004, the Board of Regents delegated authority to the President, or designee, commencing with FY2008, to approve (a) annual increases in parking rates and fines that do not exceed the U.S. Department of Labor Consumer Price Index (Western); and (b) annual increases in hourly rates that do not exceed $.05 per hour per year. Any increases larger than the defined maximums require additional Board of Regents approval.

WSU Pullman proposes a rate increase that exceeds the maximum as stated above, but not to exceed an average of 10% for annual parking permits; an increase of $.50 per hour for hourly parking; and increases to a select number of parking violation fines. These increases, and likely similar increases over the next few years, are necessary to continue the cycle of facility maintenance projects needed to ensure safety and serviceability.

The WSU Pullman campus-parking system is comprised of four multi-level parking garages each located below buildings, and 127 paved surface parking locations. The parking garages have approximately $3.5M in deferred maintenance, and the surface parking lots will require approximately $5.5M in maintenance over the next 6 - 8 years to ensure safety and prolong the serviceable life of these facilities.

Parking and Transportation Services is a self-supported auxiliary unit that does not receive federal, state, grant or tuition funding. Revenue for operations, maintenance, and capital projects and any associated debt service is derived solely from parking fees and fines paid by the users.

Departmental staff collaborate with the 15-member University Parking and Transportation Task Force (Task Force) that was established to provide a campus-wide perspective and broad representation regarding parking and transportation issues, including rates. The Task Force meets monthly and members represent various stakeholder groups, including ASWSU, RHA, GPSA, faculty, administrative and facilities staff, and represented civil service employees. The Task Force has reviewed detailed financial and facilities information over the Fall 2019 semester, and in January 2020 expressed support for an increase in parking rates and fines. Subsequently the proposed increases were publicized and the campus community invited to provide comments.

Parking permit rates were last increased by 3.1% (the CPI) effective July 1, 2019. Prior to that time, the last parking permit rate increase was 2015/16, an increase of 1.9%. Hourly parking rates were last increased by $.05 effective July 1, 2011. Additionally, select parking zone changes affected the cost to certain permit holders effective July 1, 2017.

Select increases in parking fines for violations are proposed to ensure that the costs of compliance and collection activities are offset by fine revenue, rather than being subsidized by the parking patrons, and to help ensure that fines retain their deterrent value. The former is determined through cost accounting measures, and the latter through peer comparisons of similar parking violations and fines. Current fine levels have not changed since 2011 and are shown in Attachment B.

ATTACHMENTS: Attachment A: Historical parking permit fees
Attachment B: Parking violation rates

ATTACHMENT A

Annual Parking Permit Rate History

Permit Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5-Year $ Change	5-Year % Change
ORANGE	$ 656.07	$ 656.07	$ 656.07	$ 656.07	$ 676.41	$20.34	3.10%
GREEN	486.62	486.62	486.62	486.62	501.69	15.07	3.10%
CRIMSON	331.86	331.86	331.86	331.86	342.15	10.29	3.10%
YELLOW	298.61	298.61	298.61	298.61	307.87	9.26	3.10%
RED	231.47	231.47	231.47	231.47	238.66	7.19	3.10%
GRAY	231.47	231.47	231.47	231.47	238.66	7.19	3.10%
COLLEGE HILL	331.86	331.86	331.86	331.86	342.15	10.29	3.10%
BLUE	125.64	125.64	125.64	125.64	129.53	3.89	3.09%
COMMERCIAL	963.00	963.00	963.00	963.00	992.85	29.85	3.10%
MOPED	76.73	76.73	76.73	76.73	79.11	2.38	3.10%
MOTORCYCLE	76.73	76.73	76.73	76.73	79.11	2.38	3.10%

Daily Parking Permit Rate History

Permit Type	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5-Year $ Change	5-Year % Change
ORANGE/DAY	$ 10.25	$ 10.25	$ 10.25	$ 10.25	$ 10.57	$0.32	3.14%
GREEN	6.94	6.94	6.94	6.94	7.16	0.22	3.18%
CRIMSON	6.94	6.94	6.94	6.94	7.16	0.22	3.18%
YELLOW	3.63	3.63	3.63	3.63	3.74	0.11	3.03%
RED	1.98	1.98	1.98	1.98	2.05	0.07	3.54%
GRAY	5.61	5.61	5.61	5.61	5.78	0.17	3.03%
BLUE	1.31	1.31	1.31	1.31	1.35	0.04	2.97%
COMMERCIAL	13.89	13.89	13.89	13.89	14.31	0.42	3.01%
MOPED	0.98	0.98	0.98	0.98	1.00	0.02	2.02%
MOTORCYCLE	0.98	0.98	0.98	0.98	1.00	0.02	2.02%

Hourly Parking Rate History

Location	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5-Year $ Change	5-Year % Change
Library Garage	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$ 2.00	$0.00	0.00%
Smith Ctr Garage	2.00	2.00	2.00	2.00	2.00	0.00	0.00%
Meters	1.75	1.75	1.75	1.75	1.75	0.00	0.00%

Attachment B

VIOLATION	FY 2012 - 2020
METER VIOLATION -WAC 504-15-210	$ 20.00
OVERTIME IN A TIMED ZONE -WAC 504-15-210	20.00
IMPROPER DISPLAY -WAC 504-15-520	15.00
NO PARKING PERMIT -WAC 504-15-510	50.00
NO PERMIT FOR THIS AREA -WAC 504-15-540	40.00
NO PARKING ZONE -WAC 504-15-220	40.00
IMPROPER PARKING -WAC 504-15-220	30.00
STOLEN/LOST PERMIT -WAC 504-15-470	400.00
BLOCKING TRAFFIC -WAC 504-15-830	150.00
* DISABILITY PARKING ZONE -RCW 46.19.050	250.00
FIRE ZONE -WAC 504-15-100-5	150.00
RESERVED AREA -WAC 504-15-210	150.00
ILLEGAL USE OF PERMIT -WAC 504-15-460	150.00
MISCELLANEOUS -WAC 504-15-210	30.00
NO MALL SERVICE PERMIT -WAC 504-15-920	150.00
NONPAYMENT IN PAY LOT -WAC 504-15-210	25.00
NO SERVICE PERMIT -WAC 504-15-210	75.00
* EV CHARGING STATION -RCW 46.08.185	124.00
WHEEL LOCK -WAC 504-15-830	150.00
STORAGE FEE -WAC 504-15-830	30.00
LATE FEE -WAC-504-15-810	30.00

**Fine established by the Revised Code of Washington.*

ACTION ITEM #1

FY2021 Housing and Dining Rates
(Mary Jo Gonzales/ Terry Boston)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2021 Housing and Dining Rates

PROPOSED: That the Board of Regents approve an increase in the Housing and Dining Rates not to exceed the following percentage from the FY2020 Rates.

Residence Halls:
2.5% ($285) of the total weighted average for room and board (weighted average of a double room and level 2 dining plan).

Apartments:
2.0% of the total weighted average for Single Student Apartment (SSA) rates.
1.0% of the total weighted average for Family apartment rates.

SUBMITTED BY: Terry Boston, Acting Vice President for Student Affairs

SUPPORTING INFORMATION: The Housing and Dining System is a self-sustaining auxiliary unit that requires establishing room and board rates that are sufficient to meet bond covenants and support the University's strategic goals.

The Housing and Dining Advisory Board is comprised of student representatives from the Resident Hall Association (RHA), Associated Students of Washington State University (ASWSU), Graduate and Professional Students Association (GPSA), as well as representatives from the Budget Office, Finance & Administration, and Student Affairs.

The Advisory Board met throughout the fall and part of spring semester to review current operations and discuss operational changes anticipated for next year. The Advisory Board toured various facilities within the system and were

provided notebooks containing detailed budget information, organizational charts and system goals for the long-range housing plans. The rate increase recommendations are based on student input, economic projections and system demands (see supporting information). The proposed increases received unanimous support from the Advisory Board. Pending Regent's approval, the new rates will be effective for fall semester 2020.

The Advisory Board is very conscious of the impact that cost increases have on college affordability for students. Inquiries with other Washington higher education institutions indicate that plans to increase housing rates for fall 2020 range between 4-6%.

The Advisory Board is comprised of seven student representatives* and six administrators as outlined below.

Representative:	**Area:**
Alyssa Cove*	RHA Representative
Brad Doering*	Apartment Coordinator
Michael Faust *	GPSA Representative
Kevin Kissinger*	Resident Technology Advisor
Jhordin Prescott*	ASWSU Vice President
Noah Sanchez*	Resident Advisor
Patrick Summit*	Assistant Hall Director
Cyndi Arbour	Facilities Services
Terry Boston	Student Affairs
Sean Greene	Housing & Dining Services
Edwin Hamada	Residence Life & Housing
Gail Nash	Finance/Budget Manager
Kelly Westhoff	Budget Director

WSU Housing and Dining System
Resident Hall, Dining and Apartment Rate Proposal
2020-2021 Academic Year

Occupancy trends, Fall Census Day (10th day after classes start)

	Residence Halls	Single Student Apartments		Family Apartments	
2016	5,191	829*	97%	867	97%
2017	5,372	891*	95%	865	97%
2018	5,818	914	97%	850	94%
2019	5,726	908	97%	824	91%
2020 (projected)	5,744	908	97%	829	92%
*Chief Joseph Units varied due to construction and renovation					

Revenue Assumptions
4,200 targeted freshmen class

Expense Assumptions

- 2.2% cost of living increase for employees per legislature approval
- 7.5% increase for temporary and student employees due to minimum wage increase
- 2.0% increase in food costs
- 3.4% net increase in employee benefits.
- 5.0% increase in utility costs
- 2.5% increase in perquisites
- 2.0% increase inflation on supplies and services

Target $2.0 million for major repairs and equipment

Recommended Increases
Apartments

Single Student apartments	increase 2.0%
Family Housing	increase 1.0%

Residence Halls Room and Board

	2019-20	2020-21	Increase	% Increase
Weighted Average Residence Hall Double Room	$7,019	$7,254	$235	3.3%
Dining Plan, Level 2	4,300	4,350	50	1.2%
Total*	$11,319	$11,604	$285	2.5%
*Total is the sum of weighted average double room and level 2 dining plan.				

ACTION ITEM #2
FY2020 Athletics Budget Update
Expenditure Transfer Approval
(Stacy Pearson/Pat Chun)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2020 Athletic Budget Update and Expenditure Transfer Approval

PROPOSED: That the Washington State University Board of Regents approve Athletics expenditure transfers related to the 2020 football coach transition in accordance with SSB6493, even though net impact to the FY2020 budget of the additional revenues and expenditures is zero.

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

SUPPORTING INFORMATION: Washington State University has implemented a fiscal recovery plan for WSU Athletics to achieve an operating breakeven position by FY2023. This plan also ensures that WSU is fully compliant with RCW 28B.15.120 (Board of trustees or regents—annual budget requirements), which requires certain actions of state college and university boards related to the budgets of intercollegiate athletics programs.

The statute requires that the WSU Board of Regents specifically approve, in an open public meeting, any expenditure over two hundred fifty thousand dollars that was not included in the approved annual budget, in an open public meeting. While this legislation requires that these expenditures be approved in advance, it also allows for the approval to occur at the next regularly scheduled board meeting after the expenditure if the expenditure is: (a) Time sensitive and the net fiscal impact of the expenditure results in a direct revenue gain to the program.

In January 2020, WSU hired Nick Rolovich as the head coach of the WSU football program. As is standard practice in this type of transition, WSU committed to cover the buyout of Coach Rolovich's contract with the University of Hawaii. This buyout exceeded the $250,000 threshold outlined in SSB6493 which requires BOR approval.

WSU also incurred additional costs to hire the new coach and for

the transition of the football staffs. However, none of the additional costs individually exceeded the $250,000 approval limit. Further, the full cost of the transition, approximately $1.6 million, is covered in the budget as outlined below.

The additional costs include; (a) paying the contractual obligations for the remaining staff members, (b) relocation expenses for the new staff coming to Pullman, (c) search expenses, (d) office and equipment changes, (e) increases in recruiting and (f) other normal transition expenses. These costs are covered by the $2.25 million buyout, which is due to WSU per the terms in Coach Leach's contract. In addition, the impact of the lower bowl payout is also included in this update and covered by the contract buyout revenues.

The net impact to the FY2020 budget of the additional revenues and expenditures is zero and is reflected in Attachment B.

ATTACHMENTS: Attachment A: Athletics Five Year Annual Operating Budgets Approved by the WSU Regents FY2020-2024

Attachment B: January 2020 Update to the FY2020 Approved Operating Budget with Revenue and Expenditure Impacts for the Football Coaching Transition.

Washington State University
Athletics Budget - Projected

	FY2020	FY2021	Projected FY2022	FY2023	FY2024
REVENUES:					
01 - Ticket Sales	8.6	10.7	11.0	12.0	11.1
02 - Direct State/Gov Support	-	-	-	-	-
03 - Student Fees	1.5	1.4	1.4	1.4	1.3
04 - Direct Inst. Support	3.7	3.8	3.9	4.0	4.1
05 - Less Xfer to Inst.	-	-	-	-	-
06 - Indirect Inst. Support	0.4	0.4	0.4	0.4	0.5
06A - Debt Service, Lease, Rentals	-	-	-	-	-
07 - Guarantee Revenue	0.1	0.2	-	0.3	0.3
08 - Contributions	11.1	11.7	11.5	12.0	11.6
09 - In-Kind	1.6	1.6	1.6	1.6	1.6
10 - 3rd Party Compensation	-	-	-	-	-
11 - Media Rights	21.9	23.0	24.2	25.5	26.7
12 - NCAA Distribution	1.5	1.6	1.6	1.7	1.7
13 - Conference Distribution	12.1	12.1	12.8	13.0	13.3
14 - Program/Concessions etc.	1.1	1.5	1.6	1.7	1.8
15 - Royalties/Advert. etc.	3.2	4.5	5.0	5.2	5.3
16 - Sport Camp Revenue	0.3	0.3	0.3	0.3	0.3
17 - Endowments	0.6	0.7	0.7	0.7	0.7
18 - Other Revenue	2.0	2.4	2.5	2.5	2.5
19 - Bowl Revenue	2.6	2.7	2.8	2.9	3.0
Total Revenue	72.5	78.9	81.4	85.3	85.9
EXPENSES:					
20 - Athletic Aid	11.0	11.7	12.0	12.2	12.5
21 - Guarantee Expense	1.8	1.3	1.8	1.6	1.5
22 - Coaches Comp: WSU	14.3	15.4	14.8	14.9	14.9
23 - Coaches Comp: 3rd Party	-	-	-	-	-
24 - Admin Comp: WSU	15.1	15.3	15.5	15.8	16.0
25 - Admin Comp: 3rd Party	-	-	-	-	-
26 - Severence	2.0	1.7	1.3	-	-
27 - Recruiting	1.5	1.6	1.6	1.7	1.7
28 - Team Travel	4.7	4.7	4.8	5.0	5.2
29 - Equipment	2.2	2.3	2.3	2.5	2.7
30 - Game Expenses	2.5	2.7	2.7	2.8	2.6
31 - Fund Raising/Marketing	2.4	2.5	2.6	2.7	2.7
32 - Sport Camp Expense	0.3	0.3	0.3	0.3	-
33 - Spirit Groups	0.2	0.2	0.2	0.2	0.2
34 - Facilities: Debt/Lease/Rental	9.6	10.0	10.0	10.0	10.0
35 - Direct Admin Expense	2.0	2.1	2.1	2.2	2.2
36 - Indirect Inst. Support	0.4	0.4	0.4	0.4	-
37 - Medical/Insurance	0.9	0.9	0.9	1.0	1.0
38 - Dues & Memberships	2.4	2.5	2.6	2.7	2.8
39 - Student-Athlete meals	1.0	1.0	1.0	1.0	1.0
40 - Other Expense	4.7	4.6	4.7	4.8	4.9
41 - Bowl Expenses	2.1	2.2	2.3	2.4	2.5
41A - Coaches Bowl Bonuses	0.5	0.5	0.5	0.5	0.5
Total Expenses	81.7	83.9	84.6	84.7	85.3
Net Income from Operations	(9.3)	(5.0)	(3.2)	0.5	0.5
56-Capitalized Expenses	6.7	0.3	0.0	-	-
Net Income after Capitalized Epenses	(16.0)	(5.3)	(3.2)	0.5	0.5
Accumulated Deficit	(92.8)	(98.1)	(101.3)	(100.8)	(100.28)
Accumulated Deficit					

Attachment B

Washington State University
Athletics Budget - FY2020 Budget Update

	FY2020	Jan Update		
REVENUES:				
01 - Ticket Sales	8.6	8.6	-	
02 - Direct State/Gov Support	-	-	-	
03 - Student Fees	1.5	1.5	-	
04 - Direct Inst. Support	3.7	3.7	-	
05 - Less Xfer to Inst.	-	-	-	
06 - Indirect Inst. Support	0.4	0.4	-	
06A - Debt Service, Lease, Rentals	-	-	-	
07 - Guarantee Revenue	0.1	0.1	-	
08 - Contributions	11.1	11.1	(0.0)	
09 - In-Kind	1.6	1.6	-	
10 - 3rd Party Compensation	-	-	-	
11 - Media Rights	21.9	21.9	-	
12 - NCAA Distribution	1.5	1.5	-	
13 - Conference Distribution	12.1	12.2	0.1	Audit surplus from Pac-12
14 - Program/Concessions etc.	1.1	1.1	-	
15 - Royalties/Advert. etc.	3.2	3.2	-	
16 - Sport Camp Revenue	0.3	0.3	-	
17 - Endowments	0.6	0.6	-	
18 - Other Revenue	2.0	4.2	2.3	Leach buyout
19 - Bowl Revenue	2.6	1.4	(1.2)	Lower Bowl payout
Total Revenue	72.5	73.6	1.1	
EXPENSES:				
20 - Athletic Aid	11.0	11.0	-	
21 - Guarantee Expense	1.8	1.9	0.0	
22 - Coaches Comp: WSU	14.3	14.3	-	

23 - Coaches Comp: 3rd Party	-	-	-	
24 - Admin Comp: WSU	15.1	15.1	0.0	
25 - Admin Comp: 3rd Party	-	-	-	
26 - Severence	2.0	3.1	1.1	Severence for FB staff not retained
27 - Recruiting	1.5	1.5	-	
28 - Team Travel	4.7	4.8	0.1	
29 - Equipment	2.2	2.2	-	
30 - Game Expenses	2.5	2.5	-	
31 - Fund Raising/Marketing	2.4	2.4	-	
32 - Sport Camp Expense	0.3	0.3	-	
33 - Spirit Groups	0.2	0.2	-	
34 - Facilities: Debt/Lease/Rental	9.6	9.6	-	
35 - Direct Admin Expense	2.0	2.0	-	
36 - Indirect Inst. Support	0.4	0.4	-	
37 - Medical/Insurance	0.9	0.9	-	
38 - Dues & Memberships	2.4	2.4	-	
39 - Student-Athlete meals	1.0	1.0	-	
40 - Other Expense	4.7	5.2	0.5	Coach transition - moving exp & transition cost
41 - Bowl Expenses	2.1	1.5	(0.6)	Savings on bowl expenses
41A - Coaches Bowl Bonuses	0.5	0.5	-	
Total Expenses	81.7	82.9	1.1	
Net Income from Operations	(9.3)	(9.3)	0.0	
56-Capitalized Expenses	6.7	6.7		
Net Income after Capitalized Epenses	(16.0)	(16.0)		
Accumulated Deficit	(92.8)	(92.8)		

Cheez-It Bowl summary: The Cheez-It bowl has a very low payout compared to other Pac-12 affiliated bowls. The pay out was $1.2M less than the Alamo Bowl (WSU bowl from FY19). Bowl expenses were reduced by more than $400,000 by minimizing travel costs and other efforts.

ACTION ITEM #3

Pacific Northwest University of Health Sciences (PNWU) Lease
for Nursing Program in Yakima
(Stacy Pearson/Daryll DeWald)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: PNWU Lease for Nursing Program in Yakima

PROPOSED: That the Board of Regents authorize a ten (10) year Office/Classroom Lease on the PNWU campus in Yakima, WA, and delegate authority to the President or his designee to enter into any and all documents necessary to complete the execution of said Lease.

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

SUPPORTING INFORMATION: The College of Nursing (CON) currently occupies approximately 13,200 gross sq. ft. of office space on the Yakima Valley Community College campus located at W Nob Hill Blvd. and S 16th Ave., Yakima, WA. The CON has an opportunity to relocate onto the Pacific Northwest University of Health Sciences (PNWU) campus (the same location as the WSU College of Pharmacy), which is becoming the Health Sciences hub of that region. This would provide significantly better space long-term for nursing's educational program in Yakima. The initial term of the lease, if approved, is ten (10) years. Final negotiations with PNWU are ongoing, but the estimated total amount of rent and payment for services for the ten-year term will be approximately $6,500,000. The WSU Spokane Health Sciences Campus and the CON will adjust their annual operating budgets to cover this new annual cost. CON's plan to grow enrollments (See Attachment B) is intended to be one source of revenue for this purpose.

The new space on the PNWU campus consists of approximately 17,800 gross square feet and includes furniture, utilities, parking, and other services and amenities. Importantly, colocation with PNWU and the Nursing and Pharmacy programs allows for greater collaboration and interprofessional development. This environment

is fertile for expansion of the undergraduate (R.N., B.S.N and D.N.P. and professional Doctor of Nursing practice nursing degree programs; therefore, plans have been formulated and are in the process of being implemented. Expansion will provide greater impact and revenue for the WSU College of Nursing and WSU.

Yakima is an important site regionally for health sciences education and health care delivery, and the health sciences college faculty have many educational and research ties to collaborators in the region. WSU Tri-Cities and WSU Vancouver also have interest and engagement with WSU Yakima programs. This request is for the approval of a lease agreement between WSU Health Sciences and PNWU on behalf of the College of Nursing. Currently, the College of Pharmacy and Pharmaceutical Sciences has a five-year lease agreement with PNWU.

Additional key terms and dates for the new Lease with PNWU are outlined in the Memo from WSU Health Sciences to PNWU (Attachment A). The CON's 5-Year Strategic Plan for Growth is provided in Attachment B. Nursing expansion in Yakima and across the state will be facilitated and enhanced by having the CON located on the PNWU campus because of the improved quality of facilities and expanded opportunities for interprofessional education.

ATTACHMENTS: Attachment A – WSU Heath Sciences Memo
Attachment B – College of Nursing's 5-Year Strategic Plan for Growth

BOARD OF REGENTS

Pacific Northwest University of Health Sciences (PNWU) Lease
for Nursing Program in Yakima

Resolution #200313-622

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

RESOLVED: That the Board of Regents authorize a ten (10) year Office/Classroom Lease on the PNWU campus in Yakima, WA, and delegate authority to the President or his designee to enter into any and all documents necessary to complete the execution of said Lease.

Dated this 13th day of March, 2020.

_____
Chair, Board of Regents

_____
Secretary, Board of Regents

Attachment A

WASHINGTON STATE UNIVERSITY
HEALTH SCIENCES
SPOKANE

Office of
the Vice President/Chancellor

MEMORANDUM

TO: Michael Lawler, President, Pacific Northwest University of Health Sciences
Ed Bilsky, Provost and Chief Academic Officer, Pacific Northwest University of Health Sciences

FROM: Daryll DeWald, Vice President & Chancellor Washington State University Health Sciences
Stacy Pearson, Vice President for Finance & Administration, Washington State University

DATE: January 24, 2020

SUBJECT: WSU Nursing Relocation to PNWU Yakima Campus

This memorandum serves as official notice that WSU Health Sciences (WSU) plans to relocate its College of Nursing program located on the Yakima Valley College (YVC) campus to the Pacific Northwest University of Health Sciences (PNWU) campus.

The planned date to relocate WSU's nursing program to PNWU's campus is late Spring of 2020. To meet this timeline, WSU and PNWU will need to act diligently and in good faith to finalize a mutually acceptable written agreement by March 15, 2020. The agreement will need to include certain WSU standard contract terms and conditions for an arrangement of this size and complexity. The agreement must also comply with all WSU policies and applicable laws for public institutions of higher education.

As WSU is terminating its current lease with YVC and relocating its nursing program to PNWU's campus, the space WSU will be occupying on the PNWU's campus needs to be move-in ready. Important terms that will need to be incorporated into the lease agreement to ensure WSU can continue to offer educational and administrative services to its nursing students during this relocation include the following:

Intent to locate into approximately 10,694 Net Assigned Square Feet (NASF) in the Project NEXT Building

Planned date of relocation: Late Spring 2020

Planned initiation of lease agreement: July 1, 2020

Duration of the Lease will be 10 years

412 E. Spokane Falls Blvd, Spokane, WA 99202-2131
509-358-7550 | Fax: 509-358-7505

Approximate cost of the lease will be around $600,000 per year, which will include space and utilities, furniture and certain services or amenities that are consistent with the draft Cooperative Agreement between WSU and PNWU. Other services not subject to the base fee may be negotiated by the parties such as those stated in the draft Cooperative Agreement between WSU and PNWU.

Finalizing the space arrangements will also require defining the simulation capabilities and spaces, classrooms, and office designation of designated (for WSU Nursing) and shared space (with PNWU and WSU Pharmacy) and who is responsible for completion and maintenance of the different facilities.

WSU also commits to work in good faith and develop secondary agreements, where appropriate, with PNWU to define costs and services for PNWU-occupied WSU Spokane-leased space, WSU IRB serving PNWU, WSU EHS serving PNWU, and WSU instructional collaboration.

Attachment B

5 Year Strategic Plan For Growth

Nursing is Poised For Growth

College of Nursing

Strategies:

- Statewide Demand – Expand enrollments in all fields of nursing to address critical shortage of nurses in the state of Washington
- Offensive – Minimize impact of other programs from getting established/growing
- Defensive – Maintain control of programs

Conclusion:

- Need to implement incentive for College of Nursing by remodeling the budget so that they receive net tuition and can make strategic investments to grow programs

College of Nursing

History of Nursing Net Tuition

Net Tuition by Campus	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Pullman (from Spokane/Yakima) - Grad	627,413	707,653	804,876	815,557	922,285	3,877,783
Pullman (from Spokane/Yakima) - UG	4,838,879	4,482,973	4,092,430	4,261,097	4,406,239	22,081,618
Spokane/Yakima - UG - > EBB	84,000	43,867	39,067	48,400	-	215,333
Tri-Cities - Grad	57,872	119,654	222,134	234,720	190,689	825,068
Tri-Cities - UG	982,928	985,113	993,922	870,456	732,621	4,565,040
Vancouver - Grad	1,010,389	1,194,072	922,797	1,134,629	1,168,116	5,430,003
Vancouver - UG	566,312	567,290	662,611	682,591	756,754	3,235,557
Total	8,167,793	8,100,621	7,737,837	8,047,450	8,176,703	40,230,403

The College of Nursing has generated $40M in net tuition system-wide over the past five years, $26M to Pullman, $5M to Tri-Cities, and $9M to Vancouver

Current Tuition for:
Undergrad - $10,290
Grad - $17,816

College of Nursing

Forecasted RN-BSN Program Headcount by Location

RN-BSN	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup						
Spokane	37	40	50	60	60	60
Tri-Cities	11	10	15	15	20	20
Vancouver	153	155	160	160	160	160
Walla Walla	7	10	15	15	20	20
Yakima	9	8	15	20	20	20
Everett						
RN-BSN - Total	217	223	255	270	280	280

Strategies:

- **Expand to Everett** for students in the northern corridor. Currently students who live in the northern corridor must drive to Vancouver. We have an opportunity to expand our presence in Everett.
- The RN-BSN program has an opportunity to **create a dual enrollment program** where *community college students who are accepted in the Associate Degree program could apply to WSU to complete the Associate Degree and BSN at the same time*. Clark College and Spokane Community College are exploring with WSU a statewide option for students. If we were to offer this option statewide it will vastly increase our RN-BSN numbers.
- **Moving online.** A very complicated multi-campus issue. The dual enrollment program to be fully online. The RN-BSN is **currently revising the curriculum to decrease the clinical hours**. This change will focus on practice hours with a specific focus (research, policy, population health and leadership). Our community stakeholders (Kaiser) want a population health/nurse care manager course. We have built that into our new curriculum to prepare students to manage complex populations.
- **Hire a full-time advisor/program coordinator**. We currently need to increase our presence statewide. Our competitors have better presence, swag and marketing strategies. We propose hiring a staff member to work strategically with our community college partners to work on innovative ways to gets students to chose WSU. This person would collaboratively work with the campus advisor to create a growth-oriented strategic plan.
- **Explore new program development.** RN to DNP/PhD, RN to MBA/MSN

College of Nursing

Forecasted Pre-Licensure (BSN) Program Headcount by Location

Pre-Licensure	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup						
Spokane	351	360	360	360	360	368
Tri-Cities	79	96	96	96	104	112
Vancouver						
Walla Walla						
Yakima	92	96	96	104	112	120
Everett						
Pre-Licensure - Total	522	552	552	560	576	600

Strategies:

- **Expand Prelicensure enrollment on Yakima & Tri-Cities**: Possible expansions that may be responsive to need would be to expand the Yakima and Tri-Cities campuses by 1 section (8 students) over the next two years. Yakima campus would be the most reasonable campus to increase in 2020-2021, enjoying the more stable faculty. The Tri-Cities campus has traditionally had large faculty and leadership turnover, but also has a great nursing need. With appropriate support, Tri-Cities could potentially add a new section (8 students) in 2021- 2022.
- **Expansion of Spokane capacity:** Could be accomplished by expanding the Spokane site by 1 section AFTER the "teach out" of the new curriculum is complete, in 2022. A new section of 8 students could be supported in 2022 – 2023. The addition of each new section would be anticipated to result in at least 0.5 clinical faculty and 0.25 didactic faculty increase per term for a total of 3 new faculty FTE for each new section on each campus.
- **Change the program on all campuses to Year Round BSN Program**: The existing BSN program does not offer courses in the summer. This results in Fall admission students "sitting out" one summer between their 2nd and third terms, and Spring admission students sitting out two summers between their 1st and 2nd and 3rd and 4th terms. *This proposal would be to change the program to year round, best deployed with the new curriculum.* Admission would be twice per year, in the spring and fall, with an increase in the enrollment to 100 on the Spokane campus (2 additional sections) in addition to expansion on the TC and Yakima campus would result in 32 additional enrolled annually across the campuses. The new curriculum decreases clinical hours but increases the didactic faculty need. This program would result in the graduation of 150-155 students each cycle, with 300 graduates over two years, up from the existing 250 per year. Admissions would be the same as above, but with students graduating after 4 terms, rather than 5 or 6 total terms, accelerating the number of graduates.

College of Nursing

Forecasted MN PH Program Headcount by Location

MN PH	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup	2	2	5	7	20	30
Spokane	5	5	5	13	40	45
Tri-Cities	3	3	5	12	20	25
Vancouver	20	20	10	35	40	50
Walla Walla	1	1	2	5	10	15
Yakima			5	5	15	20
Everett				5	10	15
MN - Total	31	31	32	82	155	200

Strategies:

- To expand by Fall 2021, target admissions in Central Washington (Yakima and Tri-Cities) & Eastern WA (Spokane):
- The MN PH program is developing more visibility for the three Graduate Certificates: Nursing Education, Nursing Leadership and Public Health. While the majority of students are completing the certificates within their primary graduate degree programs (MN PH, DNP, PhD), growth is feasible in non-matriculated tracks for post BSN/post MN-RN applicants seeking the Public health certificate.
- Another avenue for program expansion is through the RN-MN pathway for RN applicants (RN-B program) with a BA/BS in another degree and a prelicensure RN-MN pathway for BSN students with a BA/BS in another degree.

College of Nursing

Forecasted DNP Program Headcount by Location

DNP	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup	46	35	35	35	35	35
Spokane	60	55	55	55	55	55
Tri-Cities	18	16	30	18	18	24
Vancouver	53	60	60	60	60	60
Walla Walla	5	3				
Yakima	6	4	16	18	18	24
Everett				30	30	42
DNP - Total	188	173	196	216	216	240

Positioned for success:

There were just 31 students enrolled in 2012, the program's first year, versus 173 in the 2019-20 academic year. The college closed the MN Advanced Degree option in fall 2019 which will account for more students in the DNP program. Additionally:

- A plan developed by WSU and the Kadlec Foundation in 2019 promises to boost DNP enrollments in the Tri-Cities. Those graduates will create a larger pool of potential faculty to support growth of the Yakima program.
- Yakima DNP enrollment will be enhanced by the move of the program to PNWU. The more modern facilities will:
  - Attract new DNP faculty and students
  - Expand opportunities for learning via high-fidelity simulation
  - Provide better technological support for hybrid delivery of distance education
  - Enable students to engage in interprofessional education activities with PNWU students, preparing better clinical practitioners and educators, and begin opportunities for nursing faculty to serve as Affiliate faculty at PNWU.

Forecast of Nursing Net Tuition

System Wide Headcount						
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
DNP	188	173	196	216	216	240
MN PH	31	31	32	82	155	200
RN-BSN	217	223	255	270	280	280
Pre-Licensure	522	552	552	560	576	600
Conversion to AAFTE						
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
DNP	132	121	137	151	151	168
MN PH	22	22	22	57	109	140
RN-BSN	239	245	281	297	308	308
Pre-Licensure	574	607	607	616	634	660
Projected Revenue (At FY19 Tuition)						
Average Net Tuition - UG		9,300				
Average Net Tuition - Grad		15,000				
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
DNP	$ 1,974,000	$ 1,816,500	$ 2,058,000	$ 2,268,000	$ 2,268,000	$ 2,520,000
MN PH	$ 325,500	$ 325,500	$ 336,000	$ 861,000	$ 1,627,500	$ 2,100,000
RN-BSN	$ 2,219,910	$ 2,281,290	$ 2,608,650	$ 2,762,100	$ 2,864,400	$ 2,864,400
Pre-Licensure	$ 5,340,060	$ 5,646,960	$ 5,646,960	$ 5,728,800	$ 5,892,480	$ 6,138,000
Total	$ 9,859,470	$ 10,070,250	$ 10,649,610	$ 11,619,900	$ 12,652,380	$ 13,622,400
Incremental Revenue Over FY19		$ 210,780	$ 790,140	$ 1,760,430	$ 2,792,910	$ 3,762,930
PNWU Investment		$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000
Net (Deficit)/Surplus		$ (439,220)	$ 140,140	$ 1,110,430	$ 2,142,910	$ 3,112,930
Cumulative (Deficit)/Surplus		$ (439,220)	$ (299,080)	$ 811,350	$ 2,954,260	$ 6,067,190

Summary

Summary:

- The College of Nursing historically and currently has been/is the largest nursing program in the state of Washington and our plan to expand enrollment in all program tracks (RN-to-BSN, BSN, MN-Population Health, DNP, and PhD) is designed to keep us as the acknowledged leader in nursing education in the state.
- Our expansion plan involves engaging in formal partnerships with large hospital care facilities across the state (Premera, Kadlec, MultiCare, Veterans, Kootenai, Kaiser-Permanente, PNWU) to name a few.
- We believe the plan is a reasonable estimate of enrollment over the next five years.
- To achieve success, we will need funding to increase the number of qualified faculty to teach and conduct clinical supervision, additional staff to run the daily operations, and the capacity to open new clinical placements for students across the state, including rural placements.
- The dire need for the Spokane campus to receive tuition reimbursement is central to our expansion plans as is the need for a nursing financial model that works for all campuses.
- We are optimistic we will find a way forward together and we look forward to growing in conjunction with our health sciences partners located state-wide.

ACTION ITEM #4

Proposed Changes to the President's Delegations of Authority
(Stacy Pearson)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Changes to the President's Delegations of Authority

PROPOSED: That the Board of Regents approve the following changes to the President's Delegated Authority:

- Increase the threshold amount for required approval by the Board of Regents from $2,500,000 to $5,000,000 for general business and financial affairs.

- Increase the real estate transaction threshold amount for required approval by Regents from $1,000,000 to $5,000,000.

- Increase the capital construction projects threshold amount for required approval by Regents from $1,000,000 to $5,000,000, for all projects, regardless of funding source.

  Provided, however, that the President or designee provides an appropriate committee of the Board of Regents with a written update at the subsequent, regular meeting of the Board, describing all transactions executed under this delegation of authority that fall between $2,500,000 and $5,000,000 (for general business and financial affairs) and between $1,000,000 and $5,000,000 (for real estate transactions and capital construction projects.

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

SUPPORTING INFORMATION: Pursuant to RCW 28B.10.528, the Board of Regents is authorized to delegate to the President, or his designees, powers and duties vested in or imposed upon the Board by law to enable the President or his designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the University. Concerns have been raised regarding the existing

limits in the delegation of authority adopted by Resolution #011005-143 dated October 5, 2001 including:

- **General Business and Financial Affairs:** Purchases of goods, equipment, supplies and materials do not generally involve major policy. The proposed $5,000,000 threshold amount will provide Purchasing Services with a more consistent threshold and enable more effective and efficient operations.

- **Real Estate:** Real estate transactions usually require a short turnaround time. The current approval process can take three to four months and is not conducive to timely real estate negotiations.

  Under the University's current threshold, all real estate transactions that exceed $1,000,000 require the approval of the Board of Regents, regardless of transaction type as generally illustrated in the table below:

Leases	Acquisitions	Dispositions	Easements
$1,000,000 over the term of the Lease, as landlord or tenant	$1,000,000	$1,000,000	$1,000,000

The University's threshold amounts are outdated and relatively low compared to other similar institutions. We propose an increase to the threshold for all University real estate transactions to $5,000,000, as illustrated below:

Leases	Acquisitions	Dispositions	Easements
$5,000,000 over the term of the Lease, as landlord or tenant	$5,000,000	$5,000,000	$5,000,000

The proposed $5,000,000 threshold amount will allow CREO (Contracts and Real Estate Office) to function more effectively and efficiently, which is critical when the University needs to work quickly to complete an acquisition or disposition, or to finalize a lease agreement.

- **Capital Projects:** Under the University's current threshold, all non-state funded capital projects that exceed $1,000,000 require the approval of the Board of Regents.

  The University's $1,000,000 delegation of authority for non-state funded capital projects is outdated and has been in place since the early 2000's. This delegation was most recently changed in 2013 to allow an increase to $5,000,000 for state funded projects

  The proposed $5,000,000 threshold amount provides Facilities Services a consistent threshold, allowing the unit to function more effectively and efficiently.

  The capital construction transaction threshold amount required for Board of Regents approval is proposed to increase as follows:

  For projects that have an estimated total cost of five (5) million dollars or less, the President or designee is delegated the authority to approve and execute contracts relating to the selection and appointment of architects, engineers, planners, and other professional consultants;

  - to approve and adopt schematic design plans;
  - to establish project budgets;
  - to award and execute construction contracts for new buildings, additions;
  - to reject any or all bids, and to rebid projects where determined to be appropriate;
  - to authorize the use of alternative public works procurement consistent with RCW 39.10

The Office of Finance and Administration will provide a written quarterly update to the Board of Regents for all transactions between $1,000,000 and $5,000,000.

The current delegated authority approvals that require the President to consult with the Chair of the Board of Regents for emergency expenditures that exceed the current delegated authority limits will be revised to include these new amounts.

BOARD OF REGENTS
Washington State University

Resolution #200313-624

Delegation of Authority

WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.523 has authority to delegate by resolution to the President of the University, or his designee, powers and duties vested in or imposed upon the Board by law and to enable the President or his designees to act on behalf of the Board of Regents in matters relating to the administration and governance of the University;

WHEREAS, the Board finds it necessary, desirable, and expedient to the timely and efficient operation of the University to delegate authority to the President of the University, Kirk H. Schulz or to his designee to act for the Board of Regents in matters pertaining to the general business and financial affairs, organization, and management of the University;

NOW, THEREFORE, be it resolved:

That the Board of Regents hereby delegates to the President of the University, Kirk H. Schulz and to his designees, authority to act for the Board of Regents regarding the general business and financial affairs, organization, and management of the University, including but not limited to the following:

(a) The execution and administration of contracts relating to the general business and financial affairs of the University including but not limited to purchase orders and all other written instruments relating to the procurement or disposal of personal property including but not limited to goods, supplies, materials and insurance where the total costs to the University are estimated to be less than $5,000,000.

(b) The execution and administration of purchases that have been pre-authorized or pre-allocated by the Regents. Said authority extends but is not limited to purchases incident to capital construction projects.

(c) The execution and administration of purchases made pursuant to an external grant.

(d) The execution of contracts regarding real property acquisition and disposal, leases, rental agreements, facilities management agreements, easements, permits, licenses, and other written instruments relating to acquisition of or granting of interests in real property where the value of the property to be disposed of or

obligated in such manner is under $5,000,000.

(e) The execution of contracts for personal or professional services to or by the University. The execution of contracts, purchase orders or other written instruments relating to the acquisition of heating fuels and other heating, electrical, telephone, water and sewage utility services.

(f) The selection and appointment of architects, engineers, planners, and other professional consultants, the approval or adoption of conceptual, schematic and preliminary (design development) plans, and the approval of working drawings where the total project costs (that is the estimate of the ultimate overall costs of the entire project) are estimated to be less than $5,000,000; the authority to call for bids, to establish project budgets, to advertise and receive bids and to award construction contracts for new buildings, additions, alterations, improvement, and repairs where the total project costs are less than $5,000,000; and to reject any or all bids, and to rebid projects where determined to be appropriate.

(g) Execution of contracts providing for the receipt of grant funds, sponsored research funds, awards, matching grants, or acceptance of gifts or bequests by the University.

(h) Investment or re-investment of current, endowment or trust funds and the acquisition, sale, or transfer of stocks, bonds, or certificates of investment in accordance with general policies established by the Board of Regents, or the joint University/WSU Foundation Investment Committee, from time to time.

Provided, however, that the President or designee provides an appropriate committee of the Board of Regents with a written update at the subsequent, regular meeting of the Board, describing all transactions executed under this delegation of authority that fall between $2,500,000 and $5,000,000 (for general business and financial affairs) and between $1,000,000 and $5,000,000 (for real estate transactions and capital construction projects.

Signed the 13th day of March, 2020.

_____
President of the Board of Regents

_____
Secretary of the Board of Regents

BOARD OF REGENTS
WASHINGTON STATE UNIVERSITY

Agenda

Strategic and Operational Excellence Committee
Thursday, March 12, 2020
3:00 p.m. – 5:00 p.m.

Location: WSU Tri Cities, Consolidated Information Center (CIC), Rooms 212-214

Committee: Committee of the whole – Heather Redman (Chair)

Information Items		**Section**
1.	Modernization Initiative Update *(Pearson/Skinner)*	SO-1
2.	Executive Policy 38 Revisions *(Keane)*	SO-2

Future Action Item

1.	WSU System-Wide Strategic Plan *(Schulz/Hoyt/Parks)*	SO-3

Action Items

1.	Proposed Amendments to WAC 504-26-210: Standards of Conduct for Students – Composition of Conduct Board *(Gonzales/Boston)*	SO-4
2.	Proposed Amendments to WAC 504-26-213: Standards of Conduct for Students – Firearms and Dangerous Weapons *(Pearson/Gardner)*	SO-5
3.	Proposed Amendments to the Washington State University Retirement Plan and the Washington State University Voluntary Investment Program *(Elliott-Cheslek/Monroe)*	SO-6

INFORMATION ITEM #1

Modernization Update
(Stacy Pearson/Matt Skinner)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Modernization Update

SUBMITTED BY: Stacy Pearson, Vice President, Finance and Administration
Matt Skinner, Associate Vice President, Finance and Administration

BACKGROUND INFORMATION:

Summary of Major Activities to Date

WSU officially kicked off the Modernization Initiative and implementation of Workday with on-site forums with each campus in January 2019. WSU and Deloitte leadership presented the vision, goals, objective, scope, and timeline of the project. Additionally, we provided an introduction to change management principles and expectation setting.

Since that time, the University has made tremendous progress in the journey to replace 40-year-old mainframe systems and move toward a modern and more effective system for human resources, payroll, finance, and post-award grant management support for all campuses and colleges. A few highlights include:

- **Architect Stage, February 2019 – June 2019:** Held Discovery Workshops and Design Sessions with subject matter experts from across WSU. Over 1,850 participants attended the sessions. Began data cleanup activities and started mapping the Foundation Data Model, which will replace the current chart of accounts.

- **Configure and Prototype Stage, July 2019 – November 2019:** Formed nearly 40 function-specific Advisory Work Groups who worked directly with the Modernization Team and project consultants to guide the design of the workflow and business processes. Built the first WSU Workday tenant, with approximately 1 million WSU records and a 97% successful load rate. Designed approximately 80 integrations between Workday and other WSU systems. Began mapping security roles for all employees.

- **End-to-End Testing Phase, December 2019 – March 2020:** Built the second WSU Workday tenant with over 3 million records a 99.2% successful load rate. Began parallel payroll comparison testing. Began testing system configuration to ensure that business processes perform as expected for "end-to-end." Modernization Team members were joined by nearly 100 representatives from every campus to conduct approximately 3,000 test scenarios. Identified and resolved defects.

Engagement

Change Management is a critical part of ensuring preparedness and successful adoption of the new system and ways of working. The Modernization Team produces innovative and accessible materials and engagement opportunities targeted to specific audiences to make the transition to Workday as smooth as possible.

Activities include:

- Launched and guided a Change Network of nearly 400 ambassadors from across WSU.

- Published a monthly newsletter and twice-weekly blog series with project updates and new concepts.

- Created and distributed flyers, handouts, and videos for specific concepts and audiences, including faculty.

- Met with each campus face to face on a quarterly basis.

- Met with each Research & Extension Center to provide updates and answer questions.

- Developed and maintained a robust website with updated content, including project overview information and sections on what's changing, impacted systems, FAQs, new terms, core concepts, and more. Restructured site and navigation based on visitor feedback to make it easier to find information.

- Used data from multiple surveys to shape communications and engagement materials and activities.

- Hosted two Prototype Preview events to give the community a sneak peek at their new system's capabilities.

- Launched a seven-part Train-the-Trainer program with nearly 40 Workday trainers. Began coordinating courses and building more than 200 guides and reference materials for training.

Assessment at Each Phase

At the completion of each phase, project leadership and the executive steering committee conducted an assessment (or stage gate review) to confirm that the project had satisfactorily produced the required deliverables and adequately met planned activities for the given phase or stage. Successful completion of deliverables and activities allowed the project to proceed to the next stage.

End-to-End Testing Phase Assessment Scheduled for March

Project leadership and the executive steering committee are set to conduct the routine end of phase assessment by March 6, 2020 for the end-to-end testing phase. This assessment will determine if the testing and other activities for the phase have been completed sufficiently to proceed to the next phase. Strong emphasis will be placed on delivering a quality product in a timely manner, while taking into consideration the well-being of the people working so hard on this project across the university, and the readiness of the community to adopt the new software. If the activities are deemed to be completed successfully, the project will proceed to the User Acceptance Testing Phase. If activities are deemed to require additional time to complete, project leadership and the steering committee will determine the appropriate project schedule changes.

Next Project Phases

The following stage dates will be modified, as needed, based on the result of the End-to-End Testing Phase Assessment performed by project leadership and the executive steering committee.

- User Acceptance Testing: April 2020
- Training: May 2020 – August 2020
- Begin Using Workday University-wide: July 2020
- Stabilization Period: July 2020 – July 2021
- Optimization Period: July 2021 and beyond

Project Budget

The project continues to live within the budget approved by the Board of Regents on June 8, 2018. The project continues to maintain an adequate budget contingency.

Project Scope

Project leadership and the executive steering committee have maintained strong oversite over scope of the project. Project scope remains as planned.

INFORMATION ITEM # 2

Executive Policy (EP) 38 Revisions
(Christopher Keane, Vice President for Research)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Revisions to the Equity section of the EP38

SUBMITTED BY: Christopher Keane, Vice President for Research

SUPPORTING INFORMATION:

Background. Until 2013, WSU Research Foundation (WSURF) managed technology transfer and commercialization of WSU Intellectual Property (IP) for WSU. In 2013, WSU dissolved WSURF to streamline the function of IP management, technology transfer and commercialization of WSU IP and formed the Office of Commercialization to handle this function. During WSURF dissolution, then-existing IP related equity in WSU start-up companies was transferred by WSURF to Washington Research Foundation (WRF) in Seattle. WRF is a Washington foundation with a mission to support research and scholarship in the state of Washington by capturing and enhancing the value of intellectual property created in Washington state's research institutions. WRF has been holding it for the benefit of WSU since then. Considering the potential obligations these holdings may bring to WRF, WRF requested to return the equity holdings to WSU.

What the EP38 revisions cover. This set of revisions addresses federal and state laws requiring technology transfer and commercialization of research outcomes by WSU to fulfill our land grant mission of moving research into public. It also lays out a process for accepting, managing, and liquidating the equity and distributing the proceeds. The revisions also address the state law prohibition of acquiring equity using state funds or putting state funds at risk. The revisions to EP 38 are clear that no state funds would be used to acquire equity, that no state funds would be put at risk in this process, and that the only equity acquired would be in the context of WSU-IP based start-up companies.

ATTACHMENTS: EP38 revisions – recommended for approval by President's Cabinet and approved by President Schulz on Monday, 02/24/2020 – Redline Copy

EP38 revisions – recommended for approval by President's Cabinet and approved by President Schulz on Monday, 02/24/2020 – Clean Copy

Procedures and Forms Review Request

Office of Procedures, Records, and Forms
Washington State University
Pullman, WA 99164-1225
Telephone: 509-335-2005
FAX: 509-335-3969

INSTRUCTIONS:
Please review the attached and return to the Office of Procedures, Records, and Forms by the indicated "Respond" date.

REQUEST DATE	RESPOND BY DATE
February 27, 2020	March 16, 2020

SECTION OR FORM NAME	NUMBER	DRAFT
University Policies on Intellectual Property, Technology Transfer, and Commercialization -- Subsection B. Equity	EPM 38	3

REVIEWER	RESPONSIBLE OFFICIAL
Desiree Jacobsen (for review by Board of Regents)	Chris Keane

INFORMATIONAL COPY	TYPE OF CHANGE	RESPONSIBLE OFFICE
Sita Pappu	Substantive Revision	Offic of Research

DESCRIPTION

This revision updates the subsection B. Equity in accordance with current policy and procedure.

PREVIOUS REVIEWERS		PREVIOUS REVIEWERS	
NAME	OFFICE	NAME	OFFICE
Sherry Gordon	AGO	Danielle Hess	AGO
Stacy Pearson	VPFA	President's Cabinet - approved	
Matt Skinner	Financial Svcs		
Mollie Holt	Controller's Offic		
Sita Pappu	Offic of Commercialization		
Christopher Keane	Offic of Research		

REVIEWER'S COMMENTS

The reviewer marks one of the boxes below and signs the form.

☐ I concur. ☐ I concur in general. See comments. ☐ I do not concur. See comments. ☐ I defer comments.

REVIEWER'S SIGNATURE/DATE

Return to Procedures, Records, and Forms, ITB 3089, mail code 1225.

2-05

University Policies on Intellectual Property, Technology Transfer, and Commercialization

IV. TRADEMARKS

University trademarks include the names, designs, logos, and colors for "Washington State University," "WSU," "Cougars," "Go Cougs," "Ask Dr. Universe," and others. Permission of the University is required before use of these trademarks. (See also *BPPM* 35.10.) Commercial use requires licensing and payment of royalties.

Royalty income from licensing of University and Athletic trademarks is administered by the Office of Finance and Administration. The Trademarks Officer may be contacted at:

trademarks.wsu.edu/contact-information/

From time to time other University trademarks may arise as a result of University research efforts and are registered for software, plant varieties, or devices in conjunction with their patent or copyright protection. These trademarks may generate royalty through commercialization. Net royalty income received by the University or its designee is distributed according to the schedule used for patents or for plant varieties, as appropriate.

V. RESIDUAL RIGHTS IN FILMS, VIDEOTAPES, AND OTHER INSTRUCTIONAL MEDIA

The University may transmit or reproduce by television, radio, or other means, for local or general distribution, news and general information programs prepared by the University on which employees have appeared. The negotiation of a contractual agreement between the responsible employee(s) and the University is handled through an authorized administrator or the OC as appropriate.

Exception: See *Faculty Manual* for faculty-specific policy.

VI. TECHNOLOGY TRANSFER AND COMMERCIALIZATION

A. Start-up Companies arising out of University Research

From time to time, the IP arising out of University research is best commercialized through the formation of new start-up companies. University inventors and authors are permitted to participate in such commercialization efforts under the guidelines below and EP27.

B. Equity

1. Definition

"Equity" means any relationship between the University~~Washington Research Foundation (WRF)~~ or ~~a~~ its designee and a third party for ~~WRF~~ the University or ~~a~~its designee to either own or have the ability to exercise control over an ownership interest in a third party's company or business when those rights are provided as consideration for the right to use IP owned by the University.

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

2. Regulations that Govern the Policy

Federal and state regulations require the University to commercialize the IP developed by University researchers and move it into the public sector to benefit the citizens of the state of Washington and the nation, as well as share the royalties with the inventors.

a. Federal

All IP developed using federal funding, even in part, is governed by the Bayh-Dole Act, adopted in 1980, codified in 35 USC 200-212 and implemented by 37 CFR 401. Among the objectives of the Bayh-Dole Act are to promote:

- The use of inventions that arise from federally supported projects, and
- The "collaboration between commercial concerns and non-profit organizations." 35 USC 200

Under this law, non-profit organizations are allowed to retain title to the federally funded IP under certain conditions, including:

- Assign rights to a subject invention only to an organization having as a primary function the management of inventions for the University, unless approved by the federal agency.
- Share royalties with the inventor.
- Use the balance of royalties after expenses for scientific research or education.
- Make efforts to attract, and give preference to, small business licensees.
- Report to the federal government on the utilization of such IP.

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

2. Regulations that Govern the Policy (cont.)

b. WSU and State

University employees are required to assign their rights in an IP developed in the following cases:

- Significant University facilities and/or resources are used.
- A grant awarded to the University is used.
- The IP developed is "a work for hire" and is copyrightable. (See *Faculty Manual*, Sections IV F-G; *RCW* 49.44.140; and *RCW* 49.44.150.)

Employees transfer their ownership of IP to the University in exchange for a consideration. This consideration includes sharing of revenue generated by commercializing their IP with the inventors of IP. This consideration may sometimes include equity in startup companies created to commercialize IP developed by University employees.

The state of Washington, in addition, recognizes that the growth of small and young businesses has a favorable impact on the Washington economy by creating jobs, increasing competition in the marketplace, and expanding tax revenues. Creation of small businesses based on IP developed at the state's institutions of higher education contributes to this economic development goal.

Under *RCW* 28B.10.630, universities have a statutory mandate for the commercialization of research and economic development. *RCW* 42.52.220 supports such technology transfer and provides that a university may manage any conflicts of interest that arise from that activity. The statute allows for administrative processes that bring state employees into compliance with *RCW* 42.52, including *RCW* 42.52.040. (At WSU, this process is set forth in EP27).

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

2. Regulations that Govern the Policy (cont.)

b. WSU and State (cont.)

The State of Washington Constitution prohibits state- ownership of stock when the stock is purchased with state funds or otherwise puts state funds at risk. *RCW* 39.58.020 states that "All public funds deposited in public depositaries, including investment deposits and accrued interest thereon, shall be protected against loss…". For transactions subject to this policy no state funds may be used or put at risk.

~~2~~3. Policy

It is the policy of the University that in appropriate circumstances, the University takes, or authorizes ~~its current~~a designee to take, ~~WRF, or a future designee to take~~ ownership interests (equity) in companies as partial or full consideration for the granting of a license to IP owned by the University. It is the policy of the University to negotiate for license fees and royalties in cash, but in circumstances where negotiating an ownership interest or equity promotes the mission of the University, the University negotiates such consideration within the guidelines in this ~~P~~policy(EP38).

Neither the University, nor ~~WRF or any future~~ any designee acts as a fiduciary to any person concerning equity or other consideration received under the terms of this ~~P~~policy (EP38).

The University accepts equity positions only in startup companies created to develop University IP into marketable products and services that benefit the state of Washington and the nation. This enables the University to fulfill its land grant mission of economic development and its obligations to the researchers that assigned their IP rights to the University. The University adheres to the following process in order to accept, manage, liquidate, and distribute the proceeds generated from such equity positions.

Process

No state funds are used to purchase the equity positions to which this policy (EP38) applies. The stock is received as part of the license consideration for licenses issued to startup companies created to develop University

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

~~2~~3. Policy (cont.)

Process (cont.)

IP into marketable products and/or services that generate a return to the University, its colleges, departments, and researchers. This allows small businesses to grow by directing their limited resources towards business development rather than to upfront payments to the University for obtaining the IP license. It also helps contribute to the state of Washington's economic development goal.

The University ensures the following criteria and conditions are met in order to accept such equity positions:

a. The University only accepts equity in startup companies commercializing University IP.

b. The University's potential liability in accepting the equity is limited to the value of the stock.

c. The University neither seeks nor accepts representation on the Board of Directors of a licensee in which it holds equity, nor exercises any voting rights on Board actions.

d. The University does not accept more than a 10 percent share of ownership interest in a WSU startup company.

e. Agreements include language addressing compliance with Washington State law, including compliance with the Washington Public Records Act (*RCW* 42.56).

~~3~~4. Receipt of Equity from ~~Third Parties~~WSU Startup Companies

a. The ~~WRF~~ University or ~~the~~ its designee may not take an equity position on behalf of the University in a ~~third party~~WSU startup company without the prior recommendation of the Assistant Vice President of the OC and approval of the committee in 5.e. below.~~Director of the OC~~.

~~b. The current designee, WRF, prefers to keep its equity ownership at 10 percent or less as of the first major financing event of the company.~~

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

~~3~~4. Receipt of Equity from ~~Third Parties~~WSU Startup Companies (cont.)

~~c~~b. All shares, warrants, or other instruments evidencing ownership in a licensee acquired by the University under commercial licenses of IP are issued in the name of ~~WRF~~ the University or ~~a future~~its designee, as provided in the agreement between the University and ~~WRF~~ the WSU startup ~~or a future designee~~ as appropriate. ~~WRF~~ The University or ~~a future~~its designee manages such equity as described in Section VI.B.5 below.

c. The University's preference is to take equity in the form of stock, rather than options or warrants. While accepting an equity interest in the form of options or warrants may be appropriate at times, arrangements should be made before acceptance to either:

- Identify sources of cash other than state funds, if needed for exercise; or to
- Provide that the yield on such instruments could be netted out for a cashless exercise.

~~4~~5. Handling of Equity by ~~WRF~~ the University or any ~~future~~ Future ~~designee~~Designee

a. ~~WRF~~ The University or ~~the~~ its designee maintains ownership, custody, and control in its own name of all shares, warrants, or other instruments issued to ~~WRF~~ the University or ~~the~~ its designee. ~~WRF~~ The University or ~~the~~ its designee is solely responsible for ~~voting of and for~~ the transfer by sale or otherwise of such instruments. In particular, it is within the sole discretion of ~~WRF~~ the University or ~~the~~ its designee to determine the time and manner of sale or other transfer of rights in such instruments in consultation with ~~WSU~~the committee in 5.e. below.

b. ~~WRF~~ The University or ~~the~~ its designee has the independent authority to make decisions regarding management and sale of equity in consultation with ~~WSU~~the committee in 5.e. below.

c. ~~WRF~~ The University or ~~the~~ its designee normally requires nonvoting observer rights on the B~~b~~oard of any company in which it holds equity. These rights persist for five years, or until such time as the company becomes publicly traded, whichever occurs later.

d. In cases where equity is involved, WSU OC initiates, leads, and executes the IP license.

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

~~4~~5. Handling of Equity by ~~WRF~~ the University or any ~~future~~ Future ~~designee~~Designee (cont.)

e. Acceptance of equity as part of the IP license consideration is reviewed and approved by a committee consisting of the following:

- Vice President of Finance and Administration (VPFA) or designee
- WSU OC representative
- Representative of college from which the technology originates
- Counsel from WSU Division of the Washington State Attorney General's Office (Ex-Officio)
- Outside legal counsel (Ex-Officio)
- Outside financial advisor (Ex-Officio)

f. The committee meets once a quarter or as needed to review the equity matters related to WSU IP-based startup companies.

g. The committee considers the following in their determination as to whether to approve the acceptance of equity in any startup company:

- The University's liability in accepting the equity is limited to no more than the value of the stock.
- The University does not exercise any voting rights with respect to Board matters.
- Agreements include language addressing compliance with Washington State law, including compliance with the Washington Public Records Act (*RCW* 42.56).

h. WSU OC manages the reviews of the equity agreements as follows:

- Obtains Attorney General and/or outside counsel review and approval as needed, and
- Sends the equity agreements to the VPFA, or designee, for review and signature.

i. VPFA or designee reviews, signs, and holds the agreements and subsequent stock certificates. WSU OC holds a record copy.

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

~~4~~5. Handling of Equity by ~~WRF~~ the University or any ~~future~~ Future ~~designee~~Designee (cont.)

j. VPFA or designee liquidates the equity positions per WSU OC instructions. Liquidation is done through an outside firm and the proceeds are sent to WSU OC for distribution in accordance with the University's royalty distribution policy. (See Section III).

~~5~~6. Eligibility of Inventors

a. Eligibility of inventors to receive a defined interest in shares, warrants, or other instruments independent of, or in addition to, the interest granted to ~~WRF~~ the University or ~~a~~ its designee is determined on a case-by-case basis between the inventor and the company. There are no time periods required to vest an interest in equity under this ~~P~~policy (EP38), but the defined interest is determined relative to the value of the shares, warrants, or other instruments at the time of distribution, if any. Distributions of proceeds must conform where practicable, ~~with~~ to the appropriate distribution schedule in this ~~P~~policy (see Sections II.H, II.I, and III.E).

b. Eligibility to receive awards under this ~~P~~policy is not affected by the inventor's receipt of consideration from a third party (e.g., receipt of an equity interest in a company formed to commercialize the invention giving rise to receipt of equity by ~~WRF~~ the University or ~~a~~ its designee).

~~6~~7. Exit Strategy

Any decision regarding the sale of equity held by ~~WRF~~ the University or ~~a~~ its designee is a decision within the sole management discretion of ~~WRF~~ the University or such designee in consultation with ~~WSU~~the committee in 5.e. above. (See also 5.j. above.)~~WRF~~ The University or ~~the~~ its designee considers the interests of interested parties, including the ~~University,~~ inventors, ~~and WRF~~ the University, and/or the designee in those decisions. Inventors have no right to direct any action by ~~WRF~~ the University or ~~the~~ its designee in this regard.

C. Technology Support Policy

The University's mission is to advance knowledge through innovation and creativity, extend knowledge through innovative educational mentoring programs, and apply knowledge through local and global engagement that will improve the quality of life and enhance the economy of the state, nation, and the world.

Procedures and Forms Review Request

Office of Procedures, Records, and Forms
Washington State University
Pullman, WA 99164-1225
Telephone: 509-335-2005
FAX: 509-335-3969

INSTRUCTIONS:
Please review the attached and return to the Office of Procedures, Records, and Forms by the indicated "Respond" date.

REQUEST DATE	RESPOND BY DATE
February 27, 2020	March 16, 2020

SECTION OR FORM NAME	NUMBER	DRAFT
University Policies on Intellectual Property, Technology Transfer, and Commercialization -- Subsection B. Equity	EPM 38	3-clean

REVIEWER	RESPONSIBLE OFFICIAL
Desiree Jacobsen (for review by Board of Regents)	Chris Keane

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Sita Pappu	Substantive Revision	Offic of Research

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University Policies on Intellectual Property, Technology Transfer, and Commercialization

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University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

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Under this law, non-profit organizations are allowed to retain title to the federally funded IP under certain conditions, including:

- Assign rights to a subject invention only to an organization having as a primary function the management of inventions for the University, unless approved by the federal agency.
- Share royalties with the inventor.
- Use the balance of royalties after expenses for scientific research or education.
- Make efforts to attract, and give preference to, small business licensees.
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University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

2. Regulations that Govern the Policy (cont.)

b. WSU and State

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University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

2. Regulations that Govern the Policy (cont.)

b. WSU and State (cont.)

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3. Policy

It is the policy of the University that in appropriate circumstances, the University takes, or authorizes a designee to take, ownership interests (equity) in companies as partial or full consideration for the granting of a license to IP owned by the University. It is the policy of the University to negotiate for license fees and royalties in cash, but in circumstances where negotiating an ownership interest or equity promotes the mission of the University, the University negotiates such consideration within the guidelines in this policy (EP38).

Neither the University, nor any designee acts as a fiduciary to any person concerning equity or other consideration received under the terms of this policy (EP38).

The University accepts equity positions only in startup companies created to develop University IP into marketable products and services that benefit the state of Washington and the nation. This enables the University to fulfill its land grant mission of economic development and its obligations to the researchers that assigned their IP rights to the University. The University adheres to the following process in order to accept, manage, liquidate, and distribute the proceeds generated from such equity positions.

Process

No state funds are used to purchase the equity positions to which this policy (EP38) applies. The stock is received as part of the license consideration for licenses issued to startup companies created to develop University

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

3. Policy (cont.)

Process (cont.)

IP into marketable products and/or services that generate a return to the University, its colleges, departments, and researchers. This allows small businesses to grow by directing their limited resources towards business development rather than to upfront payments to the University for obtaining the IP license. It also helps contribute to the state of Washington's economic development goal.

The University ensures the following criteria and conditions are met in order to accept such equity positions:

a. The University only accepts equity in startup companies commercializing University IP.

b. The University's potential liability in accepting the equity is limited to the value of the stock.

c. The University neither seeks nor accepts representation on the Board of Directors of a licensee in which it holds equity, nor exercises any voting rights on Board actions.

d. The University does not accept more than a 10 percent share of ownership interest in a WSU startup company.

e. Agreements include language addressing compliance with Washington State law, including compliance with the Washington Public Records Act (*RCW* 42.56).

4. Receipt of Equity from WSU Startup Companies

a. The University or its designee may not take an equity position on behalf of the University in a WSU startup company without the prior recommendation of the Assistant Vice President of the OC and approval of the committee in Subsection 5.e. below.

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

4. Receipt of Equity from WSU Startup Companies (cont.)

   b. All shares, warrants, or other instruments evidencing ownership in a licensee acquired by the University under commercial licenses of IP are issued in the name of the University or its designee, as provided in the agreement between the University and the WSU startup company as appropriate. The University or its designee manages such equity as described in Section VI.B.5 below.

   c. The University's preference is to take equity in the form of stock, rather than options or warrants. While accepting an equity interest in the form of options or warrants may be appropriate at times, arrangements should be made before acceptance to:

      - Identify sources of cash other than state funds, if needed for exercise; **or to**
      - Provide that the yield on such instruments could be netted out for a cashless exercise.

5. Handling of Equity by the University or any Future Designee

   a. The University or its designee maintains ownership, custody, and control in its own name of all shares, warrants, or other instruments issued to the University or its designee. The University or its designee is solely responsible for the transfer by sale or otherwise of such instruments. In particular, it is within the sole discretion of the University or its designee to determine the time and manner of sale or other transfer of rights in such instruments in consultation with the committee in 5.e. below.

   b. The University or its designee has the independent authority to make decisions regarding management and sale of equity in consultation with the committee in 5.e. below.

   c. The University or its designee normally requires nonvoting observer rights on the Board of any company in which it holds equity. These rights persist for five years, or until such time as the company becomes publicly traded, whichever occurs later.

   d. In cases where equity is involved, WSU OC initiates, leads, and executes the IP license.

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

5. Handling of Equity by the University or any Future Designee (cont.)

e. Acceptance of equity as part of the IP license consideration is reviewed and approved by a committee consisting of the following:

- Vice President of Finance and Administration (VPFA) or designee
- WSU OC representative
- Representative of college from which the technology originates
- Counsel from WSU Division of the Washington State Attorney General's Office (ex-officio)
- Outside legal counsel (ex-officio)
- Outside financial advisor (ex-officio)

f. The committee meets once a quarter or as needed to review the equity matters related to WSU IP-based startup companies.

g. The committee considers the following in their determination as to whether to approve the acceptance of equity in any startup company:

- The University's liability in accepting the equity is limited to no more than the value of the stock.
- The University does not exercise any voting rights with respect to Board matters.
- Agreements include language addressing compliance with Washington State law, including compliance with the Washington Public Records Act (*RCW* 42.56).

h. WSU OC manages the reviews of the equity agreements as follows:

- Obtains Attorney General and/or outside counsel review and approval as needed, and
- Sends the equity agreements to the VPFA, or designee, for review and signature.

i. VPFA or designee reviews, signs, and holds the agreements and subsequent stock certificates. WSU OC holds a record copy.

j. VPFA or designee liquidates the equity positions per WSU OC instructions. Liquidation is done through an outside firm and the proceeds are sent to WSU OC for distribution in accordance with the University's royalty distribution policy. (See Section III).

University Policies on Intellectual Property, Technology Transfer, and Commercialization

B. Equity (cont.)

6. Eligibility of Inventors

   a. Eligibility of inventors to receive a defined interest in shares, warrants, or other instruments independent of, or in addition to, the interest granted to the University or its designee is determined on a case-by-case basis between the inventor and the company. There are no time periods required to vest an interest in equity under this policy (EP38), but the defined interest is determined relative to the value of the shares, warrants, or other instruments at the time of distribution, if any. Distributions of proceeds must conform where practicable, to the appropriate distribution schedule in this policy (see Sections II.H, II.I, and III.E).

   b. Eligibility to receive awards under this policy is not affected by the inventor's receipt of consideration from a third party (e.g., receipt of an equity interest in a company formed to commercialize the invention giving rise to receipt of equity by the University or its designee).

7. Exit Strategy

   Any decision regarding the sale of equity held by the University or its designee is a decision within the sole management discretion of the University or such designee in consultation with the committee in Subsection 5.e. above. (See also Subsection 5.j.) The University or its designee considers the interests of interested parties, including the inventors, the University, and/or the designee in those decisions. Inventors have no right to direct any action by the University or its designee in this regard.

C. Technology Support Policy

The University's mission is to advance knowledge through innovation and creativity, extend knowledge through innovative educational mentoring programs, and apply knowledge through local and global engagement that will improve the quality of life and enhance the economy of the state, nation, and the world.

This Policy's objective is to align the goals and policies of commercialization with the above institutional mission. The goal of the OC is to ensure that innovations, creativity, and discoveries by University researchers are commercialized for the benefit of the public and contribute to the local and global economy.

This goal is achieved through the OC by:

- Enabling partnerships with the private sector to facilitate transfer of University technologies from the lab to the marketplace

Presentation Not Available at Time of Posting

ACTION ITEM #1

Proposed Amendments to WAC 504-26-110: Standards of Conduct for Students - Composition of Conduct Board (Mary Jo Gonzales/Terry Boston)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Amendments to WAC 504-26-110: Standards of Conduct for Students - Composition of Conduct Board

PROPOSED: That the Board of Regents approve the proposed amendments to WAC 504-26-110: Standards of Conduct for Students - Composition of Conduct Board

SUBMITTED BY: Terry Boston, Acting Vice President for Student Affairs

SUPPORTING INFORMATION: The University President has authority to adopt emergency rules, provided that a summary of any action taken is presented to the appropriate committee of the Board of Regents at the next regularly scheduled meeting. WAC 504-26-110 was previously amended by emergency rule and a summary was presented to the Board at the November 2019 meeting. This action item seeks to make that emergency rule permanent through the Board of Regents' authority under Chapter 28B.30 RCW and Chapter 34.05 RCW to adopt, amend, and repeal University regulations published in the Washington Administrative Code.

WAC 504-26-110 sets forth the composition of the University Conduct Board (see attached) for adjudicating student conduct matters where suspension or expulsion is a possible outcome. Delays in having timely hearing presents potential Title IX compliance concerns and may negatively impact both reporting and responding students awaiting a conduct board hearing. By reducing the number of conduct board members, delays in scheduling hearings will be significantly reduced.

The proposed changes were discussed with student leaders across the WSU system. They understood the negative impact that the delays were having on students and were generally supportive of the smaller boards, although some expressed concern with the reduction of student members required for each conduct board from three to one. It was conveyed that while only one would be required, whenever

possible the board would strive to keep the original vision of a strong student presence (majority students) while ensuring compliance with our institutional agreement from the U.S. Department of Education's Office of Civil Rights. Ultimately, student leaders understood the need for the emergency rule and supported the change.

During the time the emergency rule has been in place, the University Conduct Board eliminated the backlog of delayed cases and completed hearings in a more efficient and timely manner. On February 5, 2020, a public hearing was conducted to solicit public comments regarding the amendments (see attached). Generally, the comments in support noted that scheduling was easier, resulted in a reduction in the length of the hearings, and had little to no effect on the amount of student participation in the outcome. There were no comments opposing the amendments.

ATTACHMENT: Attachment A: Filed Report pursuant to RCW 34.05.325(4)

Attachment A

WASHINGTON STATE UNIVERSITY

Office of Procedures and Forms

MEMORANDUM

DATE: February 7, 2020

TO: Kirk H. Schulz
President

FROM: Deborah L. Bartlett
Rules Coordinator

SUBJECT: Amend *WAC* Chapter 504-26: Standards of Conduct for Students

This report is filed pursuant to RCW 34.05.325(4).

On February 5, 2020, a public hearing was conducted to solicit public comments regarding amendment of *WAC* Chapters 504-26: Standards of Conduct for Students. The proposed amendments are intended to modify, clarify, and update the University's standards of conduct for students. The proposed amendments decrease the number of student conduct board members from five to three and remove the option for storage of student firearms at the WSU police department. The rules regarding the composition of a conduct board are updated because the amount of time required for WSU to schedule and complete student conduct hearings with five conduct board members presents potential Title IX (of the Civil Rights Act) compliance concerns and may negatively impact both reporting and responding students awaiting a conduct hearing. Therefore, WSU proposes changes to WAC 504-26-110 to reduce the number of conduct board members required to hear a case. These changes will reduce the difficulty in scheduling cases for a hearing, reduce waiting times, and reduce the risk of noncompliance with Title IX's timely resolution requirements, while also promoting the well-being of reporting and responding students awaiting a conduct board hearing. WSU's student conduct code regarding firearms is updated to reflect the discontinuation of student firearm storage by the WSU Police Department. Recent amendments to RCW 9.41.345 made the university's firearms storage program unfeasible and thus the university discontinued the program. Accordingly, WAC 504-26-213 must be amended to reflect this change in university policy.

Four employees submitted written comments to the Office of Procedures, Records, and Forms, via the Office of Student Affairs, during the public comment period prior to the close of business on February 5, 2020. Two students made a statements at the public hearing. Copies of the written comments and a synopsis of the oral comments are attached to this memorandum.

Prior to the hearing, notice of opportunity to make public comment on this proposal, either verbally or in writing, was published on January 21, 2020 in the WSU Tri-Cities Currents newsletter; on January 27, 2020 in the WSU Insider, the WSU Spokane Announcements, the

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509-335-2005 • Fax: 509-335-3969 • http://www.wsu.edu/~forms/index.html

WSU Everett weekly newsletter, and the WSU Vancouver employee and student e-mail newsletters; on January 28, 2020 in the online edition of the Daily Evergreen at WSU Pullman; and on January 29, 2020 in the print edition of the Daily Evergreen at WSU Pullman; and was duly submitted for publication on January 13, 2020 in the WSU Events Calendar. Notice was also published on January 15, 2020 on the WSU rule-making website, which is accessible by a direct link from the WSU home page. Each notice included notification of the time and place of the public hearing where oral comments could be provided and a request for written comments to be submitted no later than the close of business on February 5, 2020.

Other than the oral and written comments received from the individuals indicated above, no additional comments were received, oral or written, from the public regarding this proposal.

dlb

cc: Danielle Hess, Senior Assistant Attorney General, Attorney General's Office--WSU Division
Nathan Deen, Assistant Attorney General, Attorney General's Office--WSU Division
Karen Metzner, Assistant Director, Center for Community Standards
Steve Hansen, Associate Director, WSU Police Department
Bill Gardner, Associate Vice President and Executive Director, Public Safety
Jill Creighton, Associate Vice President, Office of Student Affairs and Dean of Students
Terry Boston, Acting Vice President, Office of Student Affairs
Vicky Murray, Executive Director, Office of Finance and Administration
Stacy Pearson, Vice President, Office of Finance and Administration
Desiree Jacobsen, Executive Assistant to the Board of Regents

Attachments: Written comments received during public commenting period ending February 5, 2020 regarding amendment of *WAC* Chapters 504-26: Standards of Conduct for Students

Synopsis of oral comments received from attendees at public hearing held February 5, 2020 regarding amendment of *WAC* Chapters 504-26: Standards of Conduct for Students

Copy of proposed amendment to *WAC* Chapters 504-26: Standards of Conduct for Students

University Conduct Board Statistics

MEMBERSHIP

Current Composition

- Active Roster
  - 13 Students, 11 Staff
- Inactive Roster – *Schedules did not work, requested semester off, or unresponsive to communications*
  - 22 Students, 3 Staff

Membership Changes Since June 1

- Added 16 total members
  - 14 students, 2 staff
- Lost 20 total members
  - 16 students, 4 staff

Current University Conduct Board Membership by Campus

- **Pullman** – 9 active staff, 13 active students, 1 inactive staff, 19 inactive students
- **Spokane** - 1 active staff, 1 inactive student
- **Tri-Cities** – 1 inactive student
- **Vancouver** – 1 inactive staff
- **Everett** – 1 inactive staff
- **Global** – 1 active staff, 1 inactive student

SCHEDULING FOR HEARINGS:

Before Emergency WAC 504-26-110

- Summer scheduling was challenging to find enough students available to do a hearing with alternates available. Scheduling was put together as possible
- Fall 2019 – Hearings were scheduled weekly only on Monday, Wednesday, and Friday mornings from 8am-12pm as student schedules allowed since at least 4 students with the same availabilities were needed

Since Emergency WAC 504-26-110

- Spring 2020 – Hearings are scheduled based on weekly alternating teams
  - Monday and Wednesdays
    - Noon-6PM
    - 2 Staff chairs
    - 4 Staff alternates
    - 7 Students
  - Tuesday and Thursdays
    - Noon-6PM
    - 2 Staff chairs
    - 3 Staff alternates
    - 6 Students

STATEMENTS REGARDING EMERGENCY WAC 504-26-110

Nathan Deen, Assistant Attorney General, WSU Division of the Office of the Attorney General

"I wholeheartedly support the proposed amendment. For certain types of Conduct Board cases-particularly those involving Title IX matters were witness credibility is often at issue, stakes and emotions are high for all parties, and relevant evidence is often voluminous-due process and state law requirements regularly result in conduct board hearing times of twelve hours or more. With lengthy hearings, it becomes increasingly difficult to schedule long blocks of hearing times with student schedules. Prior to reducing the Conduct Board quorum size, this difficulty in scheduling long periods of hearing times caused a back log of student conduct cases resulting in delays for respondents and complainants to achieve finality in their student conduct cases. The quorum size also complicated hearings once they begin. There are several cases that have taken weeks to complete as the parties, their lawyers, the conduct board, and the Administrative Law Judge assigned to the case must all have the same availability to complete the hearing. By reducing the conduct board's quorum, this mitigates these problems by reducing the number of personal schedules that must align to complete lengthy hearing. In addition, reducing the conduct board's quorum has little to no effect on the amount of student participation in the outcome. Under WSU's process, the Appeals Board has the final review of the matter and owes no deference to the Conduct Board's decision. Appeal Board membership remains unchanged under the proposed amendments and continues to require a majority of students to reach quorum."

Audrey Van Nuland, Academic Advisor and University Conduct Board Chair

Scheduling has changed for the better since the quorum changed. It is much easier to schedule 3 people than 5, especially if a case takes more than the time originally presumed. It was very difficult when I worked on a hearing that one of the students quit. It was difficult to find someone to get caught up and replace them. With a quorum of 3, it is a much easier process.

Kyle Holbrook, Student Housing Coordinator and University Conduct Board Chair

My experience with the quorum of five went smoothly enough though the case we worked on was already pretty cut and dry. I did feel the number could lead to some hesitance in discussing differing viewpoints or exploring points of clarification because of the high number of people.

My experience with the quorum of three people was very good. We still had a diversity of opinions, and due to having less people, we had more time to discuss sensitive/differing viewpoints as a group. This in turn I feel led to a more genuine consensus building as we all had an opportunity to have a full conversation on the case. I would wholeheartedly recommend an official change to a 3-member quorum.

Karen Fischer, Associate Dean of Students

From a student care perspective – The emergency WAC revisions provide a more expedient scheduling process and provides more favorable timelines to conclusion for both reporting party and responding party.

The longer timelines due to challenges of scheduling multiple volunteer board members negatively impacts both reporting party and responding party by having significant uncertainty for longer time periods and the uncertainties impede educational and personal progress.

CASES

University Conduct Board Cases by Campus since March 2019

- Pullman – 13, 1 pending
- Spokane - 0
- Tri-Cities - 0
- Vancouver - 0
- Everett - 0
- Global – 1 pending

COMPARISON

Case comparison since Emergency WAC 504-26-110 went into effect, **bold cases are Title IX / EP 15:**

Cases prior to 10/22/19 when WAC change went into effect. Policy to schedule 4 students and 3 staff, one of which is a chair. This allows for one student and one staff alternate.

- **Case 1 – 4 hours and 2 minutes, 7 hours real time**
  - Respondent represented
  - Investigation commenced 8/8/18, case concluded 4/19/19
- **Case 2 – 5 hours and 53 minutes, 8 hours real time**
  - Respondent represented
  - Investigation commenced 9/4/18, case concluded with appeal 8/21/19
- **Case 3 – 3 hours, 6 hours real time**
  - All parties represented
  - Investigation commenced 12/5/18 (additional pending cases of similarity), case concluded with appeal 6/26/19
- **Case 4 – 3 hours and 44 minutes, 6-8 hours real time**
  - All parties present, not represented
  - Investigation commenced 9/12/18, case concluded with appeal 7/22/19
- **Case 5 - 8 hours in total time**
  - University party only
  - Needed to use an alternate student
  - Investigation commenced 3/29/18, case concluded 6/20/19
- Case 6 – 2 hours total time
  - University and student initially present, ended participation after rescheduling
  - Hearing needed to be continued due to lack of students
- **Case 7 – 30 hours in total time**
  - All parties represented
  - Needed to use a student alternate, and an additional student resigned mid-hearing
  - Investigation commenced 6/11/18, case concluded with appeal 12/18/19
- Case 8 – 4 hours total time
  - University and student with representation present
  - Need to use alternate student and staff as two members were not able to participate in the hearing known a week before hearing date

Cases after 10/22/19 with WAC change in effect. Current policy to schedule two students and two staff, one of which is a chair. At time of hearing the additional staff member is released as an alternate unless a student cannot participate in the hearing.

- Case 1 – 3 hours total time
  - University only party
  - Heard by 2 students (student chair) and 1 staff
- **Case 2 – 14 hours total time**
  - University, reporting student with representation, and responding student with representation
  - 2 days before hearing, one student called in sick, day of hearing second student was going to participate via conference call while driving. Was able to procure a backup student. Heard by 2 staff and 1 student
  - Case is currently in appeal
- **Case 3 – 10 hours total time**
  - University and student with representation present
  - Heard by staff chair and two students
  - Case is currently in appeal
- Case 4 – 3 hours total time
  - University and student with representation present
  - Heard by staff chair and two students
- Case 5 – 2 hours total time
  - University and student participated
  - 3 days before hearing, student had an unexpected medical appointment, heard by 2 staff and 1 student
- Case 6 – pending hearing
  - University and student participant
  - 2 staff and 2 students scheduled
- **Case 7 – pending hearing**
  - University, reporting student, responding student with representation
  - 2 staff and 2 students scheduled

The following oral comments were received during the public comment period concerning proposed changes to *WAC* 504-26 Standards of conduct for students. (WSR 20-02-107)

Jhordin Prescott, ASWSU Vice President

My name is Jhordin Prescott. I am the ASWSU vice president. I am testifying in support of this passage. I felt like our voices really were heard as we talked to Terry and Jill a couple of times, multiple times. I felt like it was a really transparent process, and I felt like it was really very well communicated to us.

I think that it is really unfair for students to have to wait months in order to be heard, so that is why I am testifying in support of it. Thank you.

Joshua Hiler, WSU Student

Good afternoon, my name is Josh Hiler. I want to speak on the 504-26-110 revision. I do want to first say that I am currently a student member of the student conduct board, but I am speaking as an individual.

I support the reduction in the forum from five to three; the timeliness issues have certainly been a problem in the past. However, I wanted to raise a concern with some the change in the intent. Part of the intent in the original version when we had the five [members] and three students required meant that anyone who . . . for a final decision to be made, at least one student would have to vote in favor of it, because of the requirement for three students. Under the current revision, that is no longer the case. Now I do not think we should change it to be a majority of students under the new formula; I think the new formula is a good formula.

However, since we want to sort inspire that intent, or at least I would imply that we want to inspire that intent, I would suggest a small change to the language inserting after "any rank or classification," language along the lines of "and the Office of Student Conduct shall endeavor to maximize the number of student members where feasible." The idea behind this that it lends legitimacy to the board where there is at least one student voting in favor. Which, given the severity of the offenses that are brought before the board and the gravity of the potential sanctions, I think this is important for the University and for the student body. Thank you.

WSR 20-02-107
PROPOSED RULES
WASHINGTON STATE UNIVERSITY

[Filed January 2, 2020, 9:04 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 19-21-171.

Title of Rule and Other Identifying Information: Chapter 504-26 WAC, Standards of conduct for students.

Hearing Location(s): On February 5, 2020 at 4:00 p.m., at Lighty 401, Washington State University (WSU) Pullman, Pullman, Washington; SPBS 125A, WSU Spokane, Spokane, Washington; TFLO 210, WSU Tri-Cities, Richland, Washington; DEN 301, WSU Vancouver, Vancouver, Washington; Seminar 261, WSU Everett, Everett, Washington; 1-720-707-2699 or 1-646-558-8856 for call-in attendees. Join Zoom meeting from PC, Mac, Linux, iOS, or Android https://wsu.zoom.us/j/896935775, meeting ID 896 935 775.

Date of Intended Adoption: March 13, 2020.

Submit Written Comments to: Deborah Bartlett, Rules Coordinator, P.O. Box 641225, Pullman, WA 99164-1225, email prf.forms@wsu.edu, fax 509-335-3969, by February 5, 2020.

Assistance for Persons with Disabilities: Contact Joy Faerber, phone 509-335-2005, fax 509-335-3969, email prf.forms@wsu.edu, by February 3, 2020.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The university is modifying, clarifying, and updating the university's standards of conduct for students.

Reasons Supporting Proposal: The proposed amendments decrease the number of student conduct board members from five to three and remove the option for storage of student firearms at the WSU police department.

The rules regarding the composition of a conduct board are updated because the amount of time required for WSU to schedule and complete student conduct hearings with five conduct board members presents potential Title IX (of the Civil Rights Act) compliance concerns and may negatively impact both reporting and responding students awaiting a conduct hearing. Therefore, WSU proposes changes to WAC 504-26-110 to reduce the number of conduct board members required to hear a case. These changes will reduce the difficulty in scheduling cases for a hearing, reduce waiting times, and reduce the risk of noncompliance with Title IX's timely resolution requirements, while also promoting the well-being of reporting and responding students awaiting a conduct board hearing.

WSU's student conduct code regarding firearms is updated to reflect the discontinuation of student firearm storage by the WSU police department. Recent amendments to RCW 9.41.345 made the university's firearms storage program unfeasible and thus the university discontinued the program. Accordingly, WAC 504-26-213 must be amended to reflect this change in university policy.

Statutory Authority for Adoption: RCW 28B.30.150.

Statute Being Implemented: RCW 9.41.345(5).

Rule is necessary because of federal law, Title IX of the Civil Rights Act of 1964.

Name of Proponent: WSU, public.

Name of Agency Personnel Responsible for Drafting: Danielle Hess, Senior Assistant Attorney General, Attorney General's Office, WSU Division, French Administration 332, Pullman, WA 99164-1031, 509-335-2636; Implementation and Enforcement: Mary Jo Gonzales, Vice President, Student Affairs, French Administration 134, Pullman, WA 99164-1013, 509-335-4531, or Terry Boston, Acting Vice President, Student Affairs, French Administration 134, Pullman, WA 99164-1013, 509-335-4531.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. The university does not consider these rules to be significant legislative rules.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules relate only to internal governmental operations that are not subject to violation by a nongovernment party; and rules adopt, amend, or repeal a procedure,

practice, or requirement relating to agency hearings; or a filing or related process requirement for applying to an agency for a license or permit.

Is exempt under RCW 19.85.025.

Explanation of exemptions: The amendments to WSU student conduct code only apply to students at WSU, and therefore do not affect business or commerce in any way.

January 2, 2020
Deborah L. Bartlett, Director
Procedures, Records and Forms
and University Rules Coordinator

AMENDATORY SECTION (Amending WSR 18-23-083, filed 11/19/18, effective 12/20/18)

WAC 504-26-110 Composition of conduct board.

A conduct board must consist of ((~~five~~))three members. A quorum of ((~~five~~))three is needed to hear a matter. The presiding officer is not a member of the conduct board and therefore is not considered for purposes of determining whether there is a quorum. A ((~~majority of~~))minimum of one conduct board member((~~s~~)) hearing a matter must be an enrolled WSU student((~~s~~)) (undergraduate, graduate, or professional) and may be full-time or part-time. The remaining members may be students, or full-time or part-time faculty or staff of any rank or classification. When the complainant or respondent is enrolled at a particular campus, at least one member of the conduct board must be from that campus. No conduct board member may serve on a case if the member previously served on a board in a case involving the same complainant or respondent.

AMENDATORY SECTION (Amending WSR 18-23-083, filed 11/19/18, effective 12/20/18)

WAC 504-26-213 Firearms and dangerous weapons.

No student may carry, possess, or use any firearm, explosive (including fireworks), dangerous chemical, or any dangerous weapon on university premises or in university-approved housing. Airsoft guns and other items that shoot projectiles are not permitted in university-approved housing. ((~~Students wishing to maintain a firearm on campus for hunting or sporting activities must store the firearm with the Washington State University department of public safety.~~))

ACTION ITEM #2

Proposed Amendments to WAC 504-26-213: Standards of Conduct For Students - Firearms and Dangerous Weapons (Stacy Pearson/Bill Gardner/Terry Boston)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Amendments to WAC Chapter 504-26-213: Standards of Conduct for Students - Firearms and Dangerous Weapons

PROPOSED: That the Board of Regents approve the proposed amendments to WAC 504-26-213: Standards of Conduct for Students – Firearms and Dangerous Weapons.

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

SUPPORTING INFORMATION: The University President has authority to adopt emergency rules, provided that a summary of any action taken is presented to the appropriate committee of the Board of Regents at the next regularly scheduled meeting. WAC 504-26-213 was previously amended by emergency rule and a summary was presented to the Board at the November 2019 meeting. This action item seeks to make that emergency rule permanent through the Board of Regents' authority under Chapter 28B.30 RCW and Chapter 34.05 RCW to adopt, amend, and repeal University regulations published in the Washington Administrative Code.

The university is updating the rules to remove the option for storage of student firearms at the WSU Police Department. While only the Pullman Campus was equipped for storage, the rule, as updated, extends to all campuses. A summary of the background and reason for the rule change follows, and a copy of the chapter, illustrating the specific changes, is appended as Attachment A.

These changes are necessary to ensure that WSU policy is consistent with RCW 9.41.113, which was modified as a result of Washington Initiative 1639. Essentially, the law requires a background check prior to transferring a firearm to the owner, and there is no exception for our unique service of storing firearms for our students who wish to bring them to campus for hunting or sporting activities. The length of time to conduct a background check is unpredictable, varying from days to weeks, which renders the service impractical in meeting the needs of

our students, as such a background check would have to be conducted each and every time a firearm is retrieved. Current legal opinion is that WSU should discontinue this service in order to be consistent with the law as currently written.

The University filed an emergency rule making order on September 26, 2019 in order to maintain compliance with RCW 9.41.113, and refiled the emergency rule making order on January 23, 2020. Emergency rules are effective for 120 days while the permanent rule making process is in progress.

A notice of opportunity to make public comment on the proposal, either verbally or in writing, was publish on January 21, 2020 in the WSU Tri-Cities Currents newsletter; on January 27, 2020 in the WSU Insider, the WSU Spokane Announcements, the WSU Everett weekly newsletter, and the WSU Vancouver employee and student e-mail newsletters; on January 28, 2020 in the online edition of the Daily Evergreen at WSU Pullman; and on January 29, 2020 in the print edition of the Daily Evergreen at WSU Pullman; and was duly submitted for publication on January 13, 2020 in the WSU Events Calendar. Notice was also published on January 15, 2020 on the WSU rule-making website, which is accessible by a direct link from the WSU home page. Each notice included notification of the time and place, on each campus, of the public hearing where oral comments could be provided, and a request for written comments to be submitted no later than the close of business on February 5, 2020.

No comments, either oral or written, were received with regard to WAC Chapter 504-26-213.

ATTACHMENT: Attachment A - WAC Chapter 504-26-213

Attachment A

WAC 504-26-213 Firearms and dangerous weapons. No student may carry, possess, or use any firearm, explosive (including fireworks), dangerous chemical, or any dangerous weapon on university premises or in university-approved housing. Airsoft guns and other items that shoot projectiles are not permitted in university-approved housing. ((~~Students wishing to maintain a firearm on campus for hunting or sporting activities must store the firearm with the Washington State University department of public safety.~~))

WAC 504-26-213 Firearms and dangerous weapons. No student may carry, possess, or use any firearm, explosive (including fireworks), dangerous chemical, or any dangerous weapon on university premises or in university-approved housing. Airsoft guns and other items that shoot projectiles are not permitted in university-approved housing.

ACTION ITEM #3

Proposed Amendments to the Washington State University Retirement Plan and Washington State University Voluntary Investment Program (Theresa Elliot-Cheslek/Ann Monroe)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Amendments to and Restatement of the Washington State University Retirement Plan (WSURP) and the Washington State University Voluntary Investment Program (VIP)

PROPOSED: That the Board of Regents approve and adopt the amended and restated Washington State University Retirement Plan (WSURP) and the amended and restated Washington State University Voluntary Investment Program (VIP) in substantially the same form as the versions attached to the agenda item; and

That the Board of Regents delegate to the President or his designee(s) the authority to make such changes in the plan documents in substantial conformity with the versions presented at this meeting, to execute the plans in the University's name, and to take such other actions as deemed necessary or appropriate to implement the plans.

SUBMITTED BY: Theresa Elliot-Cheslek, Vice President and Chief Human Resource Officer; and Ann Monroe, HRS Benefits Director, Human Resource Services

SUPPORTING INFORMATION: The Board of Regents has authority pursuant to RCW 28B.10.400 through 28B10.423, RCW 28B.30.095 and RCW 28B.30.150 to establish and govern the retirement plans for eligible employees. The Board of Regents adopted the WSURP, effective July 1, 1974. Several revisions have been made since that time, the most recent on January 1, 2012. The Board of Regents established a Washington State University Tax-Deferred Annuity Program January 1, 1983, now name the Washington State University Voluntary Investment Program, with the most recent plan document effective January 1, 2009.

Treasury Regulations require 403(b) plans to contain certain provisions. The IRS is providing a Remedial Amendment Period for employers to review and amend or restate their 403b plans, which for Washington State University are the Washington State University Retirement Plan (WSURP) and Voluntary Investment Plan (VIP). In addition, other regulatory changes have occurred, including the SECURE Act, Tax Cuts and Jobs Act, the HEART Act and Department of Retirement Systems Regulation Changes, which have been incorporated into the plan

documents. The proposed amendments and recommendations are tracked in the attached plan documents reflect the components and approved wording the IRS would expect to see in 403(b) plan documents.

The primary changes are highlighted below:

Washington State University Retirement Plan

SECTION 2.	DEFINITIONS Unless otherwise identified, amendments to definitions are in response to the Remedial Amendment Period and incorporate definitions the IRS expects to see in 403(b) plan documents. Due to additions and changes in this section, correspondingly the new terms are reflected throughout the document. Definitions will be in alignment with the VIP document, where applicable.
2.8	Compensation: Definition is being modified in order to be able to collect contributions from the majority of faculty pay types.
2.14	Eligible Employee: Removing (d), addressed in (a) of this section.
SECTION 3.	ELIGIBILITY AND PARTICIPATION
3.3 – prior version	Retirees under WSRS Hired Into an Eligible Position: struck from the document, addressed in 2.14 of the document.
3.4	Enrollment in Plan and Failure to Make Elections: modified to reflect an enrollment can occur in various media/formats, and may not only be in hardcopy form.
SECTION 4.	CONTRIBUTIONS
4.2(a)	Age 50 Catch-up Deferrals: additions are part of Remedial Amendment Period activity.
4.4	Limit on Compensation Taken into Account: reworded as part of Remedial Amendment Period activity.
4.5	Contribution Transmission: additions are part of Remedial Amendment Period activity.
4.6(b)	Military Service: additions are part of Remedial Amendment Period activity.
4.12	Maximum Contribution: additions are part of Remedial Amendment Period activity.
SECTION 6.	BENEFITS
6.3	Minimum Distribution Requirements: subsections (b) and (c)(i) updated to reflect age requirement changes from 70 ½ to 72 due to the SECURE Act.
6.5	Rollover Distributions: additions are part of Remedial Amendment Period activity.

Washington State University Voluntary Investment Plan

SECTION 2.	DEFINITIONS
	Unless otherwise identified, amendments to definitions are in response to the Remedial Amendment Period and incorporate definitions the IRS expects to see in 403(b) plan documents. Due to additions and changes in this section, correspondingly the new terms are reflected throughout the document. Definitions will be in alignment with the WSURP document, where applicable.
SECTION 3.	ELIGIBILITY AND PARTICIPATION
3.1	Eligibility and Participation: changed to reflect that elections can be made in various formats, including electronic or hardcopy.
3.2	Revision to SRA: added to clarify changes can be made at any time.
3.3	Termination of Contributions: previous wording reflected termination of participation, where the topic is contributions.
SECTION 4.	VIP CONTRIBUTIONS
4	VIP Contributions: updates to this section incorporate the Roth Deferral option, which previously had been addressed in a January 1, 2010 amendment document. Additions and amendments reflect IRS preferred wording and information as part of Remedial Amendment Period activity.
4.1 prior version	Contributions to other Plans: deleted since it is an unnecessary section.
SECTION 5.	FUND SPONSORS AND FUNDING VEHICLES
5.1	The Fund Sponsors and Funding Vehicles: clarification that WSU identifies the default investments if a participant does not make an election. Clarification that Plan terms are controlling over Funding Vehicle(s), if there is a conflict.
5.3	Fund Transfer: VIP document adjustments reflect alignment with the same topic in the WSURP document.
SECTION 6.	BENEFITS
6.2	Death Benefits: adjustments are part of Remedial Amendment Period activity.

6.3	Hardship Distributions: amendments incorporate the Tax Cuts and Jobs Act
6.4	Minimum Distribution Requirements: amendments incorporate the SECURE Act and the preferred IRS language being addressed as part of Remedial Amendment Period activity.
6.6	Loans: rewording to preferred IRS language as part of Remedial Amendment Period activity.
6.7	Direct Rollover of Eligible Rollover Distributions: rewording to preferred IRS language as part of Remedial Amendment Period activity.
SECTION 7. – prior version	GENERAL PROVISIONS AND LIMITATIONS REGARDING BENEFITS This section has been moved to Section 8: Miscellaneous
SECTION 8.	MISCELLANEOUS
8.6	Mistaken Contributions of other Plan Failures: amendments to reflect preferred IRS language as part of Remedial Amendment Period activity.

ATTACHMENTS: Attachment A – WSURP 403(b) Redline Copy
Attachment B - WSURP 403(b) Clean Copy
Attachment C – WSU Voluntary Investment Program (VIP) Redline Copy
Attachment D – WSU Voluntary Investment Program (VIP) Clean Copy

Board of Regents

Proposed Amendments to the Washington State University Retirement Plan and Washington State University Voluntary Investment Program

Resolution #200313-613

WHEREAS, the Board of Regents has authority pursuant to RCW 28B.10.528 and RCW 28B.10.400, *et seq.*, to establish and govern retirement and annuity programs to faculty and other eligible staff of the University; and

WHEREAS, the Board of Regents has determined that the Washington State University Retirement Plan and the Voluntary Investment Program should be amended and restated in substantially the same form as the versions attached to the agenda item to incorporate state and federal regulatory changes including the SECURE Act, Tax Cuts and Job ACT, the HEART Act and Department of Retirement Systems regulation changes. Additionally, modifications and additions to the document should be reflective of IRS recommended 403(b) components and language, and responsive to the IRS Remedial Amendment Period.

NOW, THEREFORE, BE IT RESOLVED that the Washington State University Retirement Plan and the Voluntary Investment Program, each as amended and restated effective March 31, 2020, are approved and adopted in or substantially in the form presented at the March 13, 2020 meeting of the Board of Regents; and

The President or his designee(s) is authorized to make the changes in the Washington State University Retirement Plan and the Voluntary Investment Program, not substantially at variance with the document presented to this meeting, and to take such other actions deemed necessary or appropriate to implement the Plan and Program.

Dated this 13th day of March, 2020.

_____

Chair of the Board of Regents

_____

Secretary to the Board of Regents

WASHINGTON STATE UNIVERSITY RETIREMENT PLAN

RETIREMENT PLAN RULES

As Amended and Restated March ___, 2020~~Effective~~ ~~January 1, 2012~~~~March, 2020~~

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SECTION 1. ESTABLISHMENT OF PLAN

The Washington State University ("WSU") Board of Regents established the Washington State University Retirement Plan as of July 1, 1974. This plan document sets forth the provisions of the Plan, as amended through March ___, 2020 but with a general retroactive effective date of January 1, 2010 as provided for in Rev. Proc.2013-22. ~~and effective as of January 1, 2012~~March ~~XX~~, 2019. This plan is a governmental plan as defined in Code Section 414(d) and is intended to satisfy the provisions of Code Section 403(b).

SECTION 2. DEFINITIONS

The terms and phrases defined in this section have the following meanings throughout this Plan document.

2.1 Account means the account maintained for the benefit of any Participant or Beneficiary under a Funding Vehicle.

2.2 Account Balance means the total benefit to which a Participant or a Beneficiary is entitled under all Funding Vehicles, taking into account all contributions made to the Funding Vehicle and all Earnings and expenses allocable to the Account, and any distributions made to the Participant or Beneficiary.

2.3 Annuity Contract means a nontransferable group or individual contract described in Code Section 403(b)(1) that is issued by a Fund Sponsor and that includes payment in the form of an annuity.

''

~~**2.1. 2.4 Accumulation Account** means the separate account established for each Participant with a Fund Sponsor. The current value of a Participant's Accumulation Account includes all Plan Contributions to the Fund Sponsor, less expense charges, and reflecting investment experience.~~

~~**2.2. Annuity Contract** means a nontransferable contract described in Code Section 403(b)(1) that is issued by a Fund Sponsor and that includes payment in the form of an annuity.~~

2.~~4~~5 Beneficiary means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's ~~Accumulation~~ Account (or remaining ~~Accumulation~~ Account) under the Plan in the event of the Participant's death. If the Participant is married or~~,~~ remarries, ~~or has a state registered domestic partner under RCW 26.60 et seq. (a "domestic partner"),~~ the Participant's designation (including a pre-existing designation in the case of remarriage) of someone other than the spouse ~~or domestic partner~~ as a primary Beneficiary requires the written consent of the spouse ~~or domestic partner~~. Any such consent must be witnessed by a notary public. Unless the consent expressly provides that the Participant may designate an additional Beneficiary or Beneficiaries without further consent of the spouse, the consent will be effective only with respect to the specific designation to which the consent relates. Spousal ~~or domestic partner~~ consent will be effective only with respect to that spouse ~~or domestic partner~~. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that there is no spouse or that the spouse ~~or domestic partner~~ cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on

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file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's ~~Accumulation~~ Account (or remaining ~~Accumulation~~ Account~~)~~ remaining on the Participant's death) will be paid in the following order of priority: (a~~i~~) to the Participant's surviving spouse, ~~or state registered domestic partner,~~ and, if none; (b~~ii~~) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (c~~iii~~) to the Participant's surviving parents, and, if none; (d~~iv~~) to the Participant's estate. For purposes of Sections 6.3 and 6.5, a Designated Beneficiary means as described in Treas. Reg. Section~~§~~1.401(a)(9)-4 and, as applicable and the context requires, an "Eligible Designated Beneficiary" under the Secure Act.

~~2.3.~~ 2.~~5~~6 **Board** means the Board of Regents of Washington State University.

~~2.4.~~ 2.~~6~~7 **Break in Service** means termination of all WSU employment and appointments for at least one (1)~~a~~ full day.

~~2.5.~~ 2.~~7~~8 **Code** means the Internal Revenue Code of 1986, as amended ~~(Title 26 of the United States Code)~~.

2.~~8~~9 **Compensation** for purposes of computation of Plan contributions means the amount paid by WSU to a Participant under the terms of his or her appointments, including summer and other extended appointments. Compensation shall be determined before taking into account any salary reduction under Code Sections 125, 132, 403(b) or 457(a). Compensation includes Post-Severance Compensation consisting of regular pay but excludes~~ing~~ all other Post-Severance Compensation. Compensation ~~shall not include~~ also excludes leave cash-out payments, any settlement, severance or tenure purchase payments, any amounts paid for teaching overloads, extra services, and royalties from intellectual property, deferred compensation, incentive compensation, supplemental compensation, and any other forms of additional compensation ~~not included in the base salary~~. In the case of employees on contract, the contract may exclude additional items from Compensation. Notwithstanding the foregoing, for purposes of ~~Code Section 415~~ the Annual Additions Limit ~~testing under Section 4.10~~under Section 4.12(b)(vi), Compensation means "~~I~~includible C~~c~~ompensation".

~~2.6. as defined in Treas. Reg. § 1.403(b) 2(b)(11).~~

~~2.7.~~ 2.~~9~~10 **Custodial Account** means the group or individual custodial account or accounts described in Code Section 403(b)(7), to hold regulated investment company stock issued by a Fund Sponsor.

2.1~~0~~1 **Differential Wage Payment** means as defined in Code Section 3401(h).

~~2.8.~~ 2.11 **Earnings** means the net income, gain or loss earned by an Account or with respect to a contribution or distribution, as the context requires.

2.1~~2~~2 **Election** means any Participant or Beneficiary written election (including made in electronic form) under the Plan and which is made on/in the form the Plan Administrator or the Fund Sponsor provides for this purpose. An Election must be made in the manner and

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within the time period the Plan, the Plan Administrator, or the Fund Sponsor prescribe, and as is consistent with Code Section 403(b) or other applicable law.

2.133 Elective Deferral means a Participant's pre-tax deferrals which WSU contributes to the Participant's Account at the Participant's Election in lieu of the Participant receiving cash compensation. A Mandatory Contribution is not an Elective Deferral.

~~2.9.~~ **2.145 Eligible Employee** means any Eemployee of WSU who is employed in an Eligible Position; provided~~,~~ however, that an~~A~~ Eemployee is not an Eligible Employee if the Eemployee:

(a) ~~was~~ was first hired ~~hired by~~by ~~-~~WSU on or after July 1, 2011, and who within thirty (30) days ~~of hire~~ after employment commencement made an irrevocable Election to participate in a WSRS plan as identified in RCW 41.32 or RCW 41.40 (including an Election under Section 3.2(b));

~~(a)~~(b) ~~has retired from WSU~~ having been a Participant in the Plan, has retired from WSU as described in and in accordance with the policies and guidelines established by the Plan Administrator and then in effect; or

(c) was first hired by ~~was hired by~~ WSU on or after July 1, 2011, and as described in RCW 28B.10.400(2), is eligible for normal retirement or has taken (drawing benefits under) normal or early retirement under a WSRS plan as identified in RCW 41.50.030 ~~is eligible to retire or has retired under a WSRS plan as identified in RCW 41.50.030, as described in RCW 28B.10.400(2); or~~.

~~(b) was hired by WSU on or after July 1, 2011, and who made an irrevocable Election (including an Election under Section 3.2(c)) to participate in a PERS or TRS plan.~~

~~2.10.~~ **2.156 Eligible Position** means a WSU faculty, ~~or~~ administrative professional staff, or coach position in which the Eemployee has at least fifty (50%) percent full-time equivalency in at least one (1) semester of each Plan Year or equivalent period, but does not include Agricultural Extension Service employees on a federal appointment or persons rendering a professional service on a fee, retainer, or special contract basis, or as an incident to the private practice of a profession. Classified positions prior to April 26, 1973, and administrative professional positions prior to April 26, 1973, or after September 30, 1992, are Eligible Positions, provided the Eemployees holding such positions did not elect to participate in or transfer to PERS prior to January 1, 1974. A civil service position held by a Participant as described in Section 3.1(e) and 3.2(d) is an Eligible Position. An Eligible Employee, once having begun participation in this Plan, shall be deemed to be employed in an Eligible Position even if his or her position no longer requires at least fifty (50%) percent full-time equivalence, so long as the position otherwise qualifies as an Eligible Position.

2.167 Employee means each individual who is a common law employee of the State of Washington performing services for WSU, including an individual who is appointed or elected. This definition is not applicable unless the Employee's compensation for performing services for WSU is paid by the State of Washington. Further, a person occupying an elective or appointive

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public office is not an Employee unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of the State of Washington. An individual receiving a Differential Wage Payment from WSU is treated as a WSU Employee.

2.17 Employment Commencement Date means the date on which the Employee first performs Service for WSU. References in the Plan to "hire date" mean the Employment Commencement Date. The Re-Employment Commencement Date means the date on which the Employee first performs Service for WSU after WSU re-hires the Employee.

~~2.11.~~ **2.188 Fund Sponsor** means an insurance, variable annuity, or investment company that provides Funding Vehicles available to Participants under this Plan.

2.1919 Funding Vehicles means the Annuity Contracts and Custodial Accounts available for investing contributions under this Plan, as specifically approved by WSU under Section 5.1.

2.200 Includible Compensation means an Employee's compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to Code Section 911 relating to United States citizens or residents living abroad), including Differential Wage Payments, for the most recent period that is a Year of 403(b) Service. ~~Includible Compensation also includes~~ Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in the Employee's gross income but for the rules of Code Sections125, 132(f)(4), 402(e)(2), 402(h)(1)(B), 402(k), or 457(b). Includible Compensation does not include any Compensation other than Post-Severance Compensation, paid after Severance of Employment. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in Treas. Reg. Section 1.401(a)(17)-1(d)(4)(ii) with respect to eligible participants in governmental plans, the amount of Includible Compensation of any Participant taken into account in determining contributions will not exceed $285,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B) for periods after 2020.

2.21 IRA means ~~means~~ an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).

2.22 IRS means the Internal Revenue Service.

2.231 Mandatory Contribution means a mandatory pre-tax contribution by a Participant which the Participant agrees to make as a condition of employment by WSU. All contributions to the Plan made from a Participant's Compensation, except Elective Deferrals, are Mandatory Contributions.

2.242 Matching Contribution means a WSU funded contribution made with respect to a Participant's Elective Deferrals.

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~~2.12.~~ 2.2~~5~~3 **Nonelective Contribution** means a WSU funded contribution which is not a Matching Contribution.

~~2.24 **IRA** means an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).~~

2.2~~6~~5 **Participant** means any Eligible Employee of WSU who participates in the Plan in accordance with Section 3 and who is contributing to the Plan (or has made contributions to the Plan and who still has an ~~Accumulation~~ Account) in accordance with Section 4.

2.27~~30~~ **PERS** means the Washington Public Employees' Retirement System under RCW 41.40.

~~2.13.~~

~~2.14.~~ 2.2~~8~~6 **Plan** means the Washington State University Retirement Plan as set forth in this document as it may be amended from time to time in accordance with Section 10~~9~~.1.

~~2.15.~~ 2.2~~9~~7 **Plan Administrator** means WSU and its designees in accordance with Section 8.1.

~~2.16.~~ 2.30~~28~~ **Plan Contributions** means Elective Deferrals, Mandatory Contributions, Nonelective Contributions and/or Matching C~~e~~ontributions ~~by WSU and the Participant under this Plan in accordance with Section 4.1~~as the context requires.

2.31 ~~2.29~~ **Plan Year** means the calendar year.

2.32 **Post-Severance Compensation** means Compensation paid after a Participant's Severance from Employment from WSU, to include regular pay, leave cash-outs, or deferred compensation paid within the time period described herein. Any other payment paid after Severance from Employment is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay, parachute payments under Code Section 280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment. Post-Severance Compensation includes regular pay, leave cash-outs, or deferred compensation only to the extent WSU pays such amounts by the later of two and one-half (2 ½) months after Severance from Employment or by the end of the Limitation Year (under Section 4.12(b)(viii)) that includes the date of such Severance from Employment. Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with WSU. Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment. Deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the deferred compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant

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had continued in employment with WSU and only to the extent that the payment is includible in the Participant's gross income.

~~2.17. 2.30 PERS means the Washington Public Employees' Retirement System under RCW 41.40.~~2.3~~1~~ **Qualified Military Service** means as defined in Code Section 414(u)(5). Notwithstanding any provision in the Plan to the contrary, as to Qualified Military Service, the Plan will credit Service, the Employer will make Plan Contributions, and the Plan will provide benefits in accordance with Code Section 414(u).

2.34~~3~~ **Related Employer** means WSU and any other entity that is related to WSU under Code Sections 414(b), (c), (m) or (o). WSU will determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23.

2.35 **SECURE Act** means the Setting Up Every Community for Retirement Enhancement Act of 2019.

2.3~~6~~5 **Service** means any period of time the Employee is in the employ of WSU, including any period the Employee is on an unpaid leave of absence authorized by WSU under a uniform policy applicable to all Employees.

2.3~~6~~47 **Severance from Employment** ""or "Separation from Service" occurs when an Employee ceases to be employed by WSU or a Related Employer that is eligible to maintain a section 403(b) Plan under Treas. Reg. Section 1.403(b)-2(b)(8), even if the Employee remains employed with another entity that is a Related Employer where either: (a) such Related Employer is not an eligible employer; or (b) the Employee is employed or in a capacity that is not employment with an eligible employer.

2.38 **Spouse** means the person to whom the Participant is legally married and for this Plan also includes a registered domestic partner under RCW 26.60 et seq or other applicable law.

2.3~~8~~9 **Taxable Year** means the taxable year of a Participant.

2.3~~40~~975 **TRS** means the Washington State Teachers' Retirement System under RCW 41.32.

2.4~~10~~386 **Unbroken Service** means Service as an Employee without a Break in Service.

2.4~~2~~1 **USERRA** means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

2.4~~32~~ ~~39~~37 **WSU** means Washington State University.

2.4~~43~~038 **Washington State Retirement System (WSRS)** means any retirement system paid for by the State of Washington and administered by the Washington State Department of Retirement Systems, as identified in RCW 41.50.030.

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2.4543~~91~~ Year of 403(b) Service means for purposes of determining Includible Compensation~~,~~, each full year during which an individual is a full-time Employee, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer, determined under Treas. Reg. Section 1.403(b)-4(e). An Employee's number of Years of 403(b) Service equals the aggregate of such years or parts of years. The work period is the Employer's annual work period.

SECTION 3. ELIGIBILITY AND PARTICIPATION

~~3.1.~~ 3.1 Participation for Employees ~~Hired~~ Hired Before January 1, 2012.

(a) Two (2) Year ~~Voluntary Contribution~~ Elective Deferral Period. An Eligible Employee may become a Participant as of the date of his or her employment in an Eligible Position or any time during the first two (2) years of employment by submitting an Election to the Plan Administrator to make Elective Deferrals. A Participant during the first two (2) years of employment also may make an Election to: (i) change the amount of their Elective Deferrals~~contribution~~; (ii) revoke their Election to make Elective Deferrals~~contributions~~; or (iii) re-elect to make ~~contributions~~ Elective Deferrals after having revoked a prior Election. Any Elective Deferral Election submitted to the Plan Administrator will become effective as of the first (1st) ~~day of any pay period following receipt to which the Plan Administrator reasonably may apply the Election.~~administratively practicable payroll date or payroll period on or following the Plan Administrator's actual receipt of the Election. The provisions of this Section 3.1(a) apply notwithstanding any contrary provision in Section 4.1.

(b) Mandatory Contributions After Two (2) Years. An Eligible Employee must become a Participant and begin making Mandatory C~~o~~ontributions no later than the second (2nd) anniversary of his or her date of employment in an Eligible Position. Once having begun ~~-~~participation in this Plan, a Participant cannot cease participation while employed in an Eligible Position, except as provided below.

(c) Reclassification or Appointment to Eligible Position. An existing ~~WSU~~ E~~e~~mployee who is then a ~~p~~participant in a WSRS plan and who is reclassified or appointed to an Eligible Position may ~~irrevocably~~ make an irrevocable E~~e~~lection to become a Participant in this Plan or remain in the WSRS plan by making such Election ~~in writing~~ within ninety (90) days of being notified of reclassification or appointment to an Eligible Position. If no timely Election is made, the ~~Participant~~ Employee will remain in the WSRS plan. Such Election may be made only once in an ~~individual~~Employee's U~~u~~nbroken S~~s~~ervice ~~to WSU~~, and such Election shall be irrevocable, except as identified in Section 3.1(c)(i). ~~For this purpose, "unbroken service" means service without a Break in Service.~~

(i) Reclassification or Appointment to a Different Eligible Position Classification. An E~~e~~mployee who under Sections 3.1(c) or 3.1(d) was offered ~~the option to~~ an E~~e~~lection to become a ~~member~~ Participant in this Plan or remain as a participant in a WSRS plan, and who on or after July 1, 2011, is reclassified or

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appointed to an Eligible Position in an employment type not previously held, will be offered a new Election opportunity to stay in their current retirement plan or elect to enroll in this Plan or the applicable WSRS plan. For purposes of this section, "employment type" means an eligible faculty, ~~or~~ administrative professional or coach classification.

(d) New Employee Participating in WSRS Plan. ~~A new WSU employee who is~~ A~~a~~ participant in a WSRS plan who leaves their former employer and immediately commences employment with WSU (no work days missed)~~and who transfers to WSU without a Break in Service~~ in ~~into~~ an Eligible Position, may make an irrevocable ~~irrevocably~~ E~~e~~lection to become a Participant in this Plan or remain in the WSRS plan~~,~~ (provided that such plan is offered at WSU and such E~~e~~lection to remain is permitted by the Department of Retirement Systems), by making such Election ~~in writing~~ within thirty (30) days ~~upon being hired into~~ after commencing employment in an Eligible Position. If no timely Election is made, the ~~Participant~~ Employee will immediately begin participation in this Plan. Such Election may be made only once in an ~~individual~~Employee's U~~u~~nbroken S~~s~~ervice ~~to WSU~~, and such Election shall be irrevocable, except as identified in Section 3.1(c)(i). ~~For this purpose, "unbroken service" means service without a Break in Service.~~

(e) Participants Reclassified or Appointed to Civil Service.

(i) Reclassification or Appointment Prior to January 1, 2012. A Participant in this Plan who prior to January 1, 2012, ~~is~~ was reclassified or appointed to a civil service position will remain a Participant in the WSURP, provided there is no Break in Service. If an Eligible Employee has not reached the second (2nd) anniversary of his or her date of employment in an Eligible Position, and has not made an Election to become a Participant, the E~~e~~mployee will be enrolled in a WSRS plan.

(ii) Reclassification or Appointment After December 31, 2011. A Participant in this Plan who after December 31, 2011, is reclassified or appointed to a civil service position, may make an Election to participate in a WSRS plan or remain in this Plan as specified in the policies adopted by the Plan Administrator and then in effect.

3.2 Participation for Employees Hired ~~Hired~~ On and After January 1, 2012.

~~(f)~~(a) Immediate Mandatory Contributions. Unless they make an Election under this Section 3 to participate in a WSRS plan, ~~A~~an Eligible Employee who is hired into an Eligible Position immediately will become a Participant in the Plan effective as of ~~the date of hire~~ Employment Commencement Date and is subject to making the M~~m~~andatory C~~c~~ontributions described in Section 4.1.

~~(g)~~(b) New WSU Employee Never a Member in a WSRS Plan. An otherwise Eligible Employee who has never been a member of a WSRS plan who is hired into an

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Eligible Position within thirty (30) days thereafter may make an Election to participate either: (i) in this Plan; or (ii) in TRS Plan 3 if employed in an eligible faculty position; or (iii) in PERS Plan 3 if employed in an eligible administrative professional position. If the employee elects to participate in TRS 3 or PERS 3, the employee is not an Eligible Employee in accordance with Section 2.140(a). If no timely Election is made, the Eligible Employee will become a Participant in this Plan.

(h) (c) New WSU Employee Currently or Formerly a Member in a WSRS Plan. An otherwise Eligible Employee who is or was a member of a WSRS plan and who is hired into an Eligible Position within thirty (30) days thereafter and who is or was a member of a WSRS plan may make an Election to participate either in this Plan or in a PERS or TRS plan as specified in the policies adopted by the Plan Administrator. If the employee elects to participate in a PERS or TRS plan, the employee is not an Eligible Employee in accordance with Section 2.150(d). If no timely Election is made, the Eligible Employee will become a Participant in this Plan.

(i) (d) WSU Employee Who is Reclassified or Appointed to or from an Eligible Position. A WSU employee who is: (i) a participant in a WSRS plan who is reclassified or appointed to an Eligible Position; or (ii) a Participant in this Plan who is reclassified or appointed to a position that qualifies for participation in a WSRS plan, within thirty (30) days thereafter, may make an irrevocable Election to participate in this Plan or a WSRS plan as specified in the policies adopted by the Plan Administrator, provided the employee is an Eligible Employee in accordance with Section 2.140.

3.2. **3.3 No Simultaneous Participation.** A Participant may not contribute under both this Plan and a WSRS plan at the same time; provided that this Section 3.3 does not limit participation in a plan established pursuant to RCW 28B.10.480 or RCW 41.50.770.

3.3. 3.4 **Retirees Under WSRS Hired Into an Eligible Position.** Those employees who have retired under any WSRS plan or who are eligible for regular retirement under any WSRS plan and who are rehired into an Eligible Position cannot participate will immediately begin participation in the Plan, except as provided in Section 2.10(c).

3.4. **3.45 Enrollment in Plan and Failure to Make Elections.** An Eligible Employee must make their Election in the form/format as provided by the Plan Administratorcomplete and return to the Plan Administrator the appropriate Election forms. Forms for the Fund Sponsors and for the Funding Vehicles selectioned must be made with returned to the Fund Sponsor(s) or as directed by the Plan Administrator. Failure to submit Elections will not delay participation in the Plan and may result in the application of Funding Vehicle default provisions, each in accordance with the Plan terms.

3.5. **3.56 Cessation Termination of Contributions Participation.** All Plan Contributions by and as to a A Participant will cease a employee's participation in the Plan will cease if:

(a) (a) The Participant ceases to be an Eligible Employee; He or she Sseparates from Sservice with WSU and all Related Employers; or

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~~(b)~~ (b) WSU terminates the Plan; ~~The Plan is terminated in accordance with the provisions of Section 10~~9.1; ~~or~~

~~(c)~~ (c) The Participant ~~He or she~~ makes an Election or is defaulted into a WSRS plan in accordance with the provisions of this Plan; or

(d) As to a Taxable Year or Limitation Year, the Participant has reached the Elective Deferral Limit or the Annual Additions Limit for that Year and as applicable to the Plan Contributions.~~He or she is transferred or reclassified to a position that is not ceases to be employed in an Eligible Position, and he or she does not remain an active Participant in this Plan under Section 3.1(c) or 3.2(d).ceases to be employed in an Eligible Position.~~

~~(d)~~

SECTION 4. CONTRIBUTIONS

4.1 ~~Plan~~ Mandatory Contributions and Nonelective Contributions. A Participant must contribute a Mandatory Contribution equal to five (5%) percent of Compensation from date of participation until the end of the month in which his or her thirty-fifth (35th) ~~th~~ birthday occurs, then must contribute a Mandatory Contribution equal to seven and one-half (7½%) percent of Compensation commencing thereafter. WSU will make a Nonelective Contribution for each Participant in an amount equal to the Participant's Mandatory Contribution amount.

4.2 Elective Deferrals, Catch-up Deferrals and Matching Contributions. A Participant may make an Election to defer two and one-half (2½%) percent as an Elective Deferral ~~increase the contribution rate to ten percent~~ at any time following the month during which his or her fiftieth (50th) ~~th~~ birthday occurs; provided that such Election may be revoked and thereafter re-elected at the option of the Participant. A Catch-up Eligible Participant also may or revoke make an Election to make Catch-up Deferrals. If the Participant makes Elective Deferrals or Catch-up Deferrals under this Section 4.2, WSU will make a M~~m~~atching C~~c~~ontribution ~~equal~~ in an amount equal to ~~each Participant contribution~~ the Participant's Elective Deferrals. ~~and will transmit all Plan Contributions to the Fund Sponsor(s).~~

(a) Age 50 Catch-up Deferrals.

(i) Definition of Catch-up Eligible Participant. A Catch-Up Eligible Participant is a Participant who is eligible to make Elective Deferrals and has attained age fifty (50) or who will attain age fifty (50) before the end of the Taxable Year in which the Participant will make a Catch-up Deferral. A Participant who dies or who incurs a Separation from Service before actually attaining age fifty (50) in such Taxable Year is a Catch-up Eligible Participant.

(ii) Definition and Treatment of Age 50 Catch-Up Deferral. An Age 50 Catch-up Deferral is an Elective Deferral by a Catch-up Eligible Participant and which exceeds the Elective Deferral Limit under Section 4.12(a) or the Annual Additions Limit under Section 4.112(b). Age 50 Catch-up Deferrals

are not subject to the Elective Deferral Limit under Section 4.112(a) or to the Annual Additions Limit under Section 4.112(b).

(iii) Limit on Age 50 Catch-Up Deferrals. A Participant's Age 50 Catch-up Deferrals for a Taxable Year may not exceed the lesser of: (a) 100% of the Participant's Compensation for the Taxable Year when added to the Participant's other Elective Deferrals; or (b) the Catch-up Deferral dollar limit in effect for the Taxable Year ($6,500 for 2020). After the 2020 Taxable Year, the IRS will adjust the Age 50 Catch-up Deferral dollar limit in multiples of $500 under Code Section 414(v)(2)(C).

~~4.1.~~ **4.3 Income Tax Deferral.** Plan Contributions shall be made on a tax-deferred basis as authorized under Section 403(b) of the Code; provided that Participant contributions shall be made on a non-tax-deferred basis for certain Participants who so elected on an irrevocable basis prior to February 1, 1998.

4.4 Limit on Compensation Taken into Account. ~~In addition to other applicable limitations stated in the Plan affecting the amounts contributed to the Plan and notwithstanding any other provision of the Plan to the contrary, the Compensation taken into account for any Plan Year may not exceed the amount identified in Code Section 401(a)(17), adjusted by the Commissioner of Internal Revenue from time to time for increases in the cost of living, except such limit does not apply to any Participant who first became a Participant on or after July 1, 1996, and who otherwise qualifies for the transitional rule under Treas. Reg. § 1.401(a)(17)-1(d)(4)(ii).~~ For any Plan Year, the Plan Administrator in allocating Plan Contributions, cannot take into account more than $285,000 (or for years after 2020, such larger amount as the IRS may prescribe pursuant to an adjustment made in the same manner as under Code Section 415(d)) of any Participant's Compensation. Notwithstanding the foregoing, a Participant may make Elective Deferrals with respect to Compensation which exceeds the Plan Year Compensation limitation, provided such Elective Deferrals otherwise satisfy the Elective Deferral Limit and other applicable Plan limitations. In applying any Plan limitation on the amount of Matching Contributions, where such limits are expressed as a percentage of Compensation, the Plan Administrator may apply the Compensation limit under this Section 4.4 annually, even if the Matching Contribution formula is applied on a per pay period basis or is applied over any other time interval which is less than the full Plan Year or, the Plan Administrator may pro rate the Compensation limit. This Section 4.4 will not apply to a Participant who first became a Participant during a Plan Year beginning before January 1, 1996 (or, if earlier, the first Plan Year in which the Employer amended the Plan to reflect the limitation of Code Section 401(a)(17)) to the extent it would reduce the Participant's Compensation taken into account to an amount less than the amount allowed under the Plan as in effect on July 1, 1993.

~~4.2.~~ **4.5 Contribution Transmission.** WSU will transmit to the Fund Sponsors all Plan Contributions as soon as is administratively practicable and within any time period required under applicable law.

4.~~6~~5 Leave of Absence.

(a) Leave of Absence with Pay. During an authorized leave of absence with pay, Plan Contributions will continue to be made. Plan Contributions will be calculated based on the Participant's ~~actual~~ Ce~~o~~mpensation paid by WSU during the leave of absence.

(b) Military Service. This Section 4.6(b) applies to an Employee who: (1) has completed Qualified Military Service under USERRA; (2) the Employer has rehired under USERRA; and (3) is a Participant entitled to make-up contributions under Code Section 414(u). This Section 4.6(b) also applies to an Employee who dies or becomes disabled while performing Qualified Military Service.

(i) WSU Contributions. WSU will make up any Plan Contributions WSU would have made and which the Plan Administrator would have allocated to the Participant's Account had the Participant remained employed by WSU during the period of Qualified Military Service. WSU will make up any Matching Contribution or Nonelective Contribution that WSU would have made and which the Plan Administrator would have allocated to the Participant's Account during the period of Qualified Military Service, but only to the extent of any make-up Elective Deferrals or make-up Mandatory Contributions that the Participant makes under Section 4.6(b)(iii).

(ii) Compensation. For purposes of this Section 4.6(b), the Plan Administrator will determine an affected Participant's Compensation as follows. A Participant during his or her period of Qualified Military Service is deemed to receive Compensation equal to that which the Participant would have received had he or she remained employed by WSU, based on the Participant's rate of pay that would have been in effect for the Participant during the period of Qualified Military Service. If the Compensation during such period would have been uncertain, the Plan Administrator will use the Participant's actual average Compensation for the twelve (12) month period immediately preceding the period of Qualified Military Service, or if less, for the period of employment.

(iii) Elective Deferrals and Mandatory ~~—~~Contributions. During a Participant's period of Qualified Military Service, the Plan Administrator must allow a Participant to make up Elective Deferrals or Mandatory Contributions to his or her Account. The Participant may make up the maximum amount of Elective Deferrals or Mandatory Contributions which he or she under the Plan terms would have been able to contribute during the period of Qualified Military Service (less any such amounts the Participant actually contributed during such period) and the Participant must be permitted to contribute any lesser amount as the Plan would have permitted. The Participant must make up any contribution under this Section 4.5(b)(iii) commencing on his or her Re-Employment Commencement Date and not later than five (5) years following the Re-employment Commencement Date (or if less, a period equal to three (3) times the length of the Participant's Qualified Military Service triggering such make-up contribution).

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(iv) Limitations. Contributions under this Section 4.6(b) are Annual Additions under Section 4.12(b) and are subject to the Elective Deferral Limit under Section 4.12(a) in the year to which such contributions are allocated, but not in the year in which such contributions are made.

(v) Differential Wage Payments. The Plan is not treated as failing to meet the requirements of any provision described in this Section 4.6(b) by reason of any contribution or benefit which is based on a Differential Wage Payment. The preceding sentence applies only if all Employees performing service in the uniformed services described in ~~Code §~~Code Section 3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account ~~Code §§~~Code Sections 410(b)(3), (4), and (5)). The Plan Administrator operationally may determine, for purposes of any provision described in this Section 4.6(b), whether to take into account any Elective Deferrals, and if applicable, any Matching Contributions, attributable to Differential Wage Payments.

(vi) No Earnings. A Participant receiving any make-up contribution under this Section 4.6(b)is not entitled to an allocation of any Earnings on any such contribution prior to the time that WSU actually makes the contribution (or timely deposits the Participant's own make-up Elective Deferrals or Mandatory Contributions) to the Plan.

(vii) HEART Act Death Benefits. If a Participant dies while performing Qualified Military Service, the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death.

~~(b)~~

~~(c)~~ (c) Leave of Absence Without Pay. A Participant who returns to employment with WSU immediately following an authorized leave of absence without pay, other than an absence described in Section 4.5~~4~~(b), and who remains employed by WSU for at least two (2) years after such return, will receive credit for the leave period to be used in the computation of benefits as described in RCW 28B.10.407, not to exceed a maximum of two (2) years' credit, provided: (i) the Participant is eligible for such benefits; and (ii) makes the contributions described in this Section 4.5~~4~~(c). The Participant must contribute the total amount that the Participant would have been contributed had the Participant not been on leave~~e~~

~~-~~(including any amount WSU would have contributed) less any contributions under Sections 4.6~~4~~(a) or (b) with respect to the same leave. The contributions under this Section 4.6~~4~~(c) will be based on the average of the Participant's Compensation at the time the leave of absence was authorized and the time the Participant resumes employment with WSU. WSU will not make M~~m~~atching Contributions or Nonelective Contributions with respect to such contributions. The Participant may not make the contributions until they have satisfied the two (2) year post-leave service condition

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described above, and the Participant must make the contributions no later than the end of the fifth (5th) year after returning from the leave.

~~4.3.~~ 4.~~7~~6 **Rollovers or Transfers to the Plan.** The Plan does not accept r~~R~~ollovers or transfers from other plans, accounts, or annuities ~~to the Plan will not be accepted~~.

~~4.4. 4.8 Allocation of Plan Contributions.~~ ~~As further described in Section 5.1, a Participant may allocate Plan Contributions to Funding Vehicles while assuming the sole responsibility for the investment performance of his or her chosen Funding Vehicles.~~

4.~~8~~9~~8~~ **Vesting of Contributions.** Each contract and certificate issued in accordance with the provisions of the Plan is the property of the Participant. Amounts attributable to Plan Contributions by the Participant and WSU are immediately vested and shall be nonforfeitable, subject to Section 9~~8~~.7. However, Plan Contributions based on a mistake of fact, shall be returned to WSU if WSU so requests as provided in Section 9.7(a) ~~XXX~~.

~~4.5.~~ 4.~~9~~10~~9~~ **Account Statement.** At least once a year, and more often as may be required by applicable law, the Fund Sponsor(s) will send each Participant a report summarizing the status of his or her ~~Accumulation~~ Account~~(s)~~. A Participant may obtain similar reports or illustrations upon Separation from Service ~~termination of employment~~ or at any other time by writing directly to the Fund Sponsor(s).

~~4.6.~~ 4.1~~0~~1~~0~~ **No Reversion.** Under no circumstances will any Plan Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, WSU, except as provided in ~~Section 4.7 and the second sentence of~~ Section 8~~9~~8.7(a).

4.1~~2~~1~~1~~ **Maximum Contribution~~.~~.** Plan Contributions for a Participant for any calendar year, together with contributions for the Participant under any other plan subject to Code Sections 402(g) or 403(b), shall not exceed the Elective Deferral Limit and the Annual Additions Limit ~~limitations in Code Sections 402(g) and 415(c), to the extent applicable~~, except as permitted by Code Section 414(v) as to age 50 Catch-up Deferrals. ~~The limitations of Code Sections 402(g), 414(v) and 415(c) are herein incorporated by reference. See Section 8.7 as to correction of contributions which exceed these limitations.~~

(a) Annual Elective Deferral Limitation. A Participant's Elective Deferrals for a Taxable Year may not exceed the Elective Deferral Limit. Age 50 Catch-up Deferrals are not subject to the Elective Deferral Limit.

(i) Definition of Elective Deferral Limit. The Elective Deferral Limit is the Code Section 402(g) limitation on each Participant's Elective Deferrals for each Taxable Year. The Elective Deferral Limit is $19,500 in 2020, and in future years is subject to adjustment by the IRS in multiples of $500 under Code Section 402(g)(4). However, in no event shall a Participant's Elective Deferrals exceed the Participant's Compensation for the Taxable Year. If the Participant's Taxable Year is not a calendar year, the Plan Administrator must apply the Code Section 402(g)

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limitation in effect for the calendar year in which the Participant's Taxable Year begins.

(ii) Definition of Excess Deferral. A Participant's Excess Deferral is the amount of Elective Deferrals for a Taxable Year which exceeds the Elective Deferral Limit.

(iii) Suspension after Reaching Limit. If the Plan Administrator determines a Participant's Elective Deferrals to the Plan for a Taxable Year would exceed the Elective Deferral Limit, the Plan Administrator will suspend the Participant's Elective Deferrals, if any, until the following January 1 and will pay to the Participant in cash the portion of the Elective Deferrals which would result in the Participant's Elective Deferrals for the Taxable Year exceeding the Elective Deferral Limit.

(iv) Correction. If the Plan Administrator determines a Participant's Elective Deferrals already contributed to the Plan for a Taxable Year exceed the Elective Deferral Limit, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income, no later than April 15 of the following Taxable Year (or if later, the date permitted under Code Sections 7503 or 7508A).

(v) 415 Interaction. If the Plan Administrator distributes the Excess Deferrals by the April 15 deadline under Section 4.121(a)(iv), the Excess Deferrals are not an Annual Addition under Section 4.112(b), and the Plan Administrator may make the distribution irrespective of any other provision under this Plan or under the Code. Elective Deferrals distributed to a Participant as an Excess Amount in accordance with Section 4.112(b) are not taken into account in determining the Participant's Elective Deferral Limit.

(vi) More than One Plan. If a Participant participates in another plan subject to the Code Section 402(g) limitation under which the Participant makes elective deferrals pursuant to a 401(k) Plan, elective deferrals under a SARSEP, elective contributions under a SIMPLE IRA or salary reduction contributions to a 403(b) plan (irrespective of whether WSU maintains the other plan), the Participant may provide to the Plan Administrator a written claim for Excess Deferrals made to the Plan for a Taxable Year. The Participant must submit the claim no later than the March 1 following the close of the particular Taxable Year and the claim must specify the amount of the Participant's Elective Deferrals under this Plan which are Excess Deferrals. The Plan Administrator may require the Participant to provide reasonable evidence of the existence of and the amount of the Participant's Excess Deferrals. If the Plan Administrator receives a timely claim which it approves, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income the Participant has assigned to this Plan, under this Section 4.121(a)(vi). If a Participant has Excess Deferrals because of making Elective Deferrals to this Plan and other WSU plans (but where the Elective Deferral Limit is not exceeded based on the Participant's Elective Deferrals to any single plan), the Participant for purposes of this Section

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4.12~~1~~(a)(vi) is deemed to have notified the Plan Administrator of this Plan of the Excess Deferrals.

(vii) Definition of Allocable Income. Allocable Income means Earnings allocable to the Excess Deferrals for and through the end of the Taxable Year in which the Participant made the Excess Deferral. To calculate Allocable Income for the Taxable Year, the Plan Administrator will use a uniform method which reasonably reflects the manner used by the Plan Administrator to allocate Earnings to Participants' Accounts or the "alternative method" under Treas. Reg. Section 1.402(g)-1(e)(5)(iii).

(b) Annual Code Section 415 Limit. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Annual Additions Limit.

(i) Prevention. If the Annual Additions the Plan Administrator otherwise would allocate under the Plan to a Participant's Account for the Limitation Year would exceed the Annual Additions Limit, the Plan Administrator will not allocate the Excess Amount, but instead will take any reasonable, uniform action the Plan Administrator determines necessary to avoid allocation of an Excess Amount including: (1) suspending or limiting a Participant's additional Mandatory Contributions or Elective Deferrals; (2) reducing WSU's future Plan Contribution(s); or (3) suspending or limiting the allocation to a Participant of any Plan Contribution previously made to the Plan (exclusive of Elective Deferrals). If the Plan Administrator allocates to a Participant an Excess Amount, the Plan Administrator must dispose of the Excess Amount in accordance with Section 4.12~~1~~(b)(ix).

(ii) Aggregation of WSU 403(b) Plans. If Annual Additions are credited to any other WSU Code Section 403(b) Plan in addition to those credited under this Plan for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under the other plan and this Plan may not exceed the Annual Additions Limit.

(iii) Aggregation where Participant Controls any Employer. If a Participant is in control of any other employer for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan, any other WSU Code Section 403(b) plan, any defined contribution plans maintained by the controlled employers, and any Code Section 403(b) plans of any other employers may not exceed the Annual Additions Limit for the Limitation Year. The Plan Administrator determines "control" under Code Sections 414(b) or 414(c), as modified by Code Section 415(h), in accordance with the rules of Treas. Reg. Section 1.415(f)-1(f). A "defined contribution plan" means a defined contribution plan qualified under Code Sections 401(a) or 403(a), a Code Section 403(b) plan, or a simplified employee pension plan under Code Section 408(k). The Plan Administrator will provide written or electronic notice to Participants that explains the limitation in this Section 4.12~~1~~(b)(iii) in a manner calculated to

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be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy this Section. The notice will advise Participants that the application of the limitations in this Section will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code Section 403(b). The notice will be provided annually, beginning no later than the year in which the Employee becomes a Participant.

(iv) Ordering Rules. If a Participant's Annual Additions under this Plan and any other plans aggregated with the Plan under this Section 4.1~~2~~1(b) result in an Excess Amount, such Excess Amount will consist of the Amounts last allocated. If the Plan Administrator allocates an Excess Amount to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will equal the product of: (1) the total Excess Amount allocated as of such date, multiplied by (2) the ratio of (a) the Annual Additions allocated to the Participant as of such date for the Limitation Year under the Plan to (b) the total Annual Additions allocated to the Participant as of such date for the Limitation Year under this Plan and the other aggregated plans.

(v) Definition of Annual Addition. An Annual Addition means the Plan Contributions credited to a Participant's Account under this Plan and employer contributions, elective deferrals, employee contributions, mandatory contributions, allocations under a simplified employee pension plan and forfeitures credited to any other plan aggregated with the Plan under this Section 4.1~~2~~1(b); provided that Age 50 Catch-up Contributions, distributed Excess Deferrals under Section 4.1~~2~~1(a)(v) and certain other amounts described in Treas. Reg. Section 1.415(c)-1(b) are excluded. For purposes of the dollar limitation under Section 4.1~~2~~1(b)(vi), Annual Additions also include amounts allocated to an individual medical account (as defined in Code Section 415(l)(2) included as part of a pension or annuity plan maintained by WSU and contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of a key-employee (as defined in Code Section 419A(d)(3)) under a WSU welfare benefit fund (as defined in Code Section 419(e)).

(vi) Definition of Annual Additions Limit. The Annual Additions Limit is the lesser of: (i) $57,000 in 2020 and as adjusted in future Limitation Years under Code Section 415(d)), or (ii) 100% of the Participant's Compensation for the Limitation Year.

(vii) Definition of Excess Amount. An Excess Amount is an excess of a Participant's Annual Additions for a Limitation Year over the Annual Additions Limit.

(viii) Definition of Limitation Year. The Limitation Year means the

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calendar year. However, if the Participant is in control of an employer under Section 4.1~~2~~1(b)(iii), the Limitation Year is the Limitation Year as defined in the defined contribution plan controlled by the Participant.

(ix) Correction of Excess Amount. If a Participant's Account exceeds the Annual Additions Limit for the Limitation Year, then the Plan may correct such excess in accordance with Section 9.7(b). Alternatively, the Plan Administrator may hold the Excess Amount in a separate account. The Excess Amount held in the separate account is includible in the Participant's gross income or the taxable year in which the Plan Contributions exceed the Annual Additions Limit. This separate account will be treated as a separate contract to which Code Section 403(c) (or another application provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

~~4.7. If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Plan for the purposes of Code Sections 402(g), 414(v) or 415, and such other plan is maintained by WSU or a Related Employer, then the extent to which annual contributions under this Plan will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, will be determined by WSU. If the reduction is under this Plan, WSU will advise the affected Participant of any limitations on his or her Plan Contributions required by this Section 4.10.~~

SECTION 5. FUND SPONSORS AND FUNDING VEHICLES

~~5.1.~~ **5.1 The Fund Sponsors and Funding Vehicles.** Participants and Beneficiaries may invest all Plan Contributions made to their ~~Accumulation~~ Account in one or more Funding Vehicles made available by WSU to Participants and Beneficiaries under this Plan and in accordance with any applicable law restricting investments by Participants not residing in the United States. A Participant or Beneficiary may allocate Plan Contributions among Funding Vehicles in any whole number percentages totaling one hundred percent (100%). Participants and Beneficiaries are solely responsible for the investment of their Account. If a Participant or Beneficiary fails to direct the investments of his or her ~~Accumulation~~ Account, the Account will be invested in a Funding Vehicle selected by WSU for such non-directing Participants and Beneficiaries. WSU's current choice of Fund Sponsor(s) and Funding Vehicles is not intended to limit future additions or deletions by WSU of Fund Sponsors and Funding Vehicles. The Plan Administrator shall maintain a list of all Fund Sponsors under the Plan. Such list is hereby incorporated as part of the Plan. The Fund Sponsor(s) and WSU shall exchange such information as may be necessary to satisfy Code Section 403(b) or other requirements of applicable law. In the case of a Fund Sponsor that is not eligible to receive Plan Contributions (including a Fund Sponsor that has ceased to be a Fund Sponsor eligible to receive Plan Contributions), WSU shall keep the Fund Sponsor informed of the name and contact information of the Plan Administrator in order to coordinate information necessary to satisfy Code Section 403(b) or other requirements of applicable law. In the event that the Plan terms and the Funding Vehicles are in conflict, the Plan terms are controlling; provided that as to the timing or form of any Plan distribution, such timing or form must be permitted under the Funding Vehicles as well as under the Plan.

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~~5.2.~~ **5.2 Funding Vehicle Exchange~~Transfer of Funds~~.** A Participant may exchange ~~may transfer~~ all or a part of his or her ~~Accumulation~~ Account between Funding Vehicles offered by a Plan Sponsor, subject to Fund Sponsor and/or Funding Vehicle contractual requirements, and to Code Section 403(b) and the regulations thereunder. However, an investment exchange to ~~transfer that includes~~ an investment with a Fund Sponsor that is not eligible to receive Plan C~~c~~ontributions under Section 5.1 is not permitted.

~~5.3.~~ **5.3 Third Party Trading.** The Participant, or his or her Beneficiary in the event of the Participant's death, is responsible for directing all funds invested under this Plan, and cannot assign that responsibility to another party, except that a Participant or Beneficiary may assign that responsibility in writing to a third party that has been given a power of attorney, and investment directions may be given by the legal representative of a Participant or Beneficiary who is under a legal disability. Any investment direction under this Section 5.~~2~~3 must be given in accordance with applicable law and any reasonable Plan Administrator or Fund Sponsor requirements.

~~SECTION 6. RETIREMENT~~

~~6.1. 6.1 Retirement Because of Age. As of the day after attaining Retirement Age or otherwise eligible to draw a lifetime annuity benefit from the Plan under Section 403(b) of the Internal Revenue Code, a Participant who is actively employed by WSU may elect to retire by submitting written notification to his or her superior with a copy to Human Resource Services.~~

~~6.2. 6.2 Retirement Because of Health Condition. A retirement because of health condition may be approved by the President of WSU in the event a Participant has a serious health condition that prevents him or her from performing the duties of his or her Eligible Position. Any request for retirement and supplemental payments because of health is submitted in writing to the Human Resource Services Benefits Director, who will convene a review of the request, and will presents its recommendations to the President.~~

SECTION ~~6~~7. BENEFITS

~~6.1.~~ ~~6~~7.1 **Benefits During Life.**

(a) Timing. A Participant may make an Election to commence distribution of his or her ~~Accumulation~~ Account upon or following S~~s~~eparation from S~~s~~ervice ~~from WSU~~ and at such other times (or upon such events) as the applicable Funding Vehicles and the Plan may permit; provided that such times and events are permissible under Code Section 403(b) and the regulations thereunder.

(i) In-Service Distribution at Age 59½ with Phased Retirement. A Participant who has elected phased retirement under applicable WSU procedures may commence distribution after reaching age 59½ even though the Participant has not incurred a S~~s~~eparation~~ed~~ from S~~s~~ervice ~~from WSU~~.

(ii) No Other In-Service Distributions. The Plan does not permit any other distributions prior to a Participant's S~~s~~eparation from S~~s~~ervice from WSU.

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(b) Form. A Participant may receive distribution of his or her ~~Accumulation~~ Account in the form of cash, payable either as a lump sum or in installment payments, or in the form of an annuity contract under which the Fund Sponsor will make payments to the Participant (and possibly to a Beneficiary), all in accordance with the payment options as authorized by the Fund Sponsor(s) and Funding Vehicles; provided that such payment options are consistent with the Plan and are permissible under Code Sections 403(b), 401(a)(9) and the regulations thereunder. The total amount of the annuity or other payment is calculated by the Fund Sponsors(s) on the rate and dividend basis then in effect and payments shall be made to the extent provided by the form of annuity.

(c) Participant Election. A Participant may make Elections as to time and form of payment of benefits under this Section 6.1 at such times and in the manner required by the Plan Administrator and Fund Sponsor(s), provided such elections are consistent with Code Section 403(b) and the regulations thereunder. All lifetime benefits are further subject to the required minimum distribution requirements of Section 6.3.
A Participant will make such Elections directly to the Fund Sponsor(s).

(d) Spousal ~~or Domestic Partner~~ Consent Required. Effective on and following the execution of this Plan, a married ~~A~~ Participant's Election to withdraw all or ~~lump sum payment of~~ any portion of his or her ~~Accumulation~~ Account requires the written consent of the Participant's spouse. ~~or state registered domestic partner under RCW 26.60 et seq. (a "domestic partner").~~

(i) Form of Spousal ~~or Domestic Partner~~ Consent. The consent of the spouse ~~or domestic partner~~ must be in writing, must acknowledge the effect of the ~~e~~Election or action to which the consent applies, and must be witnessed by a notary public. Unless the consent expressly provides that the Participant may make further elections without further consent of the spouse ~~or domestic partner~~, the consent will be effective only with respect to the specific ~~e~~Election to which the consent relates. Spousal ~~or domestic partner~~ consent will be effective only with respect to that spouse ~~or domestic partner~~. Spousal ~~Such~~ consent will not be required if it is established to the satisfaction of the Plan Administrator ~~WSU Human Resource Services~~ that there is no spouse or that the spouse ~~or domestic partner~~ cannot be located.

~~6.2.~~ ~~6~~7.2 **Death Benefits.** On the death of a Participant, the entire value of ~~each~~ the Participant's ~~Accumulation~~ Account (or of the remaining ~~Accumulation~~ Account) is payable to the Participant's Beneficiary or Beneficiaries. The Beneficiary may make an Election as to the time and form of payment under any payment option available under the Funding Vehicles, provided such payment options are consistent with Code Sections 403(b), 401(a)(9) and the regulations thereunder. A Beneficiary will make such Elections directly to the Fund Sponsor(s). However, to the extent that the ~~Accumulation~~ Account has previously been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. All death benefits are further subject to the required minimum distribution requirements of Section 6.3.

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~~6.3.~~ ~~6~~7.3 **Minimum Distribution Requirements.**

~~(a)~~ (a) Applicable Law. All distributions under this Plan will be made in accordance with Code Sections 403(b)(10) and 401(a)(9), as each is amended and in effect from time to time, and regulations thereunder. Notwithstanding anything to the contrary in this Section 7.3, required minimum distributions are subject to changes made under the SECURE Act and any regulations or other binding guidance issued thereunder.

~~(b)~~ (b) Lifetime Required Minimum Distributions. ~~A~~For ~~P~~Participants who ~~reached~~ attained age 70½ ~~in 2019 or earlier~~prior to January 1, 2020, ~~the Participant~~ must receive distribution or commence distribution of his or her ~~Accumulation~~ Account no later than April 1 following the calendar year in which the Participant attains age 70½ or, if later, April 1 following the calendar year in which the Participant S~~s~~eparates from S~~s~~ervice ~~from WSU~~. For Participants who ~~reach~~ attain age 70 ½ in 2020 or later, required minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 72, or, if later, by April 1 following the calendar year in which the Participant ~~retires~~ Separates from Service~~from the WSU~~. The annual lifetime minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-2 and 1.401(a)(9)-5. The entire ~~Accumulation~~ Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and Designated Beneficiary. Notwithstanding the above, the ~~Accumulation~~ Account for each Participant as of December 31, 1986, will be distributed in accordance with Treas. Reg. Section ~~§~~1.403(b)-6(e)(6).

~~(c)~~ (c) Death Required Minimum Distributions. The annual death minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-3 and 1.401(a)(9)-5.

(i) Death Before the Required Beginning Date. ~~Prior to January 1, 2020, I~~if the Participant dies prior to January 1. 2020 and before benefit payments are required to begin under Section 6.3(b), any benefits payable to a Designated Beneficiary will be paid, as the Designated Beneficiary elects: (a) by December 31 of the calendar year which contains the fifth (5th) anniversary of the Participant's death; or (b) ~~will be paid,~~ beginning no later than December 31 of the calendar year following the calendar year of the Participant's death, over a period not exceeding the life expectancy of the Designated Beneficiary. If the Designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70½.

~~As of January 1, 2020, i~~If the Participant dies in 2020 or later and before benefit payments are required to begin under Section 6.3(b), ~~the preceding paragraph,~~ any benefits payable to (or for the benefit of) a D~~d~~esignated Beneficiary will be paid, as the Designated Beneficiary elects: (c) by the end of the tenth (10th) full calendar year after the Participant's death; ~~,~~ or (d) ~~will be paid~~ beginning no later than the end of the first (1st) full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not

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exceeding the life expectancy of the designated Beneficiary. If the Ddesignated Beneficiary is the surviving spouse, the spouse may Elect to defer commencement of payments ~~may be delayed~~ until the date the Participant would have attained age 72. Special rules apply as to payments to other (non-spouse) Designated Beneficiaries. If the Beneficiary is not a Designated Beneficiary, or if a Designated Beneficiary fails to make a payment Election, payment will be made within five (5) years as described in Section 6.3(c)(i)(a).

~~(i) If there is no Designated Beneficiary, the entire Accumulation Account must be distributed within the period described in clause (a) above. If a Designated Beneficiary makes no Election, the period described in clause (a) applies.~~

~~(ii)~~ (ii) Death After the Required Beginning Date. Upon the Participant's death after the time benefits are required to begin under Section 6.3(b), any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. Minimum distributions will be calculated based on the longer life expectancy of the Participant or his or her Designated Beneficiary. If there is no Designated Beneficiary, the minimum distributions will be based on the Participant's remaining life expectancy.

(d) Separate Treatment of Contracts and Accounts. In applying the foregoing minimum distribution rules, each Annuity Contract or Custodial Account shall be treated as an IRA and distribution shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e).

~~6.4.~~ ~~6~~7.4 **No Loans.** The Plan does not make loans to Participants or Beneficiaries.

~~6.5.~~ ~~6~~7.5 **Rollover Distributions.**

~~(a)~~ (a) Direct Rollover. A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p)(1)(B)) who is entitled to an Eeligible Rrollover Ddistribution ~~(as defined in Code Section 402(c)(4))~~ from the Plan may make an Election to have any portion of that distribution paid directly to an Eeligible Rretirement Pplan ~~(as defined in Code Section 402(c)(8)(B))~~ specified by the Participant or Beneficiary in a Ddirect Rrollover. In the case of a distribution to a Designated Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a Ddirect Rrollover is payable only to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

(b) Rollover and Tax Notice. Each Fund Sponsor within a reasonable time period (and within any period prescribed by applicable law) before making an initial Eeligible Rrollover Ddistribution, will provide an explanation to the Participant of his or

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her right to elect a Ddirect Rrollover and the income tax withholding consequences of not electing a Ddirect Rrollover.

(c) Election. A Participant (including for this purpose, a former Employee) may elect, at the time and in the manner prescribed by the Fund Sponsor, to have any portion of his or her Eligible Rollover Distribution from the Plan paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover. For purposes of this Section 6.5, a Participant includes as to their respective interests: (1) a Participant's surviving spouse, (2) the Participant's spouse or former spouse who is an alternate payee under a QDRO, or (3) any other Beneficiary of a deceased Participant who is a Designated Beneficiary under Treas. Reg. Section 1.401(a)(9)-4.

(d) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the distribution of an Eligible Rollover Distribution, the Plan must provide a written notice (including a summary notice as permitted under applicable IRS guidance) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice"). A recipient of an Eligible Rollover Distribution (whether he/she elects a Direct Rollover or elects to receive the distribution), also may elect to receive distribution at any administratively practicable time which is earlier than 30 days following receipt of the rollover notice. The provisions of this Section 6.5(d) do not apply to distributions to a Beneficiary described in Section 6.5(c)(3).

(e) Default Rollover. The Fund Sponsor, in the case of a Participant who does not respond timely to the rollover notice, may make a Direct Rollover of the Participant's Account in lieu of distributing the Participant's Account.

~~(f) ___' g) "h)~~ (fi) Definitions. The following definitions apply to this Section 6.5:

(i) Direct Rollover. A Direct Rollover means a payment by the Plan to the Eligible Retirement Plan the distributee specifies in his or her Direct Rollover election or in the case of an automatic rollover, to the IRA that the Plan designates.

(ii) Eligible Retirement Plan. An Eligible Retirement Plan means an IRA, an annuity plan described in ~~Code §~~Code Section 403(a), a qualified trust described in ~~Code §~~Code Section 401(a), an arrangement described in ~~Code §~~Code Section 403(b), or an eligible deferred compensation plan described in ~~Code §~~Code Section 457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. ~~'Code Section~~ In the case of a Beneficiary described in Section 6.5(c)(3), an Eligible Retirement Plan is limited to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of ~~Code §~~Code Section 408(d)(3)(C)).

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(iii) Eligible Rollover Distribution. An Eligible Rollover Distribution means any distribution of all or any portion of the Participant's Account Balance, except: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; (b) any required minimum distribution under Section 6.3; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200; (f) any corrective distribution of excess amounts under ~~Code §~~Code Section 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under ~~Code §~~Code Section 72(p) (h) dividends paid on employer securities described in ~~Code §~~Code Section 408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under ~~Code §~~Code Section 409(p); and (k) permissible withdrawals from a EACA described in ~~Code §~~Code Section 414(w). ²A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an IRA~~Code Sections~~ or (ii) a qualified plan described in ~~Code §§~~Code Sections 401(a) or 403(a), or (iii) a tax-sheltered annuity described in ~~Code §~~Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

~~(b) (iv) Code Section Code Section~~

SECTION ~~7~~8. ADMINISTRATION

~~7.1.~~ ~~8~~7.1 **Plan ~~Administration/~~Administrator.** WSU is the Plan Aadministrator, ~~of this Plan~~ and has designated WSU Human Resource Services to be responsible for the day-to-day administration of the Plan.

~~7.2.~~ ~~8~~7.2 **Authority of ~~WSU~~Plan Administrator.** The Plan Administrator has all the powers and authority conferred upon it herein and further shall have final authority to determine, in its discretion, all questions concerning eligibility and contributions under the Plan, to interpret all terms of the Plan, including any uncertain terms, to adopt Plan policies and procedures, and to decide any disputes arising under and all questions concerning administration of the Plan. Any determination made by the Plan Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, the Plan Administrator will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action. ~~WSU shall have final authority to determine all questions concerning eligibility and contributions under the Plan, to interpret all terms of the Plan, including any uncertain terms, to adopt Plan policies and procedures, and to decide any disputes arising under and all questions concerning administration~~

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~~of the Plan. Any determination made by WSU shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious.~~

7.3 Delegation of Authority. The Plan Administrator may delegate any power or powers to one or more other employees of WSU, or to any agent or independent contractor of WSU. Any such delegation shall be in writing, and may be obtained from the Plan Administrator.

SECTION ~~9~~8. MISCELLANEOUS

~~8~~9.1 Non-Alienation of Benefits. Except as provided in this S~~s~~ection ~~9~~8, no benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors, or legal process. No Participant or Beneficiary will have power in any manner to transfer, assign, alienate, or in any way encumber his or her Account or benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. The~~is~~ Plan Administrator will comply with any judgment, decree, or order (including a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child or other dependent of a Participant and is made pursuant to the domestic relations law of any state. ~~establishes the rights of another person to all or a portion of a Participant's benefit under this Plan to the extent that it is treated as a qualified domestic relations order under Code Section 414(p).~~ Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. ~~WSU shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.~~ The Plan Administrator may pay from a Participant's Account an amount the Plan Administrator determines is lawfully demanded under a levy issued by the IRS with respect to a Participant or Beneficiary, or is sought to be collected by the U.S. Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

~~8.1.~~ ~~9~~8.2 Plan Does Not Affect Employment. Nothing in this Plan is a commitment or agreement by WSU or by any Employee ~~any person~~ to continue his or her employment with WSU or by WSU to rehire a retired Participant, and nothing in this Plan is a commitment on the part of WSU to continue ~~the employment or~~ the rate of compensation of any Employee~~person~~ for any period. All E~~e~~mployees ~~of WSU~~ will remain subject to nonrenewal, discharge, or discipline to the same extent as if the Plan had never been put into effect.

~~8.2.~~ ~~9~~8.3 Claims of Other Persons. The Plan does not give any Participant, Beneficiary or any other person, firm, or entity of any type,~~corporation~~ any legal or equitable right against WSU or against its past, present or future officers, employees, or Board members~~Regents~~, except for the rights that are specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.

~~8.3.~~ ~~9~~8.4 Contracts and Certificates. In the event there is any inconsistency or ambiguity between the terms of the Plan and the terms of the contracts between the Fund Sponsor~~(s)~~ and WSU and/or the Participants and any contracts and/or certificates issued to a Participant under the Plan, the terms of the Plan control.

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~~8.4.~~ ~~9~~8.5 **Governing Law.** Except as provided under federal law, the provisions of the Plan are governed by and construed in accordance with the laws of the State of Washington.

~~8.5.~~ ~~9~~8.6 **Requests for Information.** Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the Plan should be in writing and directed to the Plan Administrator via WSU Human Resource Services. Requests for information concerning the Fund Sponsor~~(s)~~, the Funding Vehicles, their terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims~~,~~ and service of legal process, may be directed in writing to the Fund Sponsor~~(s)~~.

~~9~~8.7 **Mistaken Contributions or Other Plan Failures.**

(a) Mistake of Fact. If any Plan Contribution (or portion of a Plan Contribution) is made to the Plan by a mistake of fact, then within one (1) year after the payment of the Plan Contribution, the Plan Administrator may return the amount of the mistaken contribution ~~WSU contributes to the Plan on condition that its contribution is not due to a mistake of fact. The Fund Sponsor, upon WSU's written request, will return the amount of any WSU contribution~~ (net of any investment loss, but not increased by any investment income or gains) to WSU. Thereafter, the Plan Administrator will determine if any or all of such amount should be refunded to the affected Participant. ~~made due to a mistake of fact; provided, that any such contribution must be returned within one (1) year after the contribution was made.~~

(b) Other Failures. If any ~~WSU or Participant~~Plan C~~c~~ontribution ~~is made to the Plan which~~ exceeds the Plan or Code limits or ~~which~~ is not otherwise in accordance with the Plan terms, or if there are other Plan related failures, ~~the~~ the Plan Administrator will make correction in accordance with the Plan and with the Employee Plans Compliance Resolution System under Rev. Proc. 201~~908~~-19~~50~~ or any other successor or applicable guidance~~eline~~.

SECTION ~~10~~9. AMENDMENT AND TERMINATION

~~9.1.~~ ~~10~~9.1 **Amendment and Termination.** The Board reserves the right at any time to amend or terminate the Plan, in whole or in part, or to discontinue any further Plan Contributions ~~or payments~~ under the Plan. If the Plan is terminated or if Plan Contributions are completely discontinued, the Plan Administrator ~~WSU~~ will notify all Participants. ~~As of the date of complete or partial termination,~~ all ~~Accumulation~~ Accounts will remain nonforfeitable, and all Elective Deferral Elections will become void with respect to Compensation yet to be paid.

~~9.2.~~ ~~10~~9.2 **Distribution Upon Termination of the Plan.** WSU may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Annuity Contract and Custodial Account agreements, all ~~Accumulation~~ Accounts will be distributed, provided WSU and any Related Employer on the date of termination do not make contributions to an alternative Code Section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending twelve (12) months after the distribution of

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all assets from the Plan, except as permitted by Code Section 403(b) and the regulations thereunder.

~~9.3.~~ ~~10~~9.3 **Limitation.** Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the Plan that operates to recapture for WSU any Plan Contributions previously made under this Plan except to the extent permitted by Section 8.7.

WASHINGTON STATE UNIVERSITY

Voluntary Investment ~~Program~~Program~~lan~~ (VIP)

As Amended and Restated
Effective March XX, 2020~~January 1, 2009~~

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SECTION 1. ESTABLISHMENT OF VOLUNTARY INVESTMENT PROGRAM

1.1 Establishment of Program. The Board of Regents of Washington State University established a Washington State University Tax-Deferred Annuity Program as of January 1, 1983, as allowed under State of Washington RCW 28.B.10.480. ~~As of January 1, 2009, the program~~Plan ~~is named the Washington State University Voluntary Investment Program~~Plan (VIP). This plan document sets forth the provisions of the Plan, as amended through March ___, 2020 but with a general retroactive effective date of January 1, 2010 as provided for in Rev. Proc.2013-22. This plan is a governmental plan as defined in Code Section 414(d) and is intended to satisfy the provisions of Code Section 403(b).

SECTION 2. ~~This plan document sets forth the provisions of this Program, as in effect on January 1, 2009. Contributions under this Program are made under section 403(b) of the Internal Revenue Code and are invested, at the direction of the Participant, in one or more of the Funding Vehicles available under the Program.~~

DEFINITIONS

The words and phrases defined in this Article have the following meanings throughout this plan document:

2.1 Account means the account maintained for the benefit of any Participant or Beneficiary under a Funding Vehicle. The Plan Administrator will establish and maintain such separate Accounts for each Participant as may be necessary to properly account for ~~Pre-tax~~Pre-Tax Elective Deferrals versus Roth Elective Deferrals and the Earnings thereon, and otherwise as may be necessary for proper Plan administration.

2.2 Account Balance means the total benefit to which a Participant or a Beneficiary is entitled under all Funding Vehicles, taking into account all VIP Ceontributions made to the Funding Vehicle and all Earnings and expenses allocable to the Account, and any distributions made to the Participant or Beneficiary.

~~1.1. **Accumulation Account** means the separate account established for each Participant with each Fund Sponsor to which VIP Contributions have been made by the Participant. The current value of a Participant's Accumulation Account with a Fund Sponsor includes all VIP Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.~~

2.3 Annuity Contract means a nontransferable group or individual contract described in Code Section 403(b)(1) that is issued by a Fund Sponsor and that includes payment in the form of an annuity.~~a non-transferable contract described in section 403(b)(1) of the Code, that is issued by an insurance company qualified to issue annuities in the State of Washington and that includes payment in the form of an annuity~~

~~**Beneficiary** means either (a) the surviving spouse of the Participant or (b) with the written consent of the Participant's spouse, if any, such person or persons who shall have been~~

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~~designated by the Participant in writing duly executed and filed with the Fund Sponsor(s) or (b) if no such person survives the Participant,. A new designation may be made at any time before the Participant or Beneficiary has started to receive annuity payments under the Program; any such new designation shall be subject to the conditions of this Section 2.3.~~

~~**Beneficiary** means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's Accumulation Account (or remaining Accumulation Account) under the Plan in the event of the Participant's death. If the Participant is married or has a state registered domestic partner under RCW 26.60 et seq. (a "domestic partner"), the Participant's designation of someone other than the spouse or domestic partner as a primary Beneficiary requires the written consent of the spouse or domestic partner. Any such consent must be witnessed by a notary public. Spousal or domestic partner consent will be effective only with respect to that spouse or domestic partner. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that the spouse or domestic partner cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's Accumulation Account (or remaining Accumulation Account) remaining on the Participant's death will be paid in the following order of priority: (i) to the Participant's surviving spouse or state registered domestic partner, and, if none; (ii) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (iii) to the Participant's surviving parents, and, if none; (iv) to the Participant's estate. For purposes of Sections 6.3 and 6.5, a Designated Beneficiary means as described in Treas. Reg. § 1.401(a)(9)-~~

2.4 Beneficiary means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's Account (or remaining Account) under the Plan in the event of the Participant's death. If the Participant is married or remarries, the Participant's designation (including a pre-existing designation in the case of remarriage) of someone other than the spouse as a primary Beneficiary requires the written consent of the spouse. Any such consent must be witnessed by a notary public. Unless the consent expressly provides that the Participant may designate an additional Beneficiary or Beneficiaries without further consent of the spouse, the consent will be effective only with respect to the specific designation to which the consent relates. Spousal consent will be effective only with respect to that spouse. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that there is no spouse or that the spouse cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's Account (or remaining Account remaining on the Participant's death) will be paid in the following order of priority: (a) to the Participant's surviving spouse, and, if none; (b) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (c) to the Participant's surviving parents, and, if none; (d) to the Participant's estate. For purposes of Sections 6.4 and 6.7, a Designated Beneficiary means as described in Treas. Reg. Section1.401(a)(9)-4 and, as applicable and the context requires, an "Eligible Designated Beneficiary" under the Secure Act.

~~4.2.4 **Beneficiary** means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's Account (or remaining Account) under the Plan in the event of the Participant's death. If the Participant is married, remarries or has a state registered domestic partner under RCW 26.60 et seq. (a "domestic partner"), the Participant's designation (including a pre-existing designation in the case of remarriage) of someone other than the spouse or domestic partner as a primary Beneficiary requires the written consent of the spouse or domestic partner. Any such consent must be witnessed by a notary public. Spousal or domestic partner consent will be effective only with respect to that spouse or domestic partner. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that the spouse or domestic partner cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's Account (or remaining Account remaining on the Participant's death) will be paid in the following order of priority: (i) to the Participant's surviving spouse or state registered domestic partner, and, if none; (ii) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (iii) to the Participant's surviving parents, and, if none; (iv) to the Participant's estate. For purposes of Sections 6.3 and 6.5, a Designated Beneficiary means as described in Treas. Reg. Section1.401(a)(9)-4 and, as applicable and the context requires, an "Eligible Designated Beneficiary" under the Secure Act.~~

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2.5 **Board** means the Board of Regents of Washington State University.

2.6 **Code** means the Internal Revenue Code of 1986, as amended.

2.7 **Compensation** means W-2 taxable income and includes Post-Severance Compensation which consists of regular pay.~~.~~

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2.8 **Custodial Account** means the group or individual custodial account or accounts, described in section 403(b)(7) of the Code, ~~established for a Participant to hold assets of the Program~~Plan to hold regulated investment company stock issued by a Fund Sponsor.

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2.9 **Differential Wage Payment** means as defined in Code Section 3401(h).

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2.10~~4~~ **Earnings** means the net income, gain or loss earned by an Account or with respect to a contribution or distribution, as the context requires. A Roth Elective Deferral Account will be credited and charged only with its own Earnings as attributable to Roth Elective Deferrals.

Commented [A1]: Are Roth in-plan conversions permitted?

Commented [A2R1]: Nope.

2.11~~2~~ **Election** means any Participant or Beneficiary written election (including made in electronic form) under the Plan and which is made on/in the form the Plan Administrator or the Fund Sponsor provides for this purpose. An Election must be made in the manner and within the time period the Plan, the Plan Administrator, or the Fund Sponsor prescribe, and as is consistent with Code Section 403(b) or other applicable law.

2.123 Elective Deferral means a Participant's ~~pre tax~~Pre-Tax elective deferrals or Roth elective deferrals (and as the context requires, Age 50 Catch-up Deferrals and Qualified Organization Catch-up Deferrals) which WSU contributes to the Participant's Account at the Participant's Election under a Salary Reduction Agreement ~~Agreement~~, in lieu of the Participant receiving cash compensation.

~~1.2.~~

2.13 Eligible Employee means any E~~e~~mployee of Washington State University, except nonresident aliens who receive no U.S.-source earned income.

2.146 Employee means each individual who is a common law employee of the State of Washington performing services for WSU, including an individual who is appointed or elected. This definition is not applicable unless the Employee's compensation for performing services for WSU is paid by the State of Washington. Further, a person occupying an elective or appointive public office is not an Employee unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of the State of Washington. An individual receiving a Differential Wage Payment from WSU is treated as a WSU Employee.

2.15 Employment Commencement Date means the date on which the Employee first performs Service for WSU. ~~References in the Plan to "hire date" mean the Employment Commencement Date.~~ The Re-Employment Commencement Date means the date on which the Employee first performs Service for WSU after WSU re-hires the Employee.

2.16 Fund Sponsor means an insurance, variable annuity, or investment company that provides Funding Vehicles to Participants under the ~~Program~~Plan.

2.17 Funding Vehicles means the Annuity Contracts and Custodial Accounts available for ~~the purpose of~~ investing contributions under this ~~Program~~Plan and specifically approved by WSU under Section 5.1.

2.18 Includible Compensation means an Employee's compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to Code Section 911 relating to United States citizens or residents living abroad), including Differential Wage Payments, for the most recent period that is a Year of 403(b) Service. Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in the Employee's gross income but for the rules of Code Sections125, 132(f)(4), 402(e)(2), 402(h)(1)(B), 402(k), or 457(b). Includible Compensation does not include any Compensation other than Post-Severance Compensation, paid after Severance of Employment. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in Treas. Reg. Section 1.401(a)(17)-1(d)(4)(ii) with respect to eligible participants in governmental plans, the amount of Includible Compensation of any Participant taken into account in determining contributions will not exceed $285,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B) for periods after 2020.

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2.1921 IRA means an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).

2.202 IRS means the Internal Revenue Service.

~~1.3.~~

~~1.4.~~ **2.21 Participant** means any employee of WSU who participates in the Plan~~rogram~~ in accordance with Section 3.1.

2.22 Plan~~rogram~~ means the Washington State University Voluntary Investment ~~Program~~Program ~~lan~~ as set forth in this document.

2.23 Plan~~rogram~~ Administrator is defined in Section 8.1.

2.24 Plan~~rogram~~ Year means the calendar year~~January 1 through December 31~~.

2.2532 Post-Severance Compensation means Compensation paid after a Participant's Severance from Employment from WSU, to include regular pay, leave cash-outs, or deferred compensation paid within the time period described herein. Any other payment paid after Severance from Employment is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay, parachute payments under Code Section 280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment. Post-Severance Compensation includes regular pay, leave cash-outs, or deferred compensation only to the extent WSU pays such amounts by the later of two and one-half (2 ½) months after Severance from Employment or by the end of the Limitation Year (under Section 4.12(b)(viii)) that includes the date of such Severance from Employment. Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with WSU. Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment. Deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the deferred compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with WSU and only to the extent that the payment is includible in the Participant's gross income.

2.3263 Qualified Military Service means as defined in Code Section 414(u)(5). Notwithstanding any provision in the Plan to the contrary, as to Qualified Military Service, the Plan will credit Service, the Employer will make ~~Plan~~VIP Contributions, and the Plan will provide benefits in accordance with Code Section 414(u).

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~~2.14. **Roth Accumulation Account** means an Accumulation Account established for a Participant who elects to make Roth VIP Contributions in accordance with Section 4.11.~~

2.27 Related Employer means WSU and any other entity which is related to WSU under Code Sections 414(b), (c), (m) or (o). WSU will determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23.~~any entity which is under common control with WSU under section 414(b) or (c) of the Code.~~

2.28 Salary Reduction Agreement (SRA) means ~~is~~ a written ~~n~~ agreement (including made in electronic form) between the Employee and WSU under which the Employee's Compensation is reduced by an amount equal to the Elective Deferrals that the Employee wishes to have made to his or her Account. An SRA shall be subject to such rules and restrictions as may be imposed by the Plan Administrator not inconsistent with Code Section 403(b) and the regulations thereunder.
~~**described in Section 3.1.**~~

2.29 SECURE Act means the Setting Up Every Community for Retirement Enhancement Act of 2019.

2.30~~6~~ Service means any period of time the Employee is in the employ of WSU, including any period the Employee is on an unpaid leave of absence authorized by WSU under a uniform policy applicable to all Employees.

2.31~~7~~ Severance from Employment or "Separation from Service" occurs when an Employee ceases to be employed by WSU or a Related Employer that is eligible to maintain a section 403(b) Plan under Treas. Reg. Section 1.403(b)-2(b)(8), even if the Employee remains employed with another entity that is a Related Employer where either: (a) such Related Employer is not an eligible employer; or (b) the Employee is employed or in a capacity that is not employment with an eligible employer.

2.32 Spouse means the person to whom the Participant is legally married and for this Plan also includes a registered domestic partner under RCW 26.60 et seq or other applicable law.

2.33~~8~~ Taxable Year means the taxable year of a Participant.

~~**2.40 Unbroken** Service **means Service as an Employee without** a Break in Service.~~

2.34~~1~~ USERRA means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

~~1.5.~~

2.35 VIP Contributions means ~~pre-tax~~Pre-Tax -Elective Deferrals and/or Roth Elective Deferral ~~and or Roth Elective Deferrals~~ contributions to the Plan by a~~the~~ Participant ~~as described in Section 4~~.

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Commented [A3]: With our transition to a new system under WorkDay, participants will log onto their TIAA accounts and make their VIP elections there and no longer complete a hard-copy form and submit it to our office. Do we need to modify "written", or would that also include an electronic election?

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Commented [A4]: Contributions don't include Roth contributions?

2.36 **WSU** means Washington State University.

2.37 **Year of 403(b) Service** means for purposes of determining Includible Compensation and for Qualified Organization Catch-up Deferrals, each full year during which an individual is a full-time Employee, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer, determined under Treas. Reg. Section 1.403(b)-4(e). An Employee's number of Years of 403(b) Service equals the aggregate of such years or parts of years. The work period is the Employer's annual work period.

SECTION 3. ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation. All Eligible Employees may begin Plan participation as of their Employment Commencement Date or any later date they may elect by making an Election to enroll, which includes entering into a Salary Reduction Agreement (SRA). Participation will commence effective as of the first (1st) administratively practicable payroll date or payroll period on or following the Plan Administrator's actual receipt of the Election~~their Election. A on their first day of employment as an Eligible Employee or the first of any pay period thereafter following the election. To participate in this ProgramPlan, A~~an Eligible Employee must make their Election in the form/format as provided by the ~~Program~~Plan Administrator. Funding Vehicles selection must be made with the Fund Sponsor(s) as directed by the ~~Programlan~~Plan Administrator. ~~complete the necessary enrollment process for the Fund Sponsor(s) and for the Funding Vehicle(s) selected, as well as a Salary Reduction Agreement (SRA), and return them to WSU Human Resource Services prior to the effective pay period.~~

~~By making an election to participate in the Plan, the employee is entering into a Salary Reduction Agreement (SRA). An SRA is an written agreement between the employee and WSU under which the employee's salary is reduced by an amount equal to the contributions that the employee wishes to have made to the ProgramPlan. An SRA shall be subject to such rules and restrictions as may be imposed by the ProgramPlan Administrator not inconsistent with section 403(b) of the Code and the regulations thereunder.~~

3.2 Revision to SRA. A Participant may elect to stop Elective Deferrals, revise the amount of their Elective Deferrals, or change from ~~pre-tax~~Pre-Tax to Roth Elective Deferrals or vice versa (including any combination thereof) at any time by making an Election on a SRA.

3.3 Termination of Contributions.~~Participation~~. A Participant may not make additional VIP Contributions after: (a) the Participant ceases ~~they cease~~ to be an Eligible Employee; (b) WSU terminates the Plan; or (c) as to a Taxable Year or Limitation Year, the Participant has ~~they have~~ reached the Elective Deferral Limit or the Annual Additions Limit for that Year. ~~will continue to participate in the ProgramlanPlan until (a) he or she ceases to be an Eligible Employee, ,or (b) the ProgramlanPlan is terminated,, or (c) his or her contributions under the Program are terminated, whichever occurs first.~~

SECTION 4. VIP CONTRIBUTIONS

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Commented [A5]: Not a plan document question, but a general question. Elective contributions can only be elected on future earnings and not current earnings. I see "earnings" as when you are earning the money, not when you are being paid the money.

Therefore, our practice has been that if I submit an SRA between the 1st and 15th of a month, I am in a period of current earnings, so the earliest the change could go into effect would be with my 16th – end of month earnings. In this situation the contribution would be taken from paid earnings on the following months 10th paycheck, not on the current month's 25th paycheck.

In recent talks with TIAA, they led me to believe that most employers appear to interpret "earnings" as to when it is paid, not earned. Therefore, in the above example, they would make the election take on the current month's 25th paycheck, as future "pay".

Again, we can talk more after this week is over on this one.

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Commented [A6]: Do we need to clarify that this could be due to reaching the IRS maximum contribution limit? We need to rethink this in the WSRUP as well. Technically, participant status continues until the person's account is fully paid out to them which could be long after they stop contributing. Here, and in the WSRUP, I think we are really saying no new contributions beyond the applicable time.

4.1 VIP Contributions; Other Plans. A Participant's VIP Contributions may consist of any or all of the following Elective Deferrals:

(a) ~~Pre-tax~~Pre-Tax Deferral. ~~Pre-tax~~Pre-Tax Deferral means an Elective Deferral which is not a Roth Deferral.

(b) Roth Deferral. Roth Deferral means an Eelective Deferral which the Participant irrevocably designates as a Roth deferral under Code Section 402A at the time of deferral and which is subject to income tax when made to the Plan. Except as the Plan otherwise provides, a Roth ~~Elective~~ Deferrals ~~is~~are treated as an Elective Deferral for all purposes under the Plan.

(c) Age 50 Catch-up Deferral. Age 50 Catch-up Deferral means an Elective Deferral by a Catch-up Eligible Participant and which exceeds the Annual Additions Limit under Section 4.4(b)_____ or the Elective Deferral Limit under Section 4.4(a)___. A Catch-up Eligible Participant is a Participant who is eligible to make Elective Deferrals and who has attained age 50 or who will attain age 50 before the end of the Taxable Year in which he or she will make an Age 50 Catch-up Deferral. A Participant who dies or who incurs a Separation from Service before attaining age 50 is a Catch-up Eligible Participant in such Taxable Year. A Participant's Age 50 Catch-up Deferrals for a Taxable Year may not exceed the lesser of: (a) 100% of the Participant's Compensation for the Taxable Year when added to the Participant's other Elective Deferrals; or (b) the Catch-up Deferral dollar limit in effect for the Taxable Year ($6,500 for 2020). After the 2020 Taxable Year, the IRS will adjust the Age 50 Catch-up Deferral dollar limit in multiples of $500 under Code Section 414(v)(2)(C). A Participant's Age 50 Catch-up Deferrals are not subject to the Annual Additions Limit under Section 4.4(b)____or to the Elective Deferral Limit under Section 4.4(a)___.

(d) Qualified Organization Catch-up Deferral. A Participant who has completed at least fifteen (15) Years of 403(b) Service with WSU is a Qualified Participant and may elect to make a Qualified Organization Catch-up Deferral. The elective Deferral Limit for a Qualified Participant increases by the lesser of: (i) $3,000; (ii) $15,000 reduced by the Participant's Qualified Organization Catch-up Deferrals for prior Taxable Years; or (iii) the excess of $5,000 multiplied by the Participant's Years of 403(b) Service with WSU over the Participant's deferral contributions made for prior Taxable Years pursuant to Code Sections 401(k), 408(k)(6), 408(p) or 403(b), other than under Code Section 414(v). A Qualified Organization Catch-up Deferral is subject to the Annual Additions Limit under Section___4.4(b) but is not subject to the Elective Deferral Limit under Section 4.4(a)___.

(e) Catch-up Ordering. A Participant who is eligible may elect to contribute both Age 50 Catch-up Deferrals and Qualified Organization Catch-up Deferrals. The Plan Administrator will treat any such amounts as first attributable to Qualified Organization Catch-up Deferrals.

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Commented [A7]: My understanding is we have the option to do the 15 year catch-up, but are not required to do so. Is that correct?

Full disclosure: although not in our prior document, we have historically done about fout 15 year catch-ups.
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~~**(f) Contributions to other Plans.** Contributions to this Program~~Plan ~~(referred to hereafter as "VIP Contributions") are in addition to contributions, if any, which may be made to the Washington State University Retirement Plan (WSURP), or any State of Washington retirement plan. To make VIP Contributions, an Eligible Employee must enter into a Salary Reduction Agreement with WSU as described in Section 3.1. Under the Agreement, the employee's salary is reduced and the amount of the reduction is forwarded to the Funding Vehicles available under this Program~~Plan~~.~~

4.2 Salary Reduction Minimum. A Participant's ~~shall be permitted to make contributions under this Program~~Plan ~~only if the~~ Salary Reduction Agreement must provide~~s~~ for minimum contributions of at least $15.00 per pay period~~;~~, provided, that a Participant is not required to make Elective Deferrals which exceed ~~but this section shall not be construed to require contributions of more than~~ $200 per Taxable Year~~year~~.

4.3 Leave of Absence. During a leave of absence from WSU with pay, VIP Contributions will continue to be made in accordance with the Salary Reduction Agreement. No VIP Contributions will be made during a leave of absence without pay.

4.4 Maximum Contribution. ~~Plan~~ VIP Contributions for a Participant for any calendar year, together with contributions for the Participant under any other plan subject to Code Sections 402(g) or 403(b), shall not exceed the Elective Deferral Limit and the Annual Additions Limit, except as permitted by Code Section 414(v) as to age 50 Catch-up Deferrals~~.[special c ps?]~~.

(a) Annual Elective Deferral Limitation. A Participant's Elective Deferrals for a Taxable Year may not exceed the Elective Deferral Limit. Age 50 Catch-up Deferrals and Qualified Organization Catch-up Deferrals are not subject to the Elective Deferral Limit.

(i) Definition of Elective Deferral Limit. The Elective Deferral Limit is the Code Section 402(g) limitation on each Participant's Elective Deferrals for each Taxable Year. The Elective Deferral Limit is $19,500 in 2020, and in future years is subject to adjustment by the IRS in multiples of $500 under Code Section 402(g)(4). However, in no event shall a Participant's Elective Deferrals exceed the Participant's Compensation for the Taxable Year. If the Participant's Taxable Year is not a calendar year, the Plan Administrator must apply the Code Section 402(g) limitation in effect for the calendar year in which the Participant's Taxable Year begins.

(ii) Definition of Excess Deferral. A Participant's Excess Deferral is the amount of Elective Deferrals for a Taxable Year which exceeds the Elective Deferral Limit.

Commented [A8]: What about contributions made to another ER in the same calendar year, that may have been made before starting employment at WSU? Or if they are a part-time worker for someone else through whom they are making contributions?

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(iii) Suspension after Reaching Limit. If the Plan Administrator determines a Participant's Elective Deferrals to the Plan for a Taxable Year would exceed the Elective Deferral Limit, the Plan Administrator will suspend the Participant's Elective Deferrals, if any, until the following January 1 and will pay to the Participant in cash the portion of the Elective Deferrals which would result in the Participant's Elective Deferrals for the Taxable Year exceeding the Elective Deferral Limit. ~~[ROTH ordering]~~

(iv) Correction. If the Plan Administrator determines a Participant's Elective Deferrals already contributed to the Plan for a Taxable Year exceed the Elective Deferral Limit, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income, no later than April 15 of the following Taxable Year (or if later, the date permitted under Code Sections 7503 or 7508A).

(v) 415 Interaction. If the Plan Administrator distributes the Excess Deferrals by the April 15 deadline under Section 4.4(a)(iv), the Excess Deferrals are not an Annual Addition under Section 4.4(b), and the Plan Administrator may make the distribution irrespective of any other provision under this Plan or under the Code. Elective Deferrals distributed to a Participant as an Excess Amount in accordance with Section 4.4(b) are not taken into account in determining the Participant's Elective Deferral Limit.

(vi) More than One Plan. If a Participant participates in another plan subject to the Code Section 402(g) limitation under which the Participant makes elective deferrals pursuant to a 401(k) Plan, elective deferrals under a SARSEP, elective contributions under a SIMPLE IRA or salary reduction contributions to a 403(b) plan (irrespective of whether WSU maintains the other plan), the Participant may provide to the Plan Administrator a written claim for Excess Deferrals made to the Plan for a Taxable Year. The Participant must submit the claim no later than the March 1 following the close of the particular Taxable Year and the claim must specify the amount of the Participant's Elective Deferrals under this Plan which are Excess Deferrals. The Plan Administrator may require the Participant to provide reasonable evidence of the existence of and the amount of the Participant's Excess Deferrals. If the Plan Administrator receives a timely claim which it approves, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income the Participant has assigned to this Plan, under this Section 4.4(a)(vi). If a Participant has Excess Deferrals because of making Elective Deferrals to this Plan and other WSU plans (but where the Elective Deferral Limit is not exceeded based on the Participant's Elective Deferrals to any single plan), the Participant for purposes of this Section 4.4(a)(vi) is deemed to have notified the Plan Administrator of this Plan of the Excess Deferrals.

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(vii) Definition of Allocable Income. Allocable Income means Earnings allocable to the Excess Deferrals for and through the end of the Taxable Year in which the Participant made the Excess Deferral. To calculate Allocable Income for the Taxable Year, the Plan Administrator will use a uniform method which reasonably reflects the manner used by the Plan Administrator to allocate Earnings to Participants' Accounts or the "alternative method" under Treas. Reg. Section 1.402(g)-1(e)(5)(iii).

(viii) Roth and Pre-Tax Deferrals. If a Participant who will receive a distribution of Excess Deferrals, in the Taxable Year for which the corrective distribution is made, has contributed both Pre-Tax Deferrals and Roth Deferrals, the Plan Administrator operationally will determine the Elective Deferral Account source(s) from which it will direct the Fund Sponsor to make the corrective distribution. The Plan Administrator also may permit the affected Participant to elect the source(s) from which the Fund Sponsor will make the corrective distribution. However, the amount of a corrective distribution of Excess Deferrals to any Participant from the Pre-Tax Deferral or Roth Deferral sources under this Section 4.4(a)(viii) may not exceed the amount of the Participant's Pre-Tax Deferrals or Roth Deferrals for the Taxable Year of the correction.

(b) Annual Code Section 415 Limit. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Annual Additions Limit.

(i) Prevention. If the Annual Additions the Plan Administrator otherwise would allocate under the Plan to a Participant's Account for the Limitation Year would exceed the Annual Additions Limit, the Plan Administrator will not allocate the Excess Amount, but instead will take any reasonable, uniform action the Plan Administrator determines necessary to avoid allocation of an Excess Amount including: (1) suspending or limiting a Participant's additional Mandatory Contributions or Elective Deferrals; (2) reducing WSU's future Plan Contribution(s); or (3) suspending or limiting the allocation to a Participant of any Plan Contribution previously made to the Plan (exclusive of Elective Deferrals). If the Plan Administrator allocates to a Participant an Excess Amount, the Plan Administrator must dispose of the Excess Amount in accordance with Section 4.12(b)(ix).

(ii) Aggregation of WSU 403(b) Plans. If Annual Additions are credited to any other WSU Code Section 403(b) Plan in addition to those credited under this Plan for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under the other plan and this Plan may not exceed the Annual Additions Limit.

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(iii) Aggregation where Participant Controls any Employer. If a Participant is in control of any other employer for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan, any other WSU Code Section 403(b) plan, any defined contribution plans maintained by the controlled employers, and any Code Section 403(b) plans of any other employers may not exceed the Annual Additions Limit for the Limitation Year. The Plan Administrator determines "control" under Code Sections 414(b) or 414(c), as modified by Code Section 415(h), in accordance with the rules of Treas. Reg. Section 1.415(f)-1(f). A "defined contribution plan" means a defined contribution plan qualified under Code Sections 401(a) or 403(a), a Code Section 403(b) plan, or a simplified employee pension plan under Code Section 408(k). The Plan Administrator will provide written or electronic notice to Participants that explains the limitation in this Section 4.12(b)(iii) in a manner calculated to be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy this Section. The notice will advise Participants that the application of the limitations in this Section will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code Section 403(b). The notice will be provided annually, beginning no later than the year in which the Employee becomes a Participant.

(iv) Ordering Rules. If a Participant's Annual Additions under this Plan and any other plans aggregated with the Plan under this Section 4.12(b) result in an Excess Amount, such Excess Amount will consist of the Amounts last allocated. If the Plan Administrator allocates an Excess Amount to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will equal the product of: (1) the total Excess Amount allocated as of such date, multiplied by (2) the ratio of (a) the Annual Additions allocated to the Participant as of such date for the Limitation Year under the Plan to (b) the total Annual Additions allocated to the Participant as of such date for the Limitation Year under this Plan and the other aggregated plans.

(v) Definition of Annual Addition. An Annual Addition means the VIP ~~Plan~~ Contributions credited to a Participant's Account under this Plan and employer contributions, elective deferrals, employee contributions, mandatory contributions, allocations under a simplified employee pension plan and forfeitures credited to any other plan aggregated with the Plan under this Section 4.12(b); provided that Age 50 Catch-up Contributions, distributed Excess Deferrals under Section 4.12(a)(v) and certain other amounts described in Treas. Reg. Section 1.415(c)-1(b) are excluded. For purposes of the dollar limitation under Section 4.12(b)(vi), Annual Additions also include amounts allocated to an individual medical account (as defined in Code Section 415(l)(2) included as part of a pension

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or annuity plan maintained by WSU and contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of a key-employee (as defined in Code Section 419A(d)(3)) under a WSU welfare benefit fund (as defined in Code Section 419(e)).

(vi) Definition of Annual Additions Limit. The Annual Additions Limit is the lesser of: (i) $57,000 in 2020 and as adjusted in future Limitation Years under Code Section 415(d)), or (ii) 100% of the Participant's Compensation for the Limitation Year.

(vii) Definition of Excess Amount. An Excess Amount is an excess of a Participant's Annual Additions for a Limitation Year over the Annual Additions Limit.

(viii) Definition of Limitation Year. The Limitation Year means the calendar year. However, if the Participant is in control of an employer under Section 4.12(b)(iii), the Limitation Year is the Limitation Year as defined in the defined contribution plan controlled by the Participant.

(ix) Correction of Excess Amount. If a Participant's Account exceeds the Annual Additions Limit for the Limitation Year, then the Plan may correct such excess in accordance with Section 9.7(b). Alternatively, the Plan Administrator may hold the Excess Amount in a separate account. The Excess Amount held in the separate account is includible in the Participant's gross income or the taxable year in which the VIP~~Plan~~ Contributions exceed the Annual Additions Limit. This separate account will be treated as a separate contract to which Code Section 403(c) (or another application provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

~~1.6.~~

4.5 Rollover Contributions and Transfers.

~~(a)~~ (a) Eligible Rollover Contributions. To the extent provided in the Annuity Contracts and Custodial Account agreements, a Participant who is entitled to receive an E~~e~~ligible R~~r~~ollover D~~d~~istribution from another E~~e~~ligible R~~r~~etirement P~~p~~lan may request to have all or a portion of the E~~e~~ligible R~~r~~ollover D~~d~~istribution paid directly or indirectly to the ~~Program~~Plan. Such rollover contributions shall be made in the form of cash only. The Fund Sponsor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code S~~s~~ection 402 ~~of the Code~~ and to confirm that such other plan is an E~~e~~ligible R~~r~~etirement P~~p~~lan. ~~within the meaning of section 402(e)(8)(B) of the Code. However, in no event does the Program~~Plan ~~accept a rollover contribution from a Roth elective deferral account under an applicable~~

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Commented [A10]: If in-plan Roth rollovers (conversions) permitted, language goes in this section.

Commented [A11R10]: We do not allow for in-plan Roth conversions. We do accept Roth rollovers, however.

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~~retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.~~

~~Eligible Rollover Distribution. For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code.~~

(i) Eligible Rollover Distribution. An Eligible Rollover Distribution means any distribution of all or any portion of the Participant's Account Balance, except: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; (b) any required minimum distribution under Section 6.3; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200 (treating a Participant's Roth deferral amount as separate plan for purposes of the $200 amount); (f) any corrective distribution of excess amounts under Code Section 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under Code Section 72(p) (h) dividends paid on employer securities described in Code Section 408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under Code Section 409(p); and (k) permissible withdrawals from a EACA described in Code Section 414(w). A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an IRA or (ii) a qualified plan described in Code Sections 401(a) or 403(a), or (iii) a tax-sheltered annuity described in Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) Eligible Retirement Plan. An Eligible Retirement Plan means an IRA, an annuity plan described in Code Section 403(a), a qualified trust described

Commented [A12]: I see you struck this portion, but in 4.5(a)(iv) we do accept the Roth rollover. Would that section now be struck as well based on my response on the previous comment?

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in Code Section 401(a), an arrangement described in Code Section 403(b), or an eligible deferred compensation plan described in Code Section 457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. With regard to a Participant's designated Roth account, an Eligible Retirement Plan is a Roth IRA or another designated Roth account. In the case of a Beneficiary described in Section 6.5(c)(3), an Eligible Retirement Plan is limited to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

(iii) Separate Accounts. The Fund Sponsor shall establish and maintain for the Participant a separate Aaccount for any Eeligible Rrollover Ddistribution paid to the ~~Program~~Plan. No such rollover shall be taken into account in applying the limits of Section 4.4.

(iv) Roth Rollovers. A rollover contribution to the Plan may include Roth elective deferrals made to another plan, as adjusted for earnings in such plan; provided that such amounts must be directly rolled from the other plan to this Plan and the other plan must be a qualified plan under Code Section 401(a), a Code Section 403(b) plan or a government Code 457(b) plan.

~~(b) (b) Plan-to-Plan Transfers to the ProgramPlan.~~

~~(i) At the direction of WSU, for a class of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Plan Administrator may permit a transfer of assets to the ProgramPlan as provided in this Section 4.6(b). Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the ProgramPlan and the participant is an Eemployee or former Eemployee of WSU. The ProgramPlan Administrator and any Fund Sponsor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The ProgramPlan Administrator or any Fund Sponsor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. Section §1.403(b)-10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies Code Ssection 403(b), of the Code.~~

~~(ii) The amount so transferred shall be credited to the Participant's Accumulation Account, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to the Participant or Beneficiary immediately before the transfer.~~

~~(iii)To the extent provided in the Annuity Contract and Custodial Account agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as a VIP Contribution, except that (1) the Annuity Contract or Custodial Account which holds any amount transferred to the ProgramPlan must provide that, to the extent any~~

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Commented [A13]: This seems to be limited to a group of EEs. Could a single EE transfer in from another 403(b)? Also, are transfers OUT of the VIP permitted?

Commented [A14R13]: I think this was addressing a situation that occurred in 2007. We had another 403b vendor, Lincoln National. We stopped offering that plan, and those participates were able to do the plan-to-plan transfer. I will provide a copy of the letter we provided to participants at that time.

A transfer is different than a rollover, but how do we make it clear that an individual could rollover into this plan, but the transfer is something different.

Also, currently transfers OUT are not permitted for active participants. When they are no longer eligible participants, they could roll out of the plan, but again, I don't think that would be a transfer.

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~~amount transferred is subject to any distribution restrictions required under Code Ssection 403(b) of the Code, the Annuity Contract or Custodial Account agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed by the transferor plan and (2) the transferred amount is not subject to the limitations of Section 4.4.shall not be considered a VIP Contribution in determining the maximum deferral under Section 4.4.~~

4.6 Vesting of Contributions. Each contract and certificate issued in accordance with the provisions of the ~~Program~~Plan is the property of the Participant. Amounts attributable to VIP Contributions are immediately vested and shall be nonforfeitable~~, subject to Section 10.5~~. However, VIP Contributions based on a ~~good faith~~ mistake of fact shall be returned to WSU if WSU so requests as provided in Section 8~~10~~.5~~6~~(a).

4.7 Account Statement. At least once a year the Fund Sponsor(s) will send each Participant a report summarizing the status of his or her ~~Accumulation~~ Account. A Participant may obtain similar reports or illustrations upon ~~termination of employment~~ Separation from Service or at any other time by writing directly to the Fund Sponsor(s).

~~1.7.~~ **4.8 No Reversion.** Under no circumstances will any VIP Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the WSU, except as provided in the second sentence of Section 10.5~~4.7~~.

~~**Protection of Persons Who Serve in a Uniformed Service**. An Eligible Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional VIP Contributions upon resumption of employment with WSU or any Related Employer equal to the maximum VIP Contributions that the Employee could have elected during that period if the Employee's employment had continued (at the same level of Compensation) without the interruption or leave, reduced by the VIP Contributions, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent otherwise provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).~~

~~**Roth Elective Deferrals**. As of January 1, 2010, the ProgramPlan will accept Roth VIP Contributions made by Participants. A Participant's Roth VIP Contributions will be allocated to an Accumulation Account maintained for such Roth VIP Contributions as described in Section 4.11(a). Unless specifically stated otherwise, Roth VIP Contributions will be treated as VIP Contributions for all purposes under the ProgramPlan.~~

~~(a) Contributions and withdrawals of Roth VIP Contributions will be credited and debited to the Roth Accumulation Account maintained for each Participant. The ProgramPlan will maintain a record of the amount of Roth VIP Contributions in each Participant's Roth Accumulation Account. Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Accumulation Account and the Participant's other Accumulation Accounts under the ProgramPlan. No contributions other than~~

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Commented [A15]: Needed?

Commented [A16]: Addressed as an amendment since January 1, 2010. Adding to document. I covered these provisions elsewhere except the part of (d) which refers to the $1,000 mandatory distribution. As we discussed, the WSURP and VIP do not have mandatory distributions of small balances as to terminated participants. I also did not include (e) because again the plans do not impose the Code permitted $500 minimum on the amount which must be rolled where a participant elects to keep some of the distribution and roll the rest.

Commented [A17R16]: OK – sounds good.

~~Roth VIP Contributions and properly attributable earnings will be credited to each Participant's Roth Accumulation Account.~~

4.9 ~~10~~Military Service. This Section 4.9~~10~~ applies to an Employee who: (1) has completed Qualified Military Service under USERRA; (2) the Employer has rehired under USERRA; and (3) is a Participant entitled to make-up contributions under Code Section 414(u). This Section 4.9~~6(b)~~ also applies to an Employee who dies or becomes disabled while performing Qualified Military Service.

(a~~i~~) Compensation. For purposes of this Section 4.9~~10~~, the Plan Administrator will determine an affected Participant's Compensation as follows. A Participant during his or her period of Qualified Military Service is deemed to receive Compensation equal to that which the Participant would have received had he or she remained employed by WSU, based on the Participant's rate of pay that would have been in effect for the Participant during the period of Qualified Military Service. If the Compensation during such period would have been uncertain, the Plan Administrator will use the Participant's actual average Compensation for the twelve (12) month period immediately preceding the period of Qualified Military Service, or if less, for the period of employment.

(b~~ii~~) Elective Deferrals. During a Participant's period of Qualified Military Service, the Plan Administrator must allow a Participant to make up Elective Deferrals ~~or Mandatory Contributions~~ to his or her Account. The Participant may make up the maximum amount of Elective Deferrals ~~or Mandatory Contributions~~ which he or she under the Plan terms would have been able to contribute during the period of Qualified Military Service (less any such amounts the Participant actually contributed during such period) and the Participant must be permitted to contribute any lesser amount as the Plan would have permitted. The Participant must make up any contribution under this Section 4.9~~5~~(b)~~(iii)~~ commencing on his or her Re-Employment Commencement Date and not later than five (5) years following the Re-employment Commencement Date (or if less, a period equal to three (3) times the length of the Participant's Qualified Military Service triggering such make-up contribution).

(c~~iii~~) Limitations. Contributions under this Section 4.9~~10~~ are Annual Additions under Section 4.4~~12~~(b) and are subject to the Elective Deferral Limit under Section 4.4~~12~~(a) in the year to which such contributions are allocated, but not in the year in which such contributions are made.

(d~~iv~~) Differential Wage Payments. The Plan is not treated as failing to meet the requirements of any provision described in this Section 4.9~~10~~ by reason of any contribution or benefit which is based on a Differential Wage Payment. The preceding sentence applies only if all Employees performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms

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(taking into account Code Sections 410(b)(3), (4), and (5)). The Plan Administrator operationally may determine, for purposes of any provision described in this Section 4.9~~10~~, whether to take into account any Elective Deferrals, attributable to Differential Wage Payments.

(e~~v~~) No Earnings. A Participant ~~receiving~~ making any make-up contribution under this Section 4.~~6(b)~~9 is not entitled to an allocation of any Earnings on any such contribution prior to the time that WSU ~~actually makes the contribution (or~~ timely deposits the Participant's own make-up Elective Deferrals ~~or Mandatory Contributions)~~ to the Plan.

(~~vi~~f) HEART Act Death Benefits. If a Participant dies while performing Qualified Military Service, the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death.

4.10 Contribution Transmission. WSU will transmit to the Fund Sponsors all VIP Contributions as soon as is administratively practicable and within any time period required under applicable law.

SECTION 5. FUND SPONSORS AND ~~/~~FUNDING VEHICLES

~~1.8.~~ **5.1 The Fund Sponsors and ~~/~~Funding Vehicles**. VIP Contributions are invested in one or more of the Funding Vehicles made available to Participants ~~through the Fund Sponsors~~ under this ~~Program~~Plan and in accordance with any applicable law restricting investments by Participants not residing in the United States. A Participant or Beneficiary may allocate VIP Contributions among Funding Vehicles in any whole number percentages totaling one hundred percent (100%). Participants and Beneficiaries are solely responsible for the investment of their Account. If a Participant or Beneficiary fails to direct the investments of his or her Account, the Account will be invested in a Funding Vehicle selected by WSU for such non-directing Participants and Beneficiaries. ~~The Fund Sponsors that are available to Participants as of the date of this document are:~~

~~Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF): 730 Third Avenue, New York, NY 10017~~

WSU's~~The Institution's~~ current choice~~selection~~ of Fund Sponsor(s) and Funding Vehicles is not intended to limit future additions or deletions by WSU of Fund Sponsors and Funding Vehicles. The ~~Program~~Plan Administrator shall maintain a list of all Fund Sponsors under the ~~Program~~Plan. Such list is hereby incorporated as part of the ~~Program~~Plan. The ~~Each~~ Fund Sponsor(s) and WSU shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Fund Sponsor that ~~which~~ is not eligible to receive contributions under the ~~Program~~Plan (including a Fund Sponsor that~~which~~ has ceased to be a Fund Sponsor eligible to receive contributions under the ~~Program~~Plan), WSU~~the Employer~~ shall keep the Fund Sponsor informed of the name and contact information of the ~~Program~~Plan Administrator in order to coordinate information necessary to

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satisfy section 403(b) of the Code or other requirements of applicable law. In the event the Plan terms and the Funding Vehicles are in conflict, the Plan terms are controlling; provided that as to the timing or form of any Plan distribution, such timing or form must be permitted under the Funding Vehicle as well as under the Plan.

5.2 Allocation of Contributions. A Participant may allocate VIP Contributions among Funding Vehicles in any whole number percentages that equal 100 percent.

5.3 Funding Vehicle Exchange. A Participant may exchange all or a part of his or her Account between Funding Vehicles offered by a Plan Sponsor, subject to Fund Sponsor and/or Funding Vehicle contractual requirements, and to Code Section 403(b) and the regulations thereunder. However, effective on and following the execution of this Plan, an investment exchange to an investment with a Fund Sponsor that is not eligible to receive VIP Contributions under Section 5.1 is not permitted.

~~1.9. **5.3Fund Transfers**. Subject to a Funding Vehicle's rules for transfers and in accordance with the provisions of the Code governing the deferral of income tax with respect to Accumulation Accounts, a Participant may specify that a part or all of his or her Accumulation Account in one Funding Vehicle be transferred to another Funding Vehicle. However, an investment transfer that includes an investment with a Fund Sponsor that is not eligible to receive VIP Contributions (referred to below as an exchange) is not permitted unless the conditions in paragraphs (a) through (c) of this Section 5.3 are satisfied.~~

~~(a) (a)The Participant or Beneficiary must have an Accumulation Account immediately after the exchange that is at least equal to the Accumulation Account of that Participant or Beneficiary immediately before the exchange (taking into account the Accumulation Account of that Participant or Beneficiary with both Fund Sponsors immediately before the exchange).~~

~~(b) (b)The Annuity Contract or Custodial Account agreement with the receiving Fund Sponsor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.~~

~~(c) (c)WSU enters into an agreement with the receiving Fund Sponsor for the other contract or custodial account under which the Employer and the Fund Sponsor will from time to time in the future provide each other with information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made through WSU, to satisfy Code Ssection 403(b) of the Code or other requirements, including WSU providing information as to whether the Participant's employment with WSU is continuing, notifying the Fund Sponsor when the Participant has had a Sseverance from Eemployment, and providing information on loans outstanding.~~

5.4 Third Party Trading. The Participant, or his or her Beneficiary in the event of the Participant's death, is responsible for directing all funds invested under this Plan, and cannot assign that responsibility to another party, except that a Participant or Beneficiary may assign that responsibility to a third party that has been given a power of attorney and directions may be given

Commented [A18]: This section not in WSURP. Add?

Commented [A19R18]: It would make sense to add, however, I am not married to that if we don't want to as well.

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Commented [A20]: This differs from WSURP which says exchange with ineligible fund sponsor cannot be done, period. Is this difference intended?

Commented [A21R20]: I interpret the first section to be within one Fund Sponsor you are able to transfer funds from one vehicle to another.

As to the remainder of this section, we have not practiced transferring funds between two Fund Sponsors, except as was identified in 4.5(b). I wish I could clearly say what occurred in 2007, but I was with a different part of HR then, and don't have direct knowledge. Do you think this is a stand-alone section, or was in incorporated in connection with 4.5(b)? I will look for old documentation to see if I can find anything.

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by the legal representative of a Participant or Beneficiary who is under a legal disability. Any investment direction under this section 5.4 must be given in accordance with applicable law and any reasonable Plan Administrator or Fund Sponsor requirements.

SECTION 6. BENEFITS

6.1 Benefits in General. The Participant is entitled to receive benefits under any of the Funding Vehicles at any time and in any form offered by the Fund Sponsors, not inconsistent with Code Ssection 403(b) ~~of the Code~~ and the regulations thereunder, and subject to the written consent of the Participant's spouse or state registered domestic partner under RCW 26.60 et seq ("domestic partner"), if any, in accordance with Section 6.5. However, distributions may be paid only after a Participant attains age 59 1/2, severs from employment with WSU and all Related Employers, dies or becomes disabled, or in the case of hardship. Hardship distributions are subject to the rules and restrictions set forth in Section 6.3. Distributions to a Participant made prior to attaining age 59 1/2 may be subject to early withdrawal penalties under the ~~Internal Revenue~~ Code.

6.2 Death Benefits. On the death of a Participant, the entire value of the Participant's ~~each Accumulation~~ Account (or of the remaining Account) is payable to the Participant's Beneficiary or Beneficiaries. The Beneficiary may make an Election as to the time and form of payment under any payment option available under the Funding Vehicles, provided such payment options are consistent with Code Sections 403(b), 401(a)(9) and the regulations thereunder. A Beneficiary will make such Elections directly to the Fund Sponsor(s).~~named by the Participant under one of the options offered by the Fund Sponsor.~~ However, to the extent such Account has previously been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. All death benefits are further subject to the required minimum distribution requirements of Section 6.4.

~~The designation of a Beneficiary other than the Participant's spouse, if any, requires the written consent of the spouse in accordance with Section 6.5.~~

6.3 Hardship Distributions. Hardship distributions under Section 6.1 shall be approved only if the Plan~~rogram~~ Administrator determines that the Participant has an immediate and heavy financial need and the distribution is necessary to satisfy the need. In such cases, there shall be paid to such Participant out of his or her ~~Accumulation~~ Account only such portion of the amount requested as is necessary to prevent or alleviate the hardship. The ~~Programlan~~Plan Administrator's determination shall be final and binding. No amount attributable to income credited after December 31, 1988 on VIP Contributions shall be available for distribution on account of hardship.

The following are deemed to be immediate and heavy financial needs of the Participant: (a) medical expenses described in Code section 213(d) incurred by the Participant or his or her spouse, ~~or~~ dependents, or primary beneficiary; (b) purchase (excluding mortgage payments) of a principal residence for the Participant; (c) payment of tuition, room and board for the next 12 months of post-secondary education for the Participant, his or her spouse, his or her children, ~~or~~ his or her dependents, or primary beneficiary; (d) the payment of amounts necessary to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage

Commented [A22]: Should this also refer to registered domestic partners under laws of other states? Ditto the WSURP.

Commented [A23R22]: Yes, it/they should.

Commented [A24]: The WSURP requires spousal consent only if the participant wants to take a lump sum distribution of all or part of the account. So this restriction would apply to a partial distribution at age 59 ½ while still working at WSU or to any distribution of the entire account in one payment.

The VIP requires spousal consent to ALL distributions (including annuities and installments).

Why are these different?

Commented [A25R24]: I don't know why they are different, and think they should probably be the same, with the only exception being that the VIP will allow for an in service distribution once someone is 59 ½ I'm going to connect with TIAA to see if they have any thoughts on this issue that I may not taking into consideration.

Commented [A26]: Code Definition of beneficiary already covers this.

of his or her principal residence; (e) burial or funeral expenses for the Participant's deceased parent, spouse, children, ~~or~~ dependents or primary beneficiary; ~~or~~ (f) expenses for the repair of damage to the Participant's principal residence described in section 165 of the Code; or (g) expenses and losses (including loss of income) incurred by a Participant on account of a disaster declared by FEMA, provided the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual disaster assistance. For purposes of this Section 6.3, a "primary beneficiary" is an individual who is a named beneficiary under the Plan (whether by Participant designation or application of the Plan terms) and who has an unconditional right, on the Participant's death, to all or a portion of the Participant's Account.

Hardship distributions will be deemed to be necessary to satisfy an immediate and heavy financial need of the Participant only to the extent that~~if all of the following are satisfied~~: (a) the distribution does not exceed the amount of the applicable need under the second paragraph of Section 6.3 ~~increased by~~ including any amounts necessary to pay any federal, state or local taxes or penalties reasonable expected to result ~~resulting~~ from the distribution; (b) the Participant has reasonably obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under the ~~Programlan~~Plan and any other plan maintained by WSU or any Related Employer.; ~~(c) the Participant's VIP Contributions under the Program~~Plan ~~and his or her elective and employee contributions under any other deferred compensation plan maintained by WSU or any Related Employer are suspended for six (6) months after receipt of the hardship distribution.~~ To obtain a hardship distribution after 2019, a Participant must represent in writing that he or she has insufficient cash or liquid assets reasonably available to satisfy the need and the Plan Administrator must not have actual knowledge to the contrary.

6.4 Minimum Distribution Requirements.

(a) Applicable Law. All distributions under this Plan will be made in accordance with Code Sections 403(b)(10) and 401(a)(9), as each is amended and in effect from time to time, and regulations thereunder. Notwithstanding anything to the contrary in this Section 7.3, required minimum distributions are subject to changes made under the SECURE Act and any regulations or other binding guidance issued thereunder.

(b) Lifetime Required Minimum Distributions. Participants who attained age 70½ prior to January 1, 2020, must receive distribution or commence distribution of his or her Account no later than April 1 following the calendar year in which the Participant attains age 70½ or, if later, April 1 following the calendar year in which the Participant Separates from Service. For Participants who attain age 70½ in 2020 or later, required minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 72, or, if later, by April 1 following the calendar year in which the Participant Separates from Service. The annual lifetime minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-2 and 1.401(a)(9)-5. The entire Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and Designated Beneficiary.

Commented [A27]: Can add as a new event: expenses and losses (including loss of income) participant incurs on account of a FEMA declared disaster where the P's principal residence or employment is in the disaster area.

Commented [A28R27]: OK – let's add.

Commented [A29]: You can eliminate the requirement to first exhaust loans, or not.

Commented [A30R29]: Yeah – I saw that was not an absolute requirement, but could still be used. The way it is written, does this give me the option to say if the loan option on your TIAA VIP will meet the need, you need to pursue that. If it will not, we won't require you seek another load and could pursue the hardship?

Notwithstanding the above, the Account for each Participant as of December 31, 1986, will be distributed in accordance with Treas. Reg. Section 1.403(b)-6(e)(6).

(c) Death Required Minimum Distributions. The annual death minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-3 and 1.401(a)(9)-5.

(i) Death Before the Required Beginning Date. If the Participant dies prior to January 1. 2020 and before benefit payments are required to begin under Section 6.3(b), any benefits payable to a Designated Beneficiary will be paid, as the Designated Beneficiary elects: (a) by December 31 of the calendar year which contains the fifth (5th) anniversary of the Participant's death; or (b) beginning no later than December 31 of the calendar year following the calendar year of the Participant's death, over a period not exceeding the life expectancy of the Designated Beneficiary. If the Designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70½.

If the Participant dies in 2020 or later and before benefit payments are required to begin under Section 6.3(b), any benefits payable to (or for the benefit of) a Designated Beneficiary will be paid, as the Designated Beneficiary elects: (c) by the end of the tenth (10th) full calendar year after the Participant's death; or (d)beginning no later than the end of the first (1st) full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the Designated Beneficiary is the surviving spouse, the spouse may Elect to defer commencement of payments until the date the Participant would have attained age 72. Special rules apply as to payments to other (non-spouse) Designated Beneficiaries. If the Beneficiary is not a Designated Beneficiary, or if a Designated Beneficiary fails to make a payment Election, payment will be made within five (5) years as described in Section 6.3(c)(i)(a).

(ii) Death After the Required Beginning Date. Upon the Participant's death after the time benefits are required to begin under Section 6.3(b), any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. Minimum distributions will be calculated based on the longer life expectancy of the Participant or his or her Designated Beneficiary. If there is no Designated Beneficiary, the minimum distributions will be based on the Participant's remaining life expectancy.

(d) Separate Treatment of Contracts and Accounts. In applying the foregoing minimum distribution rules, each Annuity Contract or Custodial Account shall be treated as an IRA and distribution shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e).

~~1.10.~~

~~(a) All distributions under this Program will be made in accordance with Code sections 403(b)(10) and 401(a)(9), as each is amended and in effect from time to time, and regulations thereunder. The entire Accumulation Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and a designated Beneficiary. As of December 20, 2019, for Participants who reached 70 ½ in 2019 or earlier, the mMinimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2, or, if later, April 1 following the calendar year in which the Participant retires from the WSU. For Participants who reach age 70 ½ in 2020 or later, minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 72, or, if later, April 1 following the calendar year in which the Participant retires from the WSU. Notwithstanding the above, the Accumulation Account of each Participant as of December 31, 1986 will be distributed in accordance with IRS Regulation 1.403(b)-6(e)(6). The Participant (or Beneficiary, after the Participant's death) may elect whether to use the permissive recalculation rule for life expectancies under Code section 401(a)(9)(D). Upon the Participant's death after the time benefits are required to begin hereunder, any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.**

~~Prior to January 1, 2020, iIf the Participant dies before benefit payments are required to begin under the preceding paragraph, any benefits payable to (or for the benefit of) a designated Beneficiary will be paid by the end of the fifth full calendar year after the Participant's death, or will be paid beginning no later than the end of the first full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70 1/2.~~

~~As of January 1, 2020, if the Participant dies before benefit payments are required to begin under the preceding paragraph, any benefits payable to (or for the benefit of) a designated Beneficiary will be paid by the end of the tenth full calendar year after the Participant's death, or will be paid beginning no later than the end of the first full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 72.~~

~~(b)~~

~~(c) In applying the foregoing rules, each Annuity Contract or Custodial Account shall be treated as an individual retirement account (IRA) and distribution shall be made in accordance with the provisions of section 1.408-8 of the IRS regulations, except as provided in section 1.403(b)-6(e) of the Regulations.~~

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6.5 Application for Benefits; Spousal Consent. Procedures for receipt of benefits are initiated by writing directly to the Fund Sponsor~~(s)~~. Benefits will be payable by the Fund Sponsor~~(s)~~ upon receipt of a satisfactorily completed application for benefits and supporting documents. The necessary forms will be provided to the Participant, the surviving spouse ~~or domestic partner~~, or the Beneficiary by the Fund Sponsor~~(s)~~. Any ~~In any case in which Section 6.1 or 6.2~~ require~~d~~s ~~the~~ consent of the Participant's spouse ~~or domestic partner, the consent~~ must be in writing, must acknowledge the effect of the ~~e~~Election or action to which the consent applies, and must be witnessed by a notary public or a ~~Program~~Plan representative. Unless the consent expressly provides that the Participant may make further ~~e~~Elections without further consent of the spouse ~~or domestic partner~~, the consent will be effective only with respect to the specific ~~e~~Election ~~or form of benefit, or Beneficiary, or both,~~ to which the consent relates. Spousal ~~or domestic partner~~ consent will be effective only with respect to that spouse ~~or domestic partner~~. Spousal ~~or domestic partner~~ consent will not be required if it is established to the satisfaction of the ~~Program~~Plan Administrator ~~representative that there~~ that there is no spouse ~~or domestic partner~~, or that the spouse ~~or domestic partner~~ cannot be located.

~~1.11.~~ **6.6 Loans.** Subject to the Code and terms of the Funding Vehicles, Plan loans are available to Participants before the commencement of benefit payments. Plan loans are subject to the spousal consent requirements of Section 6.5.

(a) Information Coordination Concerning Loans. Each Fund Sponsor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the ~~Program~~Plan, the ~~Program~~Plan Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in (b) below, including the collection of information from Fund Sponsors, and transmission of information requested by any Fund Sponsor, concerning the outstanding balance of any loans made to a Participant under the ~~Program~~Plan or any other plan of WSU or any Related Employer. The ~~Program~~Plan Administrator shall also take such steps as may be appropriate to collect information from Fund Sponsors, and transmission of information to any Fund Sponsor, concerning any failure by a Participant to repay timely any loans made to a Participant under the ~~Program~~Plan or any other plan of WSU or any Related Employer.

(b) Maximum Loan Amount. No loan to a Participant under the ~~Program~~Plan may exceed the lesser of:

$50,000, reduced by the ~~greater~~ excess of (i) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is made ~~the outstanding balance on any loan from the Program~~Plan ~~to the Participant on the date the loan is made or~~ over (ii) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made ~~the highest outstanding balance on loans from the Program~~Plan ~~to the Participant during the one-year period ending on the day before the date the loan is approved by the Program~~Plan

Commented [A31]: Payback via payroll withholding?

Loan treated as directed investment of borrower's account so no one else is at risk if default? Account balance pledged as collateral?

Spousal consent required?

Commented [A32R31]: WSU is not part of the loan repayment and currently the people work directly with TIAA, and it is n ot a payroll withholding.

I am feeling uninformed of the process. I will check with TIAA. Is this needed in the plan document, or just curiosity questions?

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~~Administrator (not taking into account any payments made during such one-year period);~~ or

one half of the present value of the Participant's ~~Accumulation~~ Account.~~s (as of the valuation date immediately preceding the date on which such loan is approved by the Program~~Plan ~~Administrator).~~

For purposes of this Section 6.6(b), any loan from any other plan maintained by WSU and any Related Employer shall be treated as if it were a loan made from the ~~Program~~Plan.~~, and the Participant's vested interest under any such other plan shall be considered an Accumulation Account under this Program~~Plan~~; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.~~

(c) Loan Terms. All Plan loans will require level amortization of principal and interest with quarterly (or more frequent) payments and over a payment term not exceeding five (5) years except where the loan is for the acquisition of the Participant's principal residence where a longer term may be available. Loan repayment will be by means of payroll deduction, AC or other means acceptable to the Plan Administrator and the Fund Sponsors. Plan loans will be treated as a directed investment of the borrower's Account as and when consistent with Fund Sponsor requirements.~~-~~

6.7 Direct Rollover of Eligible Rollover Distributions.

(a) Direct Rollover. A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p)(1)(B)) who is entitled to an Eligible Rollover Distribution from the Plan may make an Election to have any portion of that distribution paid directly to an Eligible Retirement Plan specified by the Participant or Beneficiary in a Direct Rollover. In the case of a distribution to a Designated Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a Direct Rollover is payable only to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

(b) Rollover and Tax Notice. Each Fund Sponsor within a reasonable time period (and within any period prescribed by applicable law) before making an initial Eligible Rollover Distribution, will provide an explanation to the Participant of his or her right to elect a Direct Rollover and the income tax withholding consequences of not electing a Direct Rollover.

(c) Election. A Participant (including for this purpose, a former Employee) may elect, at the time and in the manner prescribed by the Fund Sponsor, to

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Commented [A33]: If home purchase loans are permitted we will add to this.

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have any portion of his or her Eligible Rollover Distribution from the Plan paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover. For purposes of this Section 6.7~~5~~, a Participant includes as to their respective interests: (1) a Participant's surviving spouse, (2) the Participant's spouse or former spouse who is an alternate payee under a QDRO, or (3) any other Beneficiary of a deceased Participant who is a Designated Beneficiary under Treas. Reg. Section 1.401(a)(9)-4.

(d) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the distribution of an Eligible Rollover Distribution, the Plan must provide a written notice (including a summary notice as permitted under applicable IRS guidance) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice"). A recipient of an Eligible Rollover Distribution (whether he/she elects a Direct Rollover or elects to receive the distribution), also may elect to receive distribution at any administratively practicable time which is earlier than 30 days following receipt of the rollover notice. The provisions of this Section 6.7~~5~~(d) do not apply to distributions to a Beneficiary described in Section 6.7~~5~~(c)(3).

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(e) Default Rollover. The Fund Sponsor, in the case of a Participant who does not respond timely to the rollover notice, may make a Direct Rollover of the Participant's Account in lieu of distributing the Participant's Account.

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(f) Definitions. The following definitions apply to this Section 6.7~~5~~:

(i) Direct Rollover. A Direct Rollover means a payment by the Plan to the Eligible Retirement Plan the distributee specifies in his or her Direct Rollover election or in the case of an automatic rollover, to the IRA that the Plan designates.

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(ii) Eligible Retirement Plan. An Eligible Retirement Plan means as defined in Section 4.5(a)(ii).~~an IRA, an annuity plan described in Code Section 403(a), a qualified trust described in Code Section 401(a), an arrangement described in Code Section 403(b), or an eligible deferred compensation plan described in Code Section 457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. In the case of a Beneficiary described in Section 6.5(c)(3), an Eligible Retirement Plan is limited to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).~~

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(iii) Eligible Rollover Distribution. An Eligible Rollover Distribution means as defined in Section 4.5(a)(i).

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SECTION ~~any distribution of all or any portion of the Participant's Account Balance, except: (a) any distribution which is one of a series of substantially equal~~

~~periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; *(b) any* required minimum distribution *under Section 6.3*; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200; (f) any corrective distribution *of excess amounts under* Code Section 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under Code Section 72(p) (h) dividends paid on employer securities described in Code Section 408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under Code Section 409(p); and (k) permissible withdrawals from a EACA described in Code Section 414(w). A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an IRAor (ii) a qualified plan described in Code Sections 401(a) or 403(a), or (iii) a tax sheltered annuity described in Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.~~

~~1.12.~~

~~(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Program may elect to have any portion of that distribution paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).~~

~~(b) Each Fund Sponsor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.~~

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~~**SECTION 2. GENERAL PROVISIONS AND LIMITATIONS REGARDING BENEFITS**~~

~~2.1. **Non-Alienation of Retirement Rights or Benefits**. To the fullest extent permitted by law, no benefit under the ProgramPlan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No person will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the ProgramPlan, or any part thereof, and any attempt to do so will be void and of no effect. This ProgramPlan will, however, comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this ProgramPlan to the extent that it is treated as a qualified domestic relations order under Code section 414(p). Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the ProgramPlan. WSU shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.~~

7. ADMINISTRATION

7.1 ~~Program~~Plan Administrator. WSU is the ~~Program~~Plan Administrator, and has designated the WSU Human Resource Services to be responsible for the day to day administration of the ~~Program~~Plan.

7.2 Authority of the ~~Program~~Plan Administrator. The ~~Program~~Plan Administrator has all the powers and authority conferred upon it herein and further shall have final authority to determine, in its discretion, all questions concerning eligibility and contributions under the ~~Program~~Plan, to interpret all terms of the ~~Program~~Plan, including any uncertain terms, to adopt Plan policies and procedures, and to decide any disputes arising under and all questions concerning administration of the Plan~~rogram~~. Any determination made by the ~~Program~~Plan Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, ~~WSU~~ the Plan Administrator will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

7.3 Delegation of Authority. The ~~Program~~Plan Administrator may delegate any power or powers to one or more other employees of WSU, or to any agent or independent contractor of WSU. Any such delegation shall be in writing, and may be obtained from the ~~Program~~Plan Administrator.

~~**SECTION 3.** **SECTION 8. AMENDMENT AND TERMINATION**~~

~~3.1. **Amendment and Termination**. While it is expected that this ProgramPlan will continue indefinitely, WSU reserves the right at any time to amend or terminate the ProgramPlan, or to discontinue any further VIP Contributions under the ProgramPlan, by resolution of its Board of Regents. If the ProgramPlan is terminated or if contributions are discontinued, WSU will notify all Participants, all Accumulation Accounts will remain nonforfeitable, and all agreements for~~

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~~salary reduction that have been entered into will become void with respect to salary amounts yet to be earned.~~

~~3.2. **Distribution Upon Termination of the ProgramPlan.** WSU may provide that, in connection with a termination of the ProgramPlan and subject to any restrictions contained in the Annuity Contracts and Custodial Account agreements, all Accumulation Accounts will be distributed, provided that WSU and any Related Employer on the date of termination do not make contributions to an alternative Code section 403(b) contract that is not part of the ProgramPlan during the period beginning on the date of ProgramPlan lantermination and ending 12 months after the distribution of all assets from the ProgramPlan, except as permitted by IRS regulations.~~

~~3.3. **Limitation.** Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the ProgramPlan that operates to recapture for WSU any contributions previously made under this ProgramPlan except to the extent permitted by Sections 4.7 and 10.5.~~

MISCELLANEOUS

8.1 Non-Alienation of Retirement Rights or Benefits. Except as otherwise provided in this Section 8, t~~T~~o the fullest extent permitted by law, no benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No Participant or Beneficiary will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her Account or benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. The Plan Administrator will comply with any judgment, decree or order (including a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child or other dependent of a Participant and made pursuant to the domestic relations law of any state. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator may pay from a Participant's Account an amount the Plan Administrator determines is lawfully demanded under a levy issued by the IRS with respect to a Participant or Beneficiary, or is sought to be collected by the U.S. Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

~~**SECTION 4.**~~

8.2 ~~Program~~Plan Does Not Affect Employment. Nothing ~~contained~~ in this ~~Program~~Plan ~~may be construed as~~ is a commitment or agreement by WSU or by any Employee ~~on the part of any person~~ to continue his or her employment with WSU, or by WSU to rehire a retired Participant, and nothing ~~contained~~ in this ~~Program~~Plan ~~may be construed as~~ is a commitment on the part of WSU to continue ~~the employment or~~ the rate of compensation of any ~~person~~ Employee for any period. All Eemployees ~~of WSU~~ will remain subject to discharge to the same extent as if the ~~Program~~Plan had never been put into effect.

8.3 Claims of Other Persons. ~~No provisions in this ProgramPlan will be construed~~ The Plan does not give ~~as giving~~ any Participant, Beneficiary or any other person, firm, or ~~corporation~~ entity of any type, any legal or equitable right against WSU or against its past present or future officers, employees, or ~~regents~~Board members, except for the rights that are specifically provided for in this ~~Program~~Plan or created in accordance with the terms and provisions of this ~~Program~~Plan.

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8.4 Contracts and Certificates. In the event there is any inconsistency or ambiguity between the terms of the ~~Program~~Plan and the terms of the contracts between the Fund Sponsors and WSU and/or the Participants and any certificates issued to a Participant under the ~~Program~~Plan, the terms of the ~~Program~~Plan control.

8.5 Requests for Information. Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the ~~Program~~Plan should be in writing and directed to the Plan Administrator via WSU Human Resource Services. ~~of this Program~~Plan. Requests for information concerning the Fund Sponsor~~(s, the) and their~~ Funding Vehicle~~(s)~~, their terms, conditions and interpretations thereof, claims thereunder, any requests for review of such claims and service of legal process, may be directed in writing to the Fund Sponsor~~(s)~~.

8.6 Mistaken Contributions or other Plan Failures.

(a) Mistake of Fact. If any VIP C~~c~~ontribution (or any portion of a contribution) is made to the ~~Program~~Plan by a ~~good faith~~ mistake of fact, then within one (1) year after the payment of the Plan C~~c~~ontribution~~, and upon receipt in good order of a proper request approved by the ProgramPlan AdministratorWSU Human Resource Services Office~~, the Plan Administrator may return the amount of the mistaken contribution (net of any investment loss, but not increased by any investment income or gains)~~adjusted for any income or loss in value, if any, allocable thereto)~~ to WSU. Thereafter, the Plan Administrator will determine if any or all of such amount should be refunded to the affected Participant. ~~shall be returned directly to the Participant or, to the extent required or permitted by the ProgramPlan Administrator,WSU Human Resource Services Office, to WSU.~~

(b) Other Failures. If any VIP ~~c~~Contribution exceeds the Plan or Code limits or is otherwise not in accordance with the Plan terms, or if there are other Plan related failures, the Plan Administrator will make correction in accordance with the Plan and with the Employee Plans Compliance Resolution System under Rev. Proc. 2019-19 or any other successor or applicable guidance.

8.7 Governing Law. Except as provided under federal law, the provisions of the ~~Program~~Plan are governed by and construed in accordance with the laws of the State of Washington.

SECTION 9. AMENDMENT AND TERMINATION

9.1 Amendment and Termination. The Board reserves the right at any time to amend or terminate the Plan, in whole or in part, or to discontinue any further VIP Contributions under the Plan. If the Plan is terminated or if VIP C~~c~~ontributions are discontinued, the Plan

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Administrator will notify all Participants, all Accounts will remain nonforfeitable, and all Salary Reduction Agreements that have been entered into will become void with respect to Compensation ~~salary amounts~~ yet to be paid.

9.2 Distribution Upon Termination of the Plan. WSU may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Annuity Contracts and Custodial Account agreements, all Accounts will be distributed, provided that WSU and any Related Employer on the date of termination do not make contributions to an alternative Code Section 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending twelve (12) months after the distribution of all assets from the Plan, except as permitted by Code Section 403(b) and the regulations thereunder.

9.3 Limitation. Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the Plan that operates to recapture for WSU any contributions previously made under this Plan except to the extent permitted by Section 8.6.

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BOARD OF REGENTS
WASHINGTON STATE UNIVERSITY

AGENDA

BOARD OF REGENTS MEETING
Washington State University Tri-Cities
Consolidate Information Center (CIC), Room 210-214
Richland, Washington
Friday, March 13, 2020 – 9:00 am

			Section
I.	OPENING		
	A.	Report from the Chair of the Board of Regents	
	B.	Report from the President	
	C.	Report from the WSU Tri-Cities Chancellor	
II.	CONSENT AGENDA		
	A.	Approval of Minutes – November 15, 2019 Board of Regents Meeting	Minutes
	B.	Approval of Minutes – January 24, 2020 Board of Regents Retreat	Minutes
	C.	Discontinuation of the Master of Arts in Hispanic Studies	R-1
	D.	Discontinuation of the Master of Nursing Plan (Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner)	R-2
III.	REPORTS FROM SHARED GOVERNANCE GROUPS		Reports
IV.	EXECUTIVE AND GOVERNANCE COMMITTEE REPORT		
V.	STUDENT AFFAIRS AND STUDENT LIFE COMMITTEE REPORT		
VI.	RESEARCH AND ACADEMIC AFFAIRS COMMITTEE REPORT		
	A.	Action Item:	
		1. Establish the School of Information (iSchool)	R-3
VII.	INSTITUTIONAL INFRASTRUCTURE COMMITTEE REPORT		
VIII.	FINANCE AND COMPLIANCE COMMITTEE REPORT		
	A.	Action Items:	
		1. Fiscal Year 2021 Housing and Dining Rates	F-15
		2. Fiscal Year 2020 Athletics Budget Update and Approval of Expenditures	F-16

3. Pacific Northwest University of Health Sciences (PNWU) Lease for Nursing Program in Yakima F-17

4. Proposed Changes to the President's Delegations of Authority F-18

IX. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT

A. Action Items:

1. Proposed Amendments to WAC 504-26-210: Standards Of Conduct for Students – Composition of Conduct Board SO-3

2. Proposed Amendments to WAC 504-26-213: Standards of Of Conduct for Student – Firearms and Dangerous Weapons SO-4

3. Proposed Amendments to the Washington State University Retirement Plan and the Washington State University Voluntary Investment Program SO-5

X. OTHER BUSINESS

XI. PUBLIC COMMENT PERIOD

XII. ADJOURN

MINUTES
Board of Regents
November 15, 2019

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 15, 2019, at WSU, in Pullman, Washington.

Present: Brett Blankenship, Chair; Regents Ted Baseler, Marty Dickinson, Johanna Pantig, Lura Powell, Heather Redman, Lisa Schauer, and Mike Worthy; Faculty Representative A.G. Rud, Interim Executive Vice President and Provost Bryan Slinker, and President Kirk H. Schulz.

I. OPENING

A. Report from the Chair of the Board of Regents. Chair Blankenship called the meeting to order and welcomed everyone. Chair Blankenship commented that it is always a pleasure to hold the Board meeting on the Vancouver campus and noted that Chancellor Mel Netzhammer and his staff are always gracious and wonderful hosts.

Chair Blankenship reported the following activities Board members have participated in since the last regular meeting:

- October 10 – Regent Worthy attended the Ribbon Cutting and Runway Realignment celebration for the Pullman-Moscow Regional Airport.
- October 18 – Regent Carson attended and spoke at the Alumni Fall Leadership meeting.
- October 19 – Chair Blankenship attended the baseball facility groundbreaking.
- October 30 – Regent Redman attended the Granger Cobb Institute for Senior Living Reception and Dinner in Pullman.
- November 7 and 8 – Regent Carson attended and spoke at both the WSU Vancouver and WSU Pullman Veterans Day ceremonies.

In conclusion, Chair Blankenship reminded the audience there would be a public comment period during the meeting. He said the public comment period would be after the regular agenda items and would be for up to ten minutes.

B. Report from the President of the University. President Schulz welcomed the audience and the Regents to WSU Vancouver and thanked Chancellor Netzhammer and staff for a great job of hosting the meetings. President Schulz commented that he would keep his report brief and then provided the following updates:

- Strategic Planning – The university community continues dialogue and discussions around strategic planning including the recent visioning conference, the land-grant symposium, and a faculty/staff survey.
- Serving the Public Good and Advancing the State: Measuring WSU's Impact – WSU recently ranked 29th nationally by Washington Monthly based on what colleges do for the country. Washington Monthly's, published for 50 years in Washington D.C., mission is focused on American traditions of civic responsibility,

caring for the down and out, and giving the average person a break. Rankings criteria include social mobility, research and providing opportunities for public service.

- WSU was ranked 30th nationally for social mobility. Ranking criteria included graduation rate over 8 years, a comparison of reported graduation rate with predicted graduation rate of Pell recipients and first-generation students, affordability for students with family incomes of less than $75,000, and actual median earnings of former students vs predictive earnings.
- WSU ranked 85th for research. Rankings were based on 5 measures: total amount of an institution's research spending (from the Center for Measuring University Performance and the National Science Foundation); the number of science and engineering PhDs awarded by the university; the number of undergraduate alumni who have gone on to receive a PhD in any subject, relative to the size of the college; the number of faculty receiving prestigious awards, relative to the number of full-time faculty; and the number of faculty in the National Academies, relative to the number of full-time faculty.
- WSU ranked 37th for community and national service. Ranks were based on 5 measures: number of students in ROTC programs; number of alumni serving in the Peace Corps; percent of federal work-study grant money spent on community service projects; whether or not a college provide at least some matching funds for undergraduate students who had received a Segal AmeriCorps Education Award for having completed national service; and voting engagement.

WSU and University of Washington were the only universities in the greater Pacific Northwest to rank in the top 30 of Washington Monthly's rankings and WSU's ranking of 29th puts in the company of universities such as University of Michigan – 27th, Notre Dame – 30th, and Northwester – 32nd. Rankings provide a national perspective about WSU's strengths and further data to consider in the measures to be created for determining progress in the Drive to 25.

President Schulz concluded his report.

C. Report from the Chancellor of WSU Vancouver. Chancellor Mel Netzhammer welcomed the Regents and commented it is always an honor to be able to share what is happening on the Vancouver campus with the Board. Chancellor Netzhammer reported that WSU Vancouver was celebrating its 30th anniversary and provided statistics about where the community is as a result of WSU Vancouver being there. In 1990, the baccalaureate degree attainment rate was under 17% and today that number is 29%, and while not all of those students have been educated at WSU, the fact that WSU has been in the community has been an important symbol about the importance of college and about the opportunity that is available to receive a higher education degree. Chancellor Netzhammer further reported the first class graduated 38 and last year's class graduated 1,045. Also, 90% of WSU Vancouver's students come from Southwest Washington and 92-95% stay in Southwest Washington after completing their education. In 2012, two thirds of their students were transfer and now that number has dropped to approximately 55% and as WSU Vancouver gets more first-year students, they are taking larger course loads and the direct result is FTE is up significantly. Chancellor Netzhammer concluded

his remarks and introduced Assistant Vice Chancellor for Strategic Partnerships Max Alt, Associate Vice Chancellor for Equity, Diversity and Inclusion Obie Ford III, and Vice Chancellor for Student Affairs and Enrollment Domanic Thomas who provided the Board with reports on strategic partnerships between WSU Vancouver and the community, networking initiatives, regional strategies, equity and diversity efforts and partnerships, and Title IX updates.

II. CONSENT AGENDA.

Chair Blankenship reported there was one item on the Consent Agenda.

A) Approval of Minutes – September 20, 2019 and October 9, 2019 Board of Regents Meetings

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

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

IV. FINANCE AND COMPLIANCE COMMITTEE REPORT. Regent Dickinson reported the Committee heard an Internal Audit Update presented by Chief Audit Executive Heather Lopez. Regent Dickinson further reported the committee heard the following presentations from Vice President for Finance and Administration Stacy Pearson: FY2019 Financial Statement Audit Update; Athletics Budget Update; Academic Year 2020-2021 Rate Setting: Tuition and Fees; Renewal of Client Services Agreement – WSU's Online MBA and Executive MBA Programs; and Strengthening the University's Compliance Program – Revisions to Committee Charger and Board Resolution. Regent Dickenson reported the Committee reviewed one Future Action Item, FY2020 Housing and Dining Rate presented by Acting Vice President for Student Affairs Terry Boston and one Action Item.

Regent Dickinson submitted the following Action Item for the Board's consideration:

Proposed 4th Year College of Veterinary Medicine (DMV) Differential Tuition Rate

It was moved and seconded that the Board of Regents approve a 4th-year DVM differential tuition rate equal to 13/15 of the regular semester tuition rate. This rate would be effective for students entering the fall 2020 semester but would not be applied until their final year of study. Based upon current CVM tuition rates, this amounts to $11,156 ($10,636 operating fee plus $520 building fee) per student. This differential amount would apply equally to both resident and non-resident students (i.e., no non-resident differential) as proposed. Carried. *(Exhibit B)*

V. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT. Regent Worthy, standing in for Regent Redman who was unable to attend the Committee meeting, reported the Committee reviewed one Action Item and forwarded the following for the Board's consideration:

2021 Board of Regents Meeting Schedule

It was moved and seconded that the Board of Regents adopt resolution #191115-616, and approve the schedule for the 2021 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 as proposed. Carried. *(Exhibit C)*

Regent Worthy further reported committee heard presentations on seven Information Items: Strategic Planning Update presented by Chief of Staff Chris Hoyt; Modernization Initiative Update presented by Vice President Pearson and Assistant Vice President for Finance Matt Skinner; Graduate Medical Education presented by Associate Dean, Graduate Medical Education Jonathan Espenschied; NWCCU Revised Accreditation Standards and Review Cycle Presented by Interim Executive Vice President and Provost Bryan Slinker and Vice Provost for System Innovation and Policy Craig Parks; Emergency Rule Revision for WAC 504-26-110 – Standards of Conduct for Students – Composition of Conduct Board presented by Interim Vice President Terry Boston; Emergency Rule Revision for WAC 504-26-213 – Standards of Conduct for Students – Firearms and Dangerous Weapons present by Vice President Pearson and Chief of Police Bill Gardner; and Compliance Plan Review of WSU's 403b Plans – Washington State University Retirement Plan and Voluntary Investment Program presented by Chief Human Resource Officer Theresa Elliott-Cheslek and Director Benefits Services Ann Monroe.

VI. RESEARCH AND ACADEMIC AFFAIRS COMMITTEE REPORT. Regent Baseler, reporting for Regent Sims who was unable to attend the meeting, reported the Committee heard a presentation on Future Action Item: Establish the School of Information (iSchool) present by Interim Executive Vice President and Provost Bryan Slinker and three Information Items: Faculty Manual Change – Section IV.I – Use of Faculty Authored, Edited, or Prepared Scholarly Material and Degree Extension – Bachelor of Science in Earth and Environmental Science to Global Campus both present by Interim Executive Vice President and Provost Slinker and an Office of Research Update presented by Vice President for Research Chris Keane.

VII. STUDENT AFFAIRS AND STUDENT LIFE COMMITTEE REPORT. Regent Schauer reported the Student Affairs and Student Life Committee heard two presentations: Cougar Intern Innovators in Athletics presented by Senior Associate Director of Athletics, External Relations Chris Park, and First-Generation Experience: First Forward at WSU presented by Acting Vice President for Student Affairs Terry Boston.

VIII. INSTITUTIONAL INFRASTRUCTURE COMMITTEE REPORT. Regent Powell reported the Institutional and Infrastructure Committee heard an in-depth presentation on the WSU Capital

Budget Process presented by Vice President Stacy Pearson and Associate Vice President for Facilities Services Olivia Yang.

IX. OTHER BUSINESS. No other business.

X. PUBLIC COMMENT PERIOD. No Public Comment.

XI. ADJOURNMENT. The meeting adjourned at 10:20 a.m.

Approved by the Board of Regents at its meeting held March 13, 2020 in Richland, Washington.

_____
Chair, Board of Regents

_____
Secretary, Board of Regents

WASHINGTON STATE UNIVERSITY FOUNDATION

November 15, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

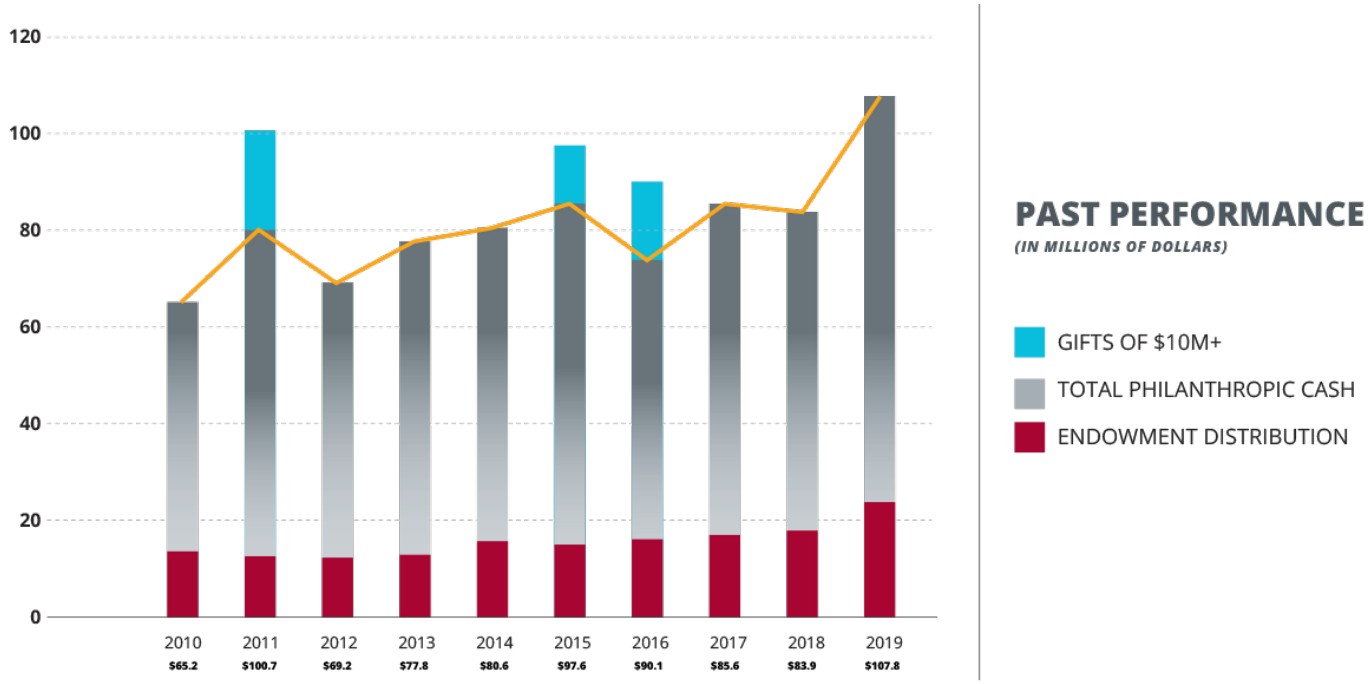
SUBJECT: WSU Foundation Regents Report

SUBMITTED BY: Lisa Calvert, Vice President for Advancement
CEO, Washington State University Foundation

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

- Alignment of best-in-industry organizational systems, processes, staffing, and resources continues as WSU Advancement seeks to grow a sustainable philanthropic pipeline to advance WSU's academic, research and service mission. The WSU Foundation Board of Directors approved new Campaign Counting and Reporting Guidelines during their meeting on September 20, as recommended by the Reporting Task Force chaired by Gene Voiland.

  With the new counting and reporting guidelines in place, and thanks to continuing build of systems, the WSU Foundation now has financial reports that provide understanding about historical philanthropic trends at WSU. These reports confirm that FY2019 was the best year in terms of new philanthropic cash distributed to the University in WSU history. Approximately $110 million was distributed to WSU from July 1 to June 30, 2019 to directly enrich academic experiences, create opportunities for discovery and innovation, and to leverage WSU to make tangible, positive impacts across our state and around the globe. Further details will be provided during the Regents meeting.



WASHINGTON STATE UNIVERSITY

Office of
Faculty Senate

November 15, 2019

TO: All Members of the Board of Regents
SUBJECT: Faculty Senate Report
SUBMITTED BY: Greg Crouch, Chair

Update on the Faculty Manual Project

Given the substantial updates to the faculty manual, we have created a page (https://facsen.wsu.edu/faculty-manual-project) to track changes in order to make this process transparent. Updates include:

- The faculty manual reorganization was passed by the senate on October 13. In this reorganization, we have combined all references to faculty by topic rather than by track or tenure status. Work continues refining policy language around our new Tracks and Appointments for career track faculty. Professor Steve Hines is chairing the Faculty Affairs Committee and has been meeting with administration and faculty to help draft good policy.
- Updates to Section IV.I, referring to proceeds from faculty-authored materials, has passed and we are now compliant with Washington State Executive Ethics Board guidelines.
- A major goal for the remainder of the academic year includes updating Section III.C.3 concerning annual reviews. We will be working with the provost's office to develop guidelines for a faculty dossier composed of three portfolios (for example, teaching, research, service, extension, or entrepreneurial activities). The dossier would then provide a more complete picture of faculty activity as it relates to our mission and be a key component of the annual review process.
    - As part of this process, we envision a redesign of the Teaching Portfolio (https://provost.wsu.edu/teaching-portfolio/) to be based on three major components: student feedback on instruction, formative peer evaluation of teaching, and teaching self-reflection. An additional component based on the scholarship of teaching would be included where appropriate. This effort is being led by the provost's office and senate. Professor Bill Davis, representing the associate deans group, has taken a leadership role in this effort.

Update on Faculty Participation in Strategic Planning

Faculty senate leadership has been involved in our recent system-wide strategic planning process with the goal of producing a meaningful document that captures our land grant mission and values while defining short-term goals and objectives (as well as strategies and tactics). Unlike prior planning work, our goal is for faculty to work in partnership with the president and provost to develop an annual planning process that can quickly respond to opportunities by encouraging innovation in teaching, research, and creative activities. Broad faculty participation is critical in order for the faculty community to have strong buy-in for the plan. Updates:

- A pilot survey was sent to 120 faculty, chairs, and deans in summer of 2019 with a response rate of 72%.
- An all-university survey was constructed and delivered in August of 2019 with 1,845 responses of which 32% identified as faculty.
- A planning conference was held on October 28th. While this conference had about 125 faculty members register, far fewer attended.

All feedback from these efforts is publicly available via a DropBox link on the strategic planning website (http:///strategicplan.wsu.edu). As we move forward, it is proving difficult to recruit faculty, especially research active faculty, to participate in planning. Reasons for this lack of participation include increasingly heavy workloads, a lack of trust in the planning process, a perception that faculty participation will not result in meaningful change, or that very narrow interests are given priority at the expense of broader constituencies. The latter reasons are based on past experience and lack of evidence of change from prior efforts (The Grand Challenges initiative serves as a stand-out example). We are struggling to find ways to overcome this resistance and to engender trust in a new process. Nonetheless, Faculty Senate leadership remains committed to helping craft a strategic plan for WSU that addresses the evolving concerns of our increasingly diversifying faculty population.

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ASWSUV STUDENT GOVERNMENT

November 15, 2019

To: All Members of the Board of Regents
Subject: ASWSUV Regents Report
Submitted By: Davina Cepeda, ASWSUV President
Ana Betancourt Macias, ASWSUV Vice President

The mission and objectives of ASWSUV this year all correlate to the roots of the platform that we ran on: putting students first. We highlighted this as our platform because from our collective experiences within ASWSUV and as students, at the end of the day the work that we do is rooted back to how we can benefit our students. Keeping in line with the pillars of WSU Vancouver, our platform, and intertwining community engagement, we integrated a couple of key projects and initiatives for our students through the following: Club Operational Budget (COB), debunking food insecurity, and addressing mental health.

Club Operational Budget (COB)

With growing student engagement, club activities have increased from the previous year as more than 75% of the 28th Senate Allocation Pool (SAP) was requested from student clubs for major key events revolving around cultural events, activities, and more. This year we rolled out our first COB, with the budget starting at $60,000 for the entire year – which cut our SAP to $30,000. Multiple clubs have vocalized their excitement for this process, and requests were rolling in since the beginning of August until the hearing dates at the end of September. Clubs would go through an application process and request items they may need for events or club necessities that would also benefit students outside the club. After all club hearings, the entire COB was successfully allocated to 21 individual clubs resulting in an average of $2,857 per club. We're hoping to go through a reflection process and follow-up with clubs at the end, and project an increase in the COB budget for next year as multiple clubs have mentioned in their hearings that they plan on having at least one key event per semester.

Debunking Food Insecurity

A lot of our students fall within a variety of income brackets, and since WSU Vancouver is also home to a lot of non-traditional students, food insecurity has been on the forefront of

our minds in ASWSUV. We have partnered with our Cougar Food Pantry this year to try and not only provide awareness of the free resource such as the pantry to our students – but also debunk the myth revolving around food insecurity. We have done this by first rolling out an informational video guiding students through the process of requesting food, encouraging student leaders and community members at our events to donate food to our pantry, and remaining conscientious of the language we use while promoting that all students can benefit from this resource. Our next steps include collaborating with community organizations such as the Clark County Food Bank and seeking opportunities for donation boxes in the community for our students.

Mental Health Awareness

Alongside food insecurity, another key topic this year for us on campus is mental health. On top of academic responsibilities, our students have variety of responsibilities they have when they leave campus – some may have dependents that they need to take care of, special circumstances may arise, or more. ASWSUV has continuously supported our Student Wellness Center on campus and highlighting mental health this year is one way we promote the free services students can get through the center. We also decided to host an event revolving around wellness called “October Hope & Health” and connected with the community by inviting local insurance companies, wellness clinics, and other organizations to our campus with the goal of getting students (and their families) connected to the resources outside of campus. We want our students to make sure that they are not only taken care of on campus, but also their families are as well.

November 15, 2019

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: GPSA Board of Regents Report

SUBMITTED BY: Ralph Chikhany, GPSA President
Matthew Sutherland, GPSA Vice President of Legislative Affairs

On behalf of GPSA, we would like to thank the Board of Regents for your continued support of graduate and professional students. It is with great pleasure that we report the following:

Graduate Writing Center: The GPSA has allocated $10,000 of its budget for 2019-2020 to help support the Graduate Writing Center (GWC). Using these funds, a new 10 hour/week position that started in October was added to the GWC. This position was assigned to a graduate student. In addition, we will be relocating the GWC to a new space and providing more desks and equipment to help make the space more welcoming to graduate students. Following our efforts, the graduate school agreed to provide another GA position for the GWC in the Spring. All of these initiatives will allow the GWC to hold additional walk-in hours and more free weekly one on one appointments for graduate students.

Advocacy in Olympia: Graduate Students need representation in Olympia. GPSA Senate has voted to allocate a portion of our budget to housing for our VPLA to be able to lobby fulltime in Olympia. With UW's GPSS doing the same, this will be the first-time graduate students will have full time lobbyists in Olympia. This is a big step in advocacy for our group and allows us to be more effective in our advocacy.

Resolutions in Senate: Our Senate passed two resolutions. The first was to support the retrial of Dan Hargraves. Our Association and our constituents are disgusted by the willingness of anyone to take advantage of our students. We understand the victim did not want to retry and of course, respect that. We want to express concerns with how the trial was conducted by prosecutors and call on leadership to be vocal in support of taking away Hargrave's credentials, so he cannot be a police officer anywhere again. We also passed a resolution, jointly with ASWSU, to call on our administration to add "Citizenship and Immigration status" to protected classes in Executive Policy 15. We think this is a critical forward-thinking step in shaping policy at WSU to keep students protected, clarify policy, and ensure our University is proactive in student relationships. We are hoping to see administrators and leadership support this change.

Legislative Updates: GPSA sent four executive members (ourselves and two directors) to Washington D.C. for the NAGPS annual Legislative Action Days (September 27-October 1) where we had the opportunity to meet with our representatives in D.C. to advocate for higher education initiatives. We also sent four members (including the president) to the University of Kentucky for the Leadership Academy and NAGPS National Conference (November 7-10) where they had the opportunity to learn about programs, services and legislative initiatives of graduate student governments from universities in the United States. The president represented GPSA at the Washington Student Association in person General Assembly on October 12-13, where many fruitful discussions pertaining to grad/professional students happened with the University of Washington's GPSS president, among other Washington State student government representatives.

WASHINGTON STATE UNIVERSITY

Administrative Professional Advisory Council

November 15, 2019

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Administrative Professional Advisory Council Report

SUBMITTED BY: Stephanie Rink, Chair

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

1. APAC received an operating budget for FY20. Previously, APAC never operated on a true operating budget or followed best practices in terms of budget reconciliation. We started conversations with President Schulz in April and after working collaboratively with the Office of the President and Office of the Provost we have an operating budget and our budget committee is diligently working on APAC policies and procedures for our fiscal health.
2. APAC held the fall professional development seminar, Kevin Parker, former Washington State Representative, who discussed servant leadership, adaptive leadership, and change management. Total of attendance, morning and afternoon sessions, was 280 individuals across the entire WSU system. This winter, on President's Day, APAC will host a round table discussion around constitutional rights, the current political climate, and its effect on students and the workplace. This will allow our staff and faculty to better understand and work with our students and each other. This topic was specifically requested at our Tri-Cities forum. We are also actively working on our spring seminar speaker.
3. APAC continues to have a voice on several university committees and councils including the Fiscal Health Advisory Committee, the Strategic Planning and Institutional Effectiveness Council, and The Commission on the Status of Women, among others.
4. APAC has hosted AP Forums on each campus this year, accompanied by APAC's Executive Leadership and President Schulz. The first forum was held on WSU Everett campus on September 4th followed by WSU Spokane on September 13th, WSU Tri-Cities forum on October 1st and WSU Vancouver on November 13th. We are looking at a WSU Pullman forum and a WSU Extension forum. These forums are intended as a way for APAC to openly communicate with our constituents on issues related to APs and for President Schulz to communicate on Presidential initiatives.
5. APAC is proud to be represented on the Provost Search Committee with our colleague Anna McLeod, Associate Director of Student Services at WSU Everett.
6. APAC continues monthly council meetings where all APs are encouraged to attend, and VPs and upper administration are asked to present on initiatives and updates throughout the year. APAC Executive Leadership will continue to meet with President Schulz monthly.

November 15, 2019

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Alumni Association Progress Report

SUBMITTED BY: Jane Yung, WSUAA President 2019-20
Tim Pavish, WSUAA Executive Director

A Homecoming to Remember
At its semi-annual fall meeting, the WSUAA Board of Directors met to discuss important initiatives. As such, the WSUAA Nominating Committee recommended and the Board approved Shelly Spangler ('07) as the next vice president of the WSUAA. Shelly is the System Manager of Finance at SCL Health in Denver, Colorado, and current president of the WSUAA Colorado Chapter. In addition, Vice President of Advancement Lisa Calvert provided the Board with a strategic update of Advancement priorities, including the introduction of nationally-known advancement consultant Bob Burdenski who is currently completing an assessment of the WSUAA. He presented preliminary information and recommended actions to the Board after interviewing over 30 people.

The WSUAA Fall Leadership Conference, hosted over the same period during Homecoming weekend, had a heavy lineup of events and presentations. Special guest speakers including Regent Scott Carson, President Kirk Schulz, and Chancellor Mel Netzhammer energized WSUAA volunteers on a variety of timely topics. Chapter leaders from all over the country participated in a cultural competency training session to better represent the university and association to their constituents. Participants also honed their recruitment and interpersonal skills.

Additional WSUAA events over Homecoming Weekend included *The Feast* featuring Cougar-connected Cinder Wines, the annual Homecoming Bonfire and Pep Rally hosted by the WSUAA's Student Alumni Ambassadors (and highlighted in the recent HBO special on WSU Athletics), and the always-popular exclusive Platinum Life and Life Member Reception.

BECU Partnership
As part of WSU's relationship with BECU, the credit union will begin supporting the WSUAA's New-Grad Membership Program this December. This program provides a three-year membership to all new WSU graduates from all campuses, including the Global Campus. The WSUAA is also working with BECU to conduct financial literacy training events in Seattle and Spokane this spring, as well as online opportunities for those graduates outside of Seattle and Spokane. Additional in-person financial literacy events will be rolled out to other campuses over the coming year. The programming will include relevant tools for recent graduates from all WSU campuses like information on managing your budget and student loan payoff, tips for purchasing a house, and other pertinent topics.

ASU PreGame
The PreGame events, WSU's official tailgate at select away football games, have concluded for the regular season. In Tempe in October, over 1500 Cougs were welcomed to this incredible invigorating event. Like all PreGames, Cougs enjoyed food and drinks, Cougar gear from The Bookie (at select locations), a selfie with Butch, and a fantastic atmosphere, but the highlight of the event was hearing from President Schulz and Athletics Director Pat Chun. Pat put it best to the crowd when he told them it felt just like a home game, even in the heart of ASU country. Engaging Cougs near and far remains one of the primary goals of the Alumni Association.

ACTION ITEM #1

Proposed 4th Year College of Veterinary Medicine (DVM) Differential Tuition Rate (Stacy Pearson/Bryan Slinker)

November 15, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed 4th Year College of Veterinary Medicine (DVM) Differential Tuition Rate

PROPOSED: That the Washington State University Board of Regents approve a 4th-year DVM differential tuition rate equal to 13/15 of the regular semester tuition rate. This rate would be effective for students entering the fall 2020 semester, but would not be applied until their final year of study. Based upon current CVM tuition rates, this amounts to $11,156 ($10,636 operating fee plus $520 building fee) per student. This differential amount would apply equally to both resident and non-resident students (i.e., no non-resident differential).

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

SUPPORTING INFORMATION: The amount of differential tuition discussed in September was based upon the current operating fee only, whereas tuition, as defined in statute, is inclusive of the operating fee and the building fee. Thus, the amount shown above is slightly higher than initially presented in September, and is shown for illustrative purposes only. If approved, the tuition differential going forward will be calculated as 13/15 of the CVM tuition rate, and will adjust accordingly based upon the regular term rates in effect at that time.

ATTACHMENTS: Attachment A - Rational for a differential rate for the 4th year of the DVM curriculum

Attachment B - Student comments in response to differential tuition rate

ATTACHMENT A

Proposal for 4th-year DVM Differential Tuition Rate

As part of a multi-pronged fiscal plan to correct accumulating problems in funding the Veterinary Teaching Hospital (VTH) and associated teaching expenses in the Department of Veterinary Clinical Sciences (VCS)[1], the College of Veterinary Medicine proposes a structural change in its tuition model to shift from the traditional 8 semesters of tuition charges (2 semesters each for 4 academic years of study), to a differential tuition rate for the 4th year (see Appendix A for information on the other veterinary schools that have such fee structures). Specifically, we propose a **4th-year DVM program differential tuition rate of $11,156 per student**. DVM students study in our program for most of a full 12-month period in their 4th year of clinical rotations, as opposed to their normal 2 semesters of study during each of their first 3 years. Rather than charge a full third semester of tuition the proposed differential tuition rate is based on the 4th-year requirement that students enroll for a minimum of 43 weeks of rotations (at 1 credit per week), rather than the 30 weeks of a normal academic year (approximately 15 weeks per semester), and thus the fee is computed as 13/15 (0.8667) of a normal semester operating fee. Further, **we propose that this would be a differential tuition rate that applies equally to both resident and non-resident students** (i.e., no non-resident differential). At current year rates, this would generate approximately $1.4 M in additional gross revenue.[2] Rolled ahead to the effective date in FY2024, it would be adjusted to correspond with any intervening tuition increases. This differential tuition rate would go into effect for the class of 2024, and thus any currently enrolled student would not be subject to the differential tuition. WSU CVM tuition, educational costs, and graduating student educational debt are shown in relation to the national market of all 30 U.S. veterinary schools in Appendices B, C, and D.

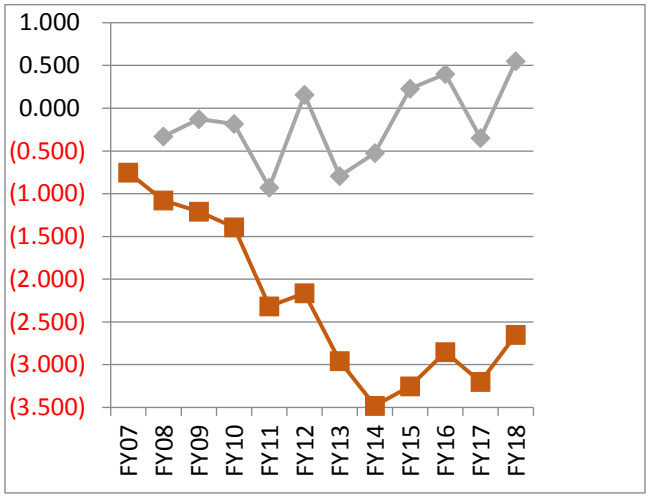
RATIONALE, BACKGROUND, and CONTEXT: The rationale for such a 4th year differential rate for the DVM curriculum is multifactorial.

At the highest level of consideration, without appeal to specific factors, the 4th year is by far the most expensive year of DVM education to deliver, and apart from that consideration, it is a full 12 month year, and not a normal 9-month academic year.

More specifically however, there are two elements that require consideration. One, several factors contribute to a substantial structural underfunding of the Veterinary Teaching Hospital (VTH) and related educational costs borne by the Department of Veterinary Clinical Sciences (VCS), for which the VTH is the primary "teaching laboratory." Two, in order to respond to feedback from employing veterinary practice owners, and from our recent graduates, we have added substantially to our 4th year clinical rotation offerings, and incurred significant new costs in so doing. Both these factors will be further examined in what follows.

First, the VTH structural budget problem has been manifest for many years (in fact, predates Dr. Slinker's time as dean). Some of the more distant history is shown in the graph below. Gray represents

[1] The other major elements are 1) more aggressive fee increases for VTH services in each of the next 3-5 years to generate an additional revenue of ~$250,000 per year each of those years, above and beyond the normal fee increases of the past few years, 2) seeking incremental additions in core funding from the university and/or state.
[2] How much is retained by the CVM and how much flows centrally has yet to be determined.



the annual operating surplus/deficit for the year, while crimson represents the cumulative carry-forward balance. Note that these are net numbers after significant ($300,000 to $700,000) annual infusions of discretionary dollars to improve run rates. This is a chronic issue that predates the current fiscal issues that the college is correcting, and many of the specific issues enumerated below.

To date, we have sought to improve this situation by increasing revenue through growth in case accessions and regular increases in service fees. These have indeed led to strong revenue growth, for example, from ~$8.7M in FY2015 to ~$11.6M in FY2019. However, we have only been able to make modest progress because expenses have grown strongly as well. Without belaboring all the details, the general reasons for this include (but are not limited to):

1) About 50% of VTH expenses are the cost of disposables (surgery supplies, drugs, etc.) needed to deliver veterinary care and these thus scale with caseload, decreasing the revenue to invest in other functions. Thus, only about $340,000 of the FY19 revenue growth compared to FY18 is available for more general uses.
2) Increased caseload requires more technical staff support, in general, placing more demand on typical revenue growth.

Beyond these general factors that offset much of any new revenue generated by service fee increases, other specific factors that have added significantly to the expense side of the ledger are:

3) An internal audit in 2014 identified several significant risk areas in VTH business processes, necessitating the addition of several staff positions. Investments made at that time to correct these, with accumulated effect of periodic pay increases since then, totaled $458,000 in FY19, and will continue to grow as salaries increase and benefits costs escalate. VTH funded these investments.
4) Most staff are paid from revenue. Therefore, each annual mass salary increase for Civil Service employees (most of our VTH staff) and A/P employees, along with the periodic step adjustments in Civil Service pay level, all fall on VTH revenue and are not covered by new state or central university allocations. In a typical year with 3% Civil Service pay increase, as in FY2019, the VTH salary increases that must be self-funded approach $210,000 annually, and because these occur year after year they not only add up, but they compound.
5) The demand for veterinary technicians is very strong nationally, and every veterinary practice struggles to find employees – we are no different. This labor shortage drives up salaries. Accordingly, WSU worked with the State to increase the Civil Service pay scales for licensed veterinary technicians so we could be more competitive in this very tight labor market. The current year annual cost of this scale increase across the VTH at present staffing levels is ~$230,000.
6) The ERP overhead assessment on all non-grant funded salaries puts additional pressure on revenue; for FY2020 and beyond this is a new demand on revenue of ~$140,000 annually.

7) Due to a change in the way the US Department of Labor determined prevailing wages for our clinical Specialty Interns and Residents, our payroll expense for our 41 such employees increased by ~$133,000 per year starting in FY20 (salary plus benefits are paid from VTH revenue).

The sum of the FY19/20 effects of items 3 through 7 above is nearly $1.2M per year recurring costs that will continue to grow as salaries increase going forward.

More to the point, the sum of items 4 through 7 above, which reflect new pressures coming in the past year, is approximately equal to last year's revenue growth, far exceeding the capacity of recent VTH revenue growth – thus, part of the multipronged strategy is to apply fee increases above and beyond normal for the specific purpose of growing revenue to help cover these increased costs.)

8) An increasingly onerous regulatory environment for pharmacy and chemical safety adds costs for compliance. These are episodic, but persistent as regulations change over time. The latest example is the need for ~$150,000 in renovation to comply with new regulations regarding safe handling of chemotherapeutic drugs. These regulations are driving most general veterinary practitioners to abandon chemotherapy, increasing demand on our oncology services.

The factors above put pressure on recurring funds for existing operations. In addition, there are areas, detailed below, that need investment of new recurring funds:

9) We are inadequately funded for routine equipment repair and maintenance of hospital equipment needed to deliver patient care. This ranges from repairs or purchase of small items in the range of a few thousand dollars to replacing our MRI at a cost of ~$2.2M. One recurring cost consequence to major upgrades like the MRI is that the annual service contract to support such critical equipment increases when we replace old equipment with new equipment (in the case of the MRI from ~$84,000 per year to $121,000 per year). There are scores of examples of this type of recurring expense for which we have inadequate systematic resources.
10) We are understaffed at the veterinary technician level, both by any reasonable internal analysis and documented by peer comparison (see Appendix E). This has two major consequences…1) it increases overall stress level in the VTH, working against wellbeing in what is under the best of circumstances a challenging work environment and, 2) it requires that we rely heavily on DVM students for technical tasks and "hands." All of our veterinary graduates have to be competent in many technical procedures and veterinary nursing tasks, but short staffing results in DVM students being utilized more heavily on some services. To reach the average of the peer comparison group for techs/caseload ratios in the peer comparison group of 10 other teaching hospitals, we would have to add 32 technician positions to our current 50.[3] Realistically, we can make the case that to run our VTH the way we should, with staffing that offload work from students and promotes better work-life balance and wellbeing, we need 25 additional staff at the low end of the scenarios we've run. Depending on the exact mix of classifications, this would cost about $1.8M per year in salary and fringe benefits. Obviously we cannot do this all at once and this would be a multi-year build

[3] Probably the closest individual comparison is Purdue University, which has identical caseload and 90 technicians vs. our 50 technicians.

out. However, for long-term planning we need to get on a pathway to grow our staffing significantly over time.

Second, we have made significant DVM curriculum enhancements in the past several years at significant program cost. And there are additional program enhancements needed. Current enhancements have substantially improved the educational opportunity for the students in the 4th year and most were done in response to feedback from employers of our new graduates, and from our new graduates themselves. We made a commitment to finding donor and foundation funding to support much of the cost of these programs at their inception. We were successful such that, to date, a large proportion of these new costs have been borne by private donations and grants from charitable foundations[4]. The grants from charitable foundations will, in general, not be renewable to sustain programs as the funders do not view that as their role – they are happy to help start new programs that matter to their mission, but not sustain them. Thus we have to transition to core funding for these, for which we need additional revenue. These major DVM teaching program enhancements and their approximate annual costs are:

1) Seattle Humane Society and Idaho Humane Society: these are critical enhancements to our soft tissue surgery and primary care curricular offerings in the 4th year. They are sited in Bellevue, WA and Boise, ID. The cost of providing these resources to students (including housing the students while they are away from Pullman) is approximately $480,000 annually (~$3,800/student).
2) Dermatology Center for Animals (DCA), Seattle WA: We do not have adequate dermatology caseload in Pullman to credibly teach this important subject. We are in discussions with an alum who has moved back into the area for a Spokane-based program, but for the last three years we have used the DCA to provide excellent education. We do not know what the costs will be if we successfully work out a program in Spokane, but it would likely be similar to the current cost of providing the DCA clinical rotation, about $75,000 per year.

Future needed enhancements to our program include:

3) A third mental health professional on CVM staff to base in the VTH. This is a critically identified need for the wellbeing of our students and employees working in that stressful environment with its many emotional drains on employees and students of caring for very sick animals, euthanasia, and supporting the emotional well being of our clients who dearly love these sick and dying animals.
4) A financial/career counseling staff position in Student Services to help students better prepare for financial success in all dimensions, including handling their significant educational debt.
5) Enhanced basic dentistry education, probably based at Seattle Humane Society.

Finally, there is a **third** factor that helps frame the context:

For a four year period after the “Great Recession”, the State Legislature held resident undergraduate tuition flat for two years (13/14 and 14/15) and then reduced resident undergraduate tuition, with backfill, for two years (15/16 and 16/17). DVM tuition was held flat during this timeframe along with all other categories of tuition (even though there was no backfill appropriated for these rate freezes). Although a mere microcosm of the impact this had on the larger dependence of WSU broadly on

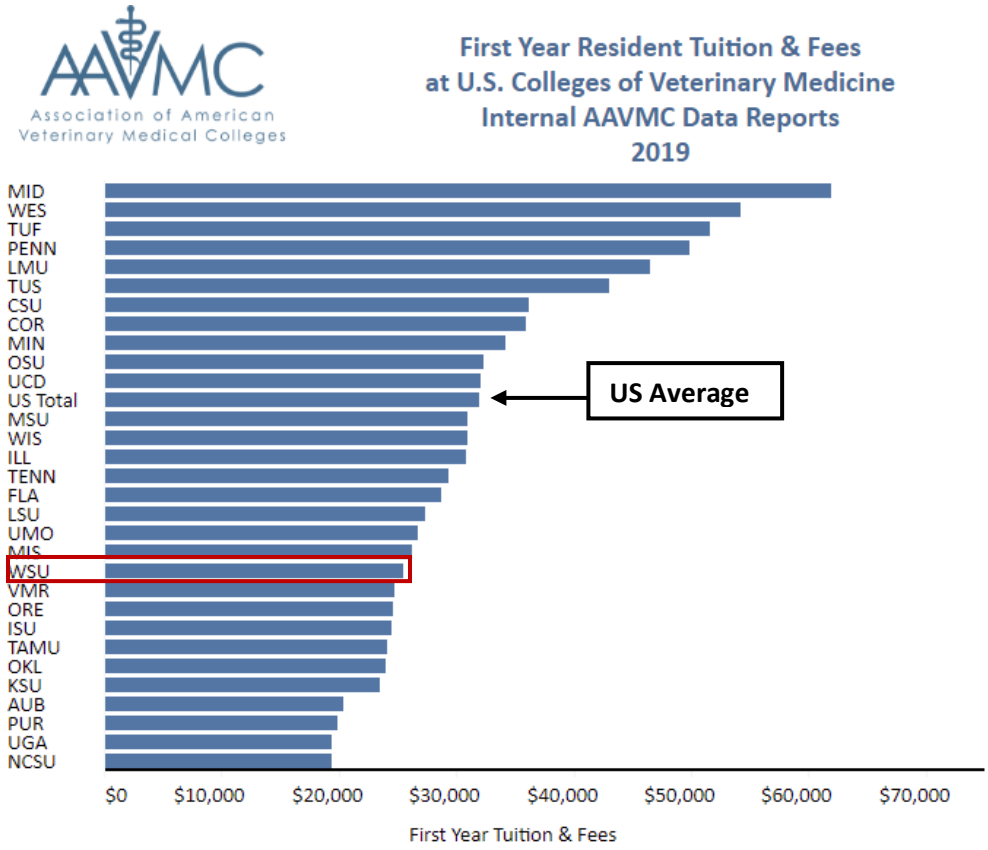
[4] Specifically, three different grants from PetSmart Charities and the MAC Foundation) total ~$1,475,000. These cover a 6 year period ending in FY2021. In addition, private donations to date in support of these programs total $292,000. Thus, nearly $1.8M in funding has covered much of these costs – funding that will not continue in those amounts.

undergraduate tuition for revenue, the impact of 4 years of flat tuition still weighs heavily on CVM finances. DVM tuition for 02/03 through 12/13 (11 years) had increased a minimum of 7% per year, with one year at 12% and two years at 9%. Had the pace of 7% per year continued through the 4-years that tuition was held flat, in 16/17, the college would have generated an additional ~$3.1M in gross tuition revenue (~$1.9M to the college and $1.2M to central). Because of compounding, the impact in 19/20 is even bigger (~$3.7M gross, annually; ~$2.2M to the college). This legacy effect of 4 years of flat tuition continues to exert a huge effect on our college's finances.

Appendix A: Summary of US Veterinary Schools that impose 4th year surcharges

Auburn	yes	10,294	this is the semseter tuition and fees; they state that a 3rd summer semeseter is charged; I assum a full semester charge, and further assume non-res is higher
Colorado State	no		
Cornell	no		
Davis	yes	4,082	approximate cost of one additional quarter of their professional fee (they have an interesting tuition structure, with total tuition and fees being $32,103 -- extra charge is same for res and non-res)
Florida	no		
Georgia	yes	8,585	a full third semester is charged - but non-res pay same surcharge as res
Illinois	no		
Iowa State	yes	11,431	nearly a full third semester is charged (full semester is 11,644); non res is higher (20,503); per semester tuition is actually lower, but the surcharge makes total 4th year cost substantially higher
Kansas State	no		
Lincoln Memorial	no		
Louisiana State	no		
Michigan State	yes	9,907	about 71% of a semester; they have a very fragmented tuition structure - non-res pay proportionately more
Midwestern	no		
Minnesota	yes	11,982	75% of full semester charge - non-res pay proportionately more (16,773)
Mississippi State	no		
Missouri	no		
NC State	no		
Ohio State	yes	16,626	nearly a full semester charge - non-res pay more (19,668)
Oklahoma State	yes	3,140	~25% of full semester charge - non-res pay more (3,640)
Oregon State	no		
Penn	no		
Purdue	yes	1,562	~16% of full semester charge - non-res pay more (1,607)
Tennessee	no		
Texas A&M	yes	1,027	~12% of full semester charge - non-res pay more (1,130)
Tufts	no		
Tuskegee	no		
Virginia MD	yes	7,760	88% of a full third semester is charged (full semester is 8,818 - non residents pay proportionately more (17,127))
Washington State	no		
Western	no		
Wisconsin	no		

Appendix B: WSU CVM general tuition position in the national market



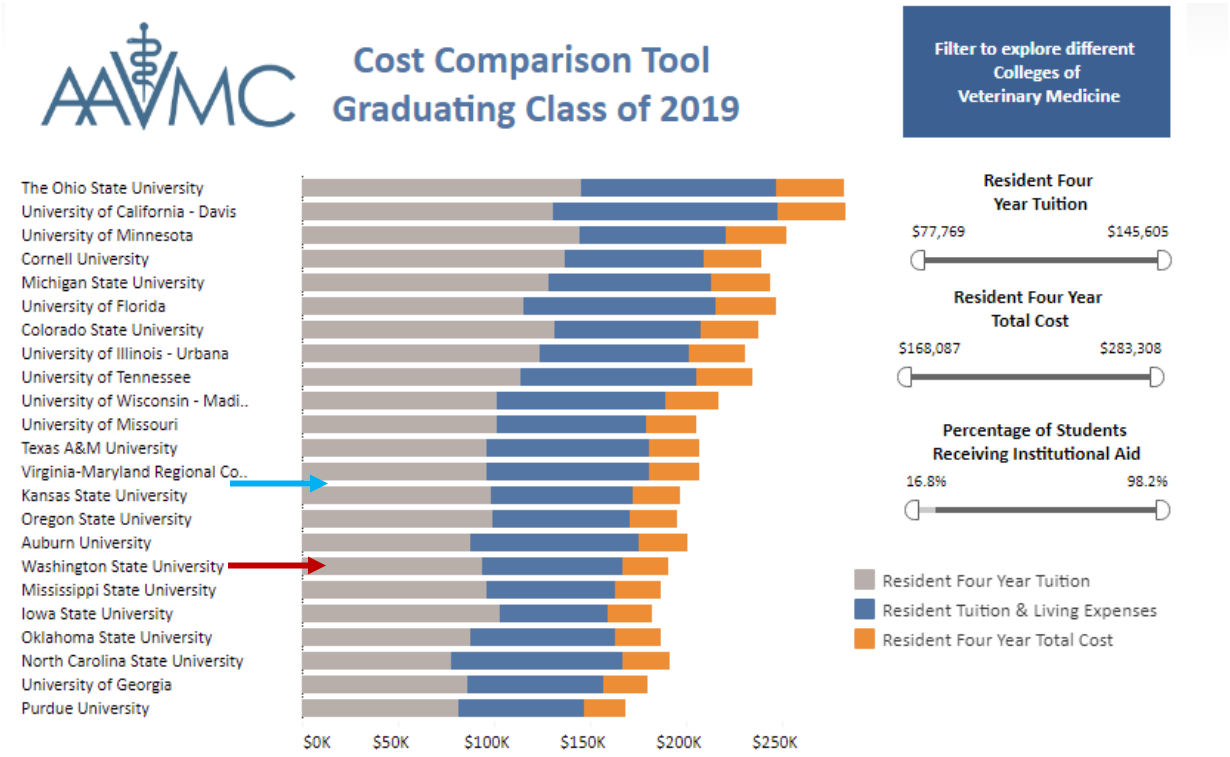
If one focuses on just 1st year tuition, WSU is 11th lowest of 30 U.S. schools for 1st year resident tuition.

Focusing on total 4-year tuition and fee cost – see chart and notes on next page (Appendix C) – WSU is 6th lowest of the 23 schools shown.

> The relatively better position for WSU CVM in the total 4-year resident tuition and fee cost compared to 1st-year tuition is due to the fact the 11 of the 30 U.S. Schools have a surcharge in the 4th year, ranging from $1,027 (Texas A&M) to $16,626 (Ohio State)…see Appendix E.
>
> We propose a 4th-year fee that has the following characteristics:
>
> - Computed as 13/15 of a regular semester's tuition (2 regular semesters x 15 weeks is 30 weeks of instruction in the normal academic year; WSU CVM requires a minimum of 43 weeks of graded activity in the 4th year – thus the ratio, 13/15, a bit less than a full extra semester of tuition (15/15). If we do this, we would be the 12th school to do so, and have the 4th highest of the 12 (lower than only 3 of the current 11)
> - No distinction between resident and non-resident (similar to only 2 of the other 11)
> - **Based on current resident tuition, the proposed fee in current dollars is $10,637**.[5]

[5] Those similar or higher are Auburn ($10,294), Iowa State ($11,431), Minnesota ($11,982), and Ohio State ($16,626); all charge even more for non-residents. If one focuses on non-residents, Va-MD is also higher than we propose ($17,127).

Appendix C: WSU CVM total cost of education position in the national market



Figures for tuition, fees and cost of attendance/living are derived and calculated from AAVMC internal data reports with data collected in the fall of 2018. Users should anticipate continued escalations in the overall cost of education. Non-resident tuition figures include adjustments based on eligibility to establish residency during the first year of the program at certain publicly supported institutions. Estimated loan interest assumes the use of Federal Stafford loans to fully finance the cost of the DVM education at a rate of 6%. *This cost is included in the Total Cost of Attendance.* Institutional aid is understood to be college-funded scholarship, fellowship, or grant aid awarded to students.

→ WSU total 4-year cost is 5th lowest of the 23 schools represented in the figure above (note the bars are not smoothly rank ordered). Seven[6] of the 30 schools are not represented here. All but one of those seven are significantly more costly than WSU, and so we are in effect 5th lowest of the 30 schools.

→ Were this proposal to be adopted at the proposed level in current dollars it would move us up 3 positions to 8th (possibly 9th) lowest total 4-year cost, i.e., at the bottom of the 2nd quartile of the 30 schools:

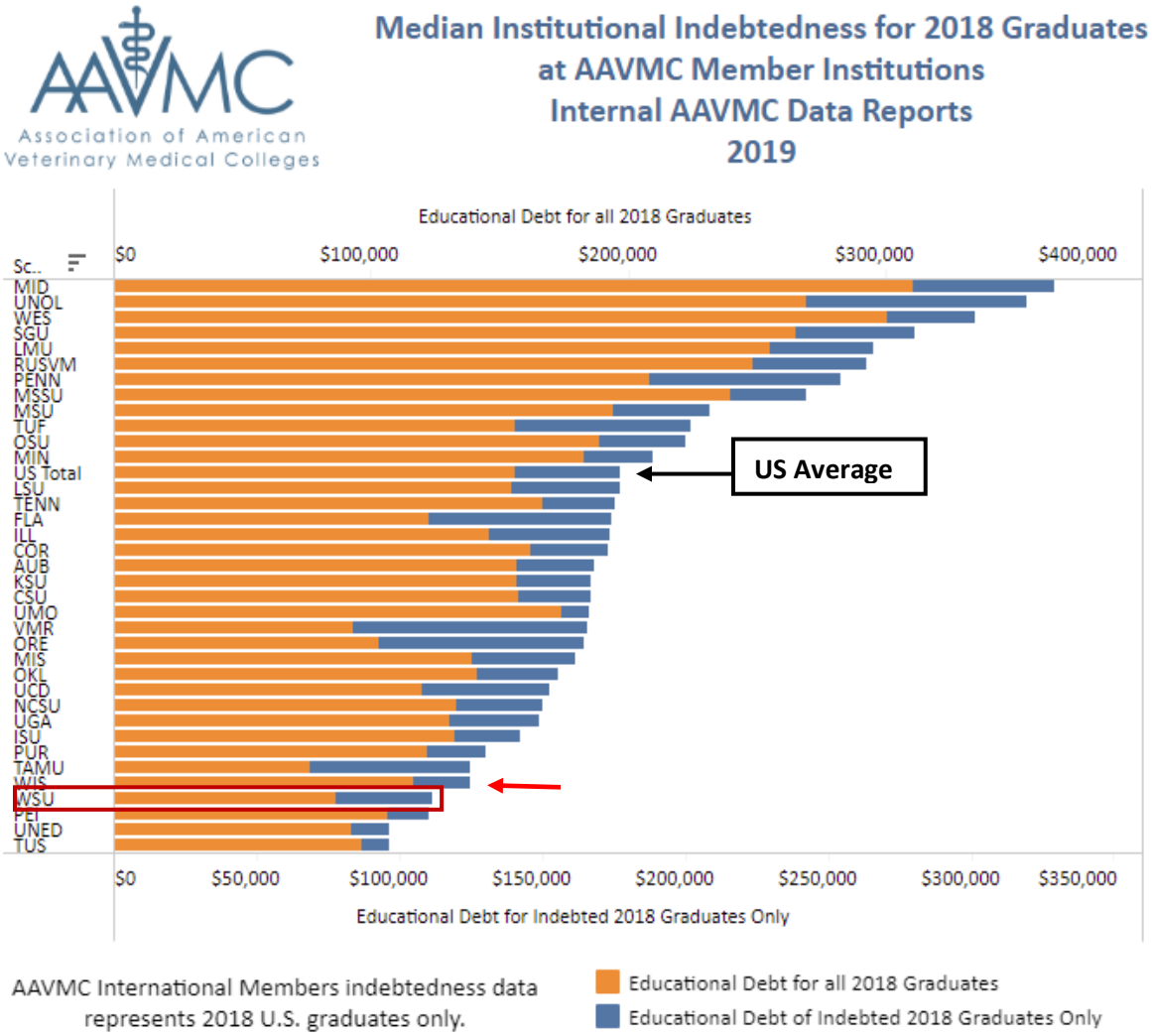
- Because we propose this fee is not effective in FY2024, the exact relative position is unknown, but because all schools can be expected to have their costs go up we anticipate we will still be in the same relative position in the market.
- Also, the exact amount of the proposed fee is not known because it takes effect for AY2023-2024 and, as proposed, is computed as 43/30 (1.4333) of one semester of resident tuition, which may increase between now and then. But, again, we expect the same relative position as argued in the first bullet.

[6] Midwestern (private), LMU (private), Western (private), Penn (quasi private), Tufts (quasi private),Tuskegee, and Louisiana State. Note that, LSU excluded, these schools graduate students with the highest educational debt.

Appendix D:

WSU DVM Graduate Educational Debt in Relation to the National Market

The WSU CVM continues to be near the bottom of our peers with respect to total educational debt as shown below. The approximate impact of the proposal, in current dollars, is indicated on the graph (→), moving us up about one position. Our specific ranking varies from year to year, but has historically been no higher than 7th lowest, and this relative position will be unchanged by the proposed additional fee.



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

Appendix E: Peer Comparisons of Veterinary Teaching Hospital Technical Staff

The Veterinary Teaching Hospital is understaffed compared to our peer teaching institutions. For example, data obtained from a recent discussion on a teaching hospital administrator list-serve yielded the table presented below. These data are a little "muddy" because of the lack of stringent definitions for staff and case load but clearly illustrates the challenges facing our VTH.

University	Technical Staff*	Annual Case Accessions	Accessions/Technical Staff Member
Atlantic Veterinary College	33	9,000	273
Colorado State University	151	35,000	232
Cornell University	125	30,866	247
Louisiana State University	80		
Michigan State University	111	20,000	180
North Carolina State University	175	35,863	205
Oklahoma State University	47		
Purdue University[+]	90	22,000	244
Texas A&M University	206	24,000	117
University of Missouri[+]	66	20,000	303
University of California Davis	281	60,000	214
University of Georgia	128	28,000	219
University of Minnesota	165		
Washington State University	50	22,000	440
Mean values	124	32,144	268

*Technical staff was generally defined as licensed or certified veterinary technicians and unlicensed technician assistants. WSU numbers are the total number if all vacant positions were filled.

[+]The VTHs at these institutions are considered most comparable in size and patient numbers to WSU.

ATTACHMENT B

In response to a proposal for a 4th year DVM differential tuition rate that would go into effect for the Class of 2024, the following student comments were received:

Good Afternoon,

I would like to submit comments for your review and submission to the Regents about the proposed tuition increase for our 4th year education.

I have reviewed the proposal, and there were many good points brought to my attention. For example, I did not consider that increasing the case load proportionally increases a lot of the costs of operation so that the revenue is not all that great. I also agree that we are underserved in terms of support staff, and there is no way to increase the help we have without spending more money on them. All of that being said, I have a very visceral reaction to the idea of paying more money to work as hard as we do at the VTH. A lot of this visceral reaction stems from my belief that I don't think many of the rotations at the VTH actually provide us with very much learning opportunity. I feel as if I am working as a technician and paying for it on top of that. Many of these same feelings were voiced by my classmates during the recent meeting with Dr. Sellon and Dean Slinker, so I know I am not alone. In particular, I made very few medical decisions and was hardly asked to think critically in rotations such as Small Animal Soft Tissue Surgery, Oncology, Radiology, Large Animal Overnights, and Equine Surgery. The reasons for my lack of opportunity to learn during these rotations varied by the rotation, and I would be happy to discuss these issues further. Ultimately, however, in regards to the tuition increase, I feel that the increased cost would not be offset by what we gain as students. I don't even particularly feel that the cost we are paying now is worth the benefit we receive from this fourth year of education. I would like to mention, though, that the off-site rotations offered (Seattle and Boise Humane, Dermatology, Preceptorships) have been very instructive and worthwhile for me, and under no circumstances should these programs be reduced in any way.

I would be ok with paying more for the fourth year of veterinary training if (and only if) you could truly guarantee that we would be learning more than we do now in the VTH and doing less work that should technically be the duty of our support staff. I know this was a point that was mentioned in the proposal as a reason to increase the fourth year tuition, but my fear is that the tuition increase will be instated without ever making true changes to the system. I think it would be near impossible for anyone to promise that the system would change so dramatically by just increasing the tuition and hiring a few more technicians. Instead, I believe we need a complete overhaul of the teaching framework at the WSU VTH and out of the box ideas to increase revenue before we consider tuition increases. One idea I have to increase revenue in a revolutionary way is

to increase the number of emergency patients that are seen through services like the Emergent Service. Since this service does not have a student, they do not have the burden of teaching, and I imagine they can get through cases with slightly less opportunity cost. An additional idea would be to increase the Community Practice Service's capacity. I imagine that they have lower operating cost than specialty services, especially for things like vaccine appointments. It is also the best training for students because it is similar to what the majority of us will be doing in general practice. Finally, you could offer an opportunity for clients to sponsor 4th year veterinary students or the 4th year of education through programs similar to the Good Samaritan Fund that is already in place for pets.

I hope these comments have been constructive, and I hope they will be considered by yourselves and the Regents when the 4th year tuition increase is considered.

Thank you so much for your time.

Katelyn Waggoner
WSU CVM Class of 2020 Secretary
2020 DVM Candidate

I recently recieved this announcement forwarded from a classmate and wanted to weigh in. I would like to know how a fourth year, who is actually making the school money, deserves to pay a larger tuition fee. Our fees to clients are so low I had clients travel hundreds of miles past other qualified professionals to seek our costs. I worked long nights far past my scheduled hours because your hospital is understaffed and I was forced to be man-labor that sincerely detracted from my learning experience. If vet students were paid their working conditions would not be legal (working 15hr days for 14 days straight on overnights) and I feel the tuition increase is only further exploiting these hard working students. The vet school industry is turning further and further into a greedy business and and seems to increasingly prioritize profits over student learning and welfare. Our debt to income ratio is one of the worst of professions out there and instead of trying to combat this WSU is looking to profit from it.

I'm becoming increasingly disappointed in the program at WSU and I hope the program starts taking the points brought up by students at last weeks meeting seriously before our hard-earned degrees become less valued as Washington State loses respect from our professional communities.

I know there is little chance my voice will be heard on this issue but, nonetheless I felt it important to speak up.
-Dr. Taylor Dowell
WSU DVM Class of 2019

ACTION ITEM #1

2021 Board of Regents Meeting Schedule
(Kirk Schulz)

November 15, 2019

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Establishment of the 2021 Board of Regents Meeting Schedule

SUBMITTED BY: Kirk H. Schulz, President

PROPOSED: That the Board of Regents approve the schedule for the 2021 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:

2021

Date	Location
January 21-22, 2021 (Retreat)	TBD
March 11-12, 2021	Tri-Cities
May 6-7, 2021	Spokane
June 3-4, 2021 (Retreat)	TBD
September 16-17, 2021	Pullman
November 18-19, 2021	Vancouver

BOARD OF REGENTS

2021 Board of Regents Meeting Schedule

Resolution #191115-616

BE IT RESOLVED that the Board of Regents of Washington State University hereby adopts the following schedule of meeting dates for 2021:

Date	Location
January 21-22, 2021 (Retreat)	TBD
March 11-12, 2021	Tri-Cities
May 6-7, 2021	Spokane
June 3-4, 2021 (Retreat)	TBD
September 16-17, 2021	Pullman
November 18-19, 2021	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 15th day of November, 2019.

_____

Chair of the Board of Regents

_____

Secretary of the Board of Regents

MINUTES
Board of Regents
January 24, 2020

The Board of Regents of Washington State University (WSU) met pursuant to call in Open Meeting at 8:00 a.m., Friday, January 24, 2020, at the Cedarbrook Lodge, SeaTac, Washington.

Present: Regent Brett Blankenship, Chair; Regents Ted Baseler, Scott Carson, Marty Dickinson, Johanna Pantig, Lura Powell, Heather Redman, Lisa Schauer and Mike Worthy. Also present were WSU Faculty Representative to the Board A.G. Rud; WSU staff members President Kirk Schulz, Interim Provost and Executive Vice President Bryan Slinker, WSU Tri-Cities Chancellor Sandra Haynes, WSU Vancouver Chancellor Mel Netzhammer, WSU Spokane Chancellor Daryll DeWald, Global Campus Chancellor Dave Cillay, Vice President for Finance and Administration Stacy Pearson, Interim Vice President for Student Affairs Terry Boston, Vice President for Research Chris Keane, Vice President for Marketing and Communications Phil Weiler, Vice President for Information Technology Services and CIO Sasi Pillay, Vice President for External Affairs and Government Relations & Chief Legislative Officer Colleen Kerr, Chief Human Resource Officer Theresa Elliot-Cheslek, Vice President for International Programs Asif Chaudhry, Vice President University Advancement and CEO WSU Foundation Lisa Calvert, Vice Provost for System Innovation and Policy Craig Parks, Chief of Staff Christine Hoyt, Chief Audit Executive Heather Lopez, and Executive Assistant to the Board of Regents Desiree Jacobsen; and Senior Assistant Attorney General Danielle Hess and Ideas for Action Consultant Jean Frankel,.

Chair Blankenship opened the meeting and announced that the Regents would convene in executive session to discuss with the University's legal counsel matters relating to pending or potential litigation involving the University and to review the performance of a public employee. He further instructed the session would be closed and said it would conclude at 8:30 a.m., unless it was extended by further announcement. Chair Blankenship stated, if any action were taken as a result of these discussions, it would be taken during open session later in the day. Chair Blankenship ask that everyone but legal counsel leave the room.

At the conclusion of the executive session, the Regents reconvened in open session.

The following presentations were given:

- IT Compliance Update provided by Vice President Sasi Pillay
- Civil Rights Compliance Update provided by Director, Title IX Coordinator Holly Ashkannejhad
- Enrollment Management Update provided by Interim Provost Bryan Slinker and Vice President Stacy Pearson
- WSU System Strategic Planning provided by Chief of Staff Chris Hoyt, Vice Provost Craig Parks and Ideas for Action Consultant Jean Frankel

Following the presentations, Vice President for Finance and Administration Stacy Pearson submitted the following three Action Items for the Regents' consideration:

Action Item 1: Strengthening the University's Compliance Program – Board Resolution. Following Board discussion, it was noted for the record that it was decided that this item would be presented as an Action Item rather than a Future Action Item, in accordance with Board of Regents Bylaw II.12.B and it was moved and seconded that the Board of Regents adopt resolution #200124-617 and affirm the Regents' commitment to oversight of the University's compliance efforts as proposed. Carried. *(Exhibit A)*

Action Item 2: Proposed Revisions to the Board of Regents Finance and Compliance Committee Charter Strengthening the University's Compliance Program. Following Board discussion, it was noted for the record that it was decided that this item would be presented as an Action Item rather than a Future Action Item, in accordance with Board of Regents Bylaw II.12.B and it was moved and seconded that the Board of Regents approve revisions to the Finance and Compliance Committee Charter as proposed. Carried. *(Exhibit B)*

Action Item 3: 30-Acre Sale of Real Property to the Richland School District. Follow Board discussion, it was noted for the record that it was decided that this item would be presented as an Action Item rather than a Future Action Item, in accordance with Board of Regents Bylaw II.12.B and it was moved and seconded that the Board of Regents authorize the sale of a parcel of land in Richland, Washington, totaling approximately 30 acres, identified as Benton County Parcel No. 1-2608-100-0002-002, to the Richland School District, and delegate authority to the President or his designee to enter into any and all documents necessary to complete this sale as proposed. Carried. *(Exhibit C)*

Other Business:

Chair Blankenship reported the Regents met in Executive Session with legal counsel to discuss litigation or potential litigation involving the University. Related to that discussion he submitted the following Action Items for the Regents' consideration:

Action Item 1: It was moved and seconded that the Board of Regents adopt resolution #200124-619 approving the request for defense of a University employee. Carried. *(Exhibit D)*

Action Item 2: It was moved and seconded that the Board of Regents adopt resolution #200124-620 approving the request for defense of a University employee. Carried. *(Exhibit E)*

Action Item 3: It was moved and seconded that the Board of Regents adopt resolution #200124-621 approving the request for defense of a University employees and delegating authority to the President or designee to approve future request for defense by named defendants in the same matter. Carried. *(Exhibit F)*

Public Comment: Greg Petry, owner of the Lumberyard Food Hall in Pullman addressed the Regents regarding a proposal in which he wanted to partner with the WSU Hospitality Program to offer teaching and event space.

The meeting adjourned at 4:15 pm.

Approved by the Board of Regents at its meeting held March 13, 2020, at Richland, Washington.

_____
Chair, Board of Regents

_____
Secretary, Board of Regents

ACTION ITEM #1

Strengthening the University's Compliance Program - Board Resolution (Stacy Pearson)

January 24, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Board of Regents' Resolution to document and affirm the Regents' commitment to oversight of the University's compliance efforts

PROPOSED: That the WSU Board of Regents adopt the proposed resolution (attached)

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

SUPPORTING INFORMATION: Compliance with regulatory and other legal requirements is a University-wide responsibility and one of the most significant fiduciary responsibilities of the Board and senior University leadership. Numerous federal and state authorities require and/or encourage institutions to implement and maintain an effective compliance program. Under Federal Sentencing Guidelines, for example, fines resulting from an employee's criminal activity are significantly reduced if the organization can demonstrate an effective compliance and ethics program. This includes action by the board and other leadership to promote an organizational culture that encourages ethical conduct; the delegation of authority to a chief compliance officer for day-to-day operational responsibility of the compliance program; and regular reporting by the chief compliance officer to the governing board to ensure appropriate board monitoring and oversight of the institution's compliance efforts.

In order to document and affirm the Board of Regents' commitment to the University's compliance efforts, the proposed resolution directs the University to continue its efforts to develop and effective University-wide compliance program, which will be overseen by a chief compliance officer.

BOARD OF REGENTS

Resolution Affirming Board of Regents' Commitment to University's Compliance Efforts

Resolution #200124-617

WHEREAS, RCW 28B.30.095, RCW 28B.30.100, and RCW 28B.30.150 vest the governance and management of Washington State University (WSU) in the Board of Regents of WSU;

WHEREAS, the Board of Regents has a fiduciary responsibility to ensure the University establishes and maintains an effective institution-wide compliance program, including the allocation of resources to support the program; and

WHEREAS, compliance with legal and regulatory requirements is the responsibility of every University employee with respect to matters within their scope of employment;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Regents hereby supports and affirms the University's efforts to date to establish an effective institution-wide compliance program. To that end, the Board of Regents directs the University to continue its efforts to promptly employ a chief compliance officer, with commensurate compliance staff and other support, to develop and implement the University's compliance program and to exercise day-to-day operational responsibility for the program.

BE IT FURTHER RESOLVED THAT the chief compliance officer shall meet with the Board of Regents no less than twice annually to provide updates to the Board regarding the implementation of the compliance program, reports on compliance and regulatory affairs issues, reports on significant compliance issues and corrective action plans, and other relevant matters.

DATED this 24th day of January, 2020.

_____
Chair, Board of Regents

_____ _____
Secretary, Board of Regents Vice Chair, Board of Regents

ACTION ITEM #2

Proposed Revisions to the Board of Regents' Finance and Compliance Committee Charter Strengthening the University's Compliance Program (Stacy Pearson)

January 24, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Revisions to Finance and Compliance Committee Charter to Strengthen Compliance Function

PROPOSED: That the WSU Board of Regents approve revisions to the Finance and Compliance Committee Charter

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

SUPPORTING INFORMATION: Compliance with regulatory and other legal requirements is a University-wide responsibility and one of the most significant fiduciary responsibilities of the Board and senior University leadership.

In order to strengthen and support the University's compliance efforts, we have drafted proposed revisions to the charter for the Board of Regents Finance and Compliance Committee. These revisions include a requirement of regular updates to the committee by the University's chief compliance officer regarding compliance issues, corrective actions, and training efforts. A redline version of the proposed revisions is attached.

ATTACHMENT: Attachment A: WSU Board of Regents Finance and Compliance Committee Charter – Redline Copy

Attachment B: The Three Lines of Defense Model PowerPoint Slide

Attachment A

WSU Board of Regents - Finance and Compliance Committee Charter

Purpose

The Finance and Compliance Committee is responsible for ensuring the institution is operating in a financially sustainable manner, balancing its long-term and short-term financial obligations. This committee works in coordination with other committees, where appropriate, and may consider matters and policies relating to the following: internal and external audits; the accounting and financial controls of the University; compliance; risk management; operating and capital budgets; debt management; and financial and investment policies. This committee may also consider matters related to the institution's classified and administrative professional employees.

Composition

This committee shall operate as a committee of the whole. The President shall appoint ex officio members from among the officers of the University who, in consultation with the committee chair, shall be responsible for development of the committee agenda and for submitting recommendations to the Board.

Responsibilities

This committee shall make recommendations and provide governance oversight on the following:

- Investments. Consistent with the Investment Policy Statement for the Washington State University Foundation Consolidated Endowment Fund (the Fund), this committee is responsible for:
    - Reviewing and recommending the Investment Policy, inclusive of the spending policy, and changes to the Investment Policy as it relates to the University endowed assets;
    - Reviewing and recommending Regents-appointed members to the WSU Foundation Investment Committee (the Committee);
    - Annually reviewing the operational performance of the Fund and the actions of the WSU Foundation, its Governors, and its 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; and
    - Reviewing and recommending the de-selection recommendations from the Committee of Regents-appointed members. De-selection does not include normal end-of-term roll-off of members.

  This committee shall also review and recommend any other financial or investment policies of the University; monitor the performance of the treasurer and other officers charged with implementation of such policies; and monitor the performance of any other managed funds.

Attachment A

- Audit and Compliance. This committee shall assist the board in fulfilling its fiduciary oversight responsibilities relating to: the financial health of the University and the integrity of its financial statements, systems of internal control and risk management, the performance of the auditors and internal audit function, and the University's compliance with legal and regulatory requirements. The committee shall review matters related to compliance, audit, and risk management~~, and other compliance matters~~, as appropriate, and will make recommendations when board action is required.
    - Management is directly responsible for the preparation, presentation, and integrity of the University's financial statements and the appropriateness of the accounting principles and reporting practices used by the University. This committee, in its audit role, is responsible for overseeing management's efforts to meet those responsibilities in a reasonable and appropriate manner. Sufficient opportunity for the independent external auditor to meet with the committee or the committee chair shall be provided.
    - This committee shall meet a minimum of ~~four~~ two times per year with the University's chief audit executive to discuss the effectiveness of the University's systems of internal controls, significant updates on the status of corrective action plans, and the performance of the internal audit activity in carrying out audit-related responsibilities, including status of the Audit Plan and review of results of audit activities, and review of the internal audit charter, as needed. Sufficient opportunity for the internal auditors to meet with the committee shall be provided. This committee or the committee chair shall meet at least twice per year with the internal auditor in the absence of University officers.
    - This committee, in its compliance oversight role, is responsible for overseeing management's efforts to meet compliance requirements. The committee shall meet a minimum of two times per year with the University's chief compliance officer to receive updates, reports on the status of corrective action plans, presentations and/or recommendations on compliance issues to ensure individual and system-wide accountability for compliance. In addition, the committee will review the compliance charter as needed. Sufficient opportunity for the chief compliance officer to meet with the committee shall be provided. This committee or the committee chair shall meet at a minimum of once per year with the chief compliance officer in the absence of University officers.
    -
    - This committee may investigate any matter brought to its attention with full access to all records, facilities, and personnel of the University and the authority to engage other individuals including professionals external to the University as necessary to carry out its duties, consistent with applicable laws. The committee will receive any required education and sign any necessary forms to review regulated, confidential and/or privileged records and information.
    - This committee may also consider policies regarding discrimination and harassment, Title IX, equal opportunity, and fairness and equality in all activities and practices at the University.

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Attachment A

- With guidance from Compliance, Internal Aaudit, and the Attorney General's Office, the committee will receive reports regarding "significant" non-compliance issues including recommendations for making any necessary self-disclosures to the appropriate government agency.

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- Operating and Capital Budget Endorsement. This committee shall oversee the annual and long-range operating and capital budgets for the University and review and provide recommendations to the board concerning all proposed requests for appropriation of state funds for the University's operating and capital budgets, prior to submission to the legislature or other state authorities.
- Student Fees, Tuition, Policies, and Charges. This committee shall consider rates and resulting fees directly affecting students, such as tuition; Housing and Dining policies and fees; Student Health and Wellness policies and fees; Student Recreation Center policies and fees; the Student Technology fee rate and allocations; and Services and Activities fees, rates and allocations.

In accordance with RCW 28B.15.067, any proposal for tuition and fee increases must be made public 21 days before the Board considers adoption of such increases. Exceptions to the 21-day period shall be as provided in RCW 28B.15.067.

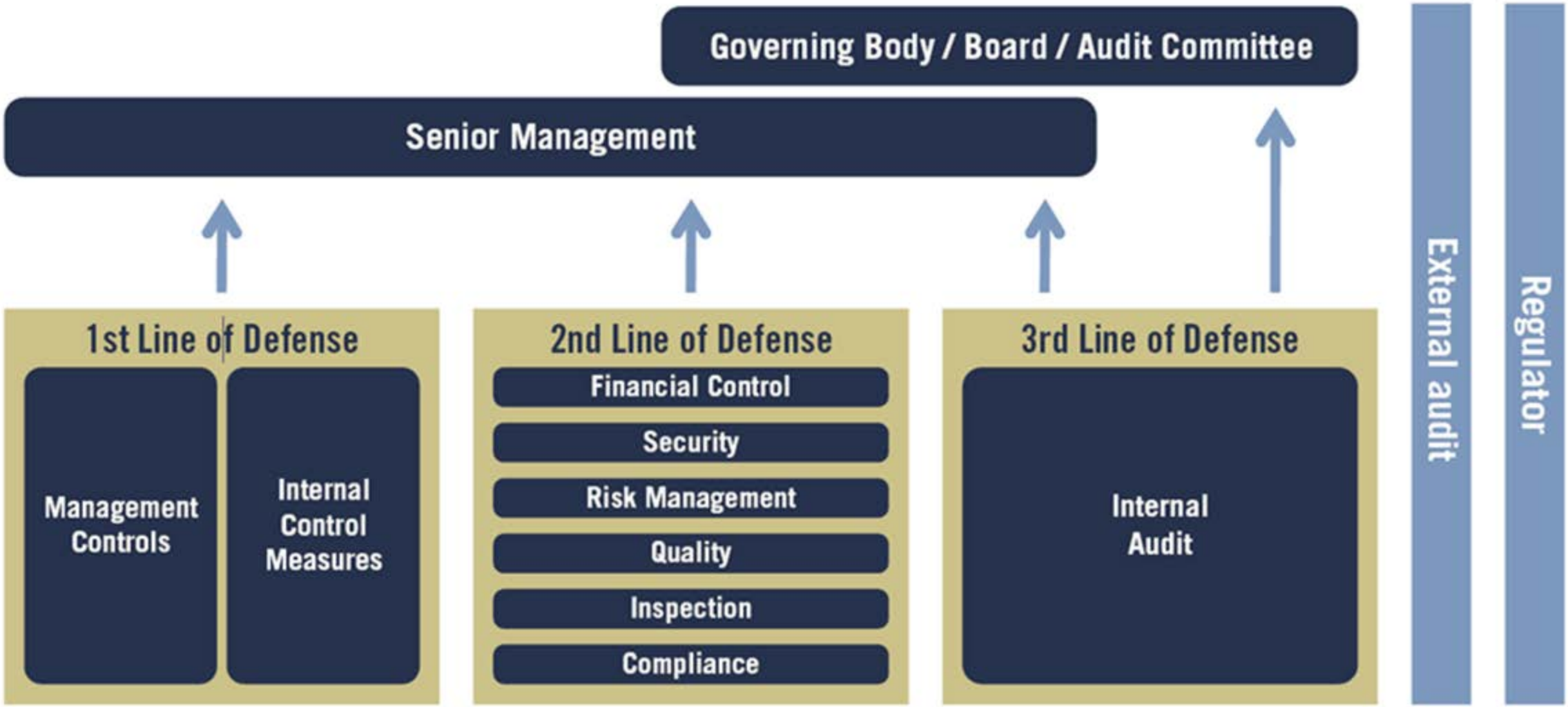
• Borrowing and Debt Management. This committee shall consider the long-term financing of capital projects and any other borrowing, which may be required by the University.

• Trust Lands. This committee shall consider matters related to the University's trust lands and regularly review the management of these assets to ensure that they are being managed in appropriate ways to maximize income to the University over the long term.

• Classified and Administrative Professional Employees. This committee considers matters relating to classified and administrative professional employees, including revisions to the Administrative Professional Handbook, composition of the University's workforce,; and collective bargaining agreements for those employees who are represented by an exclusive bargaining representative.

Attachment B

The Three Lines of Defense Model



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

ACTION ITEM #3

WSU Tri-Cities
30-Acre Sale of Real Property to the Richland School District
(Stacy Pearson/Sandra Haynes)

January 23, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Tri-Cities ("WSUTC"), 30-Acre Sale of Real Property to the Richland School District

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

PROPOSED: That the WSU Board of Regents authorize the sale of a parcel of land in Richland, Washington totaling approximately 30 acres, identified as Benton County Parcel No. 1-2608-100-0002-002 (the "Property"), to the Richland School District, and delegate authority to the President or his designee to enter into any and all documents necessary to complete this sale.

BACKGROUND INFORMATION: In 1993, the District deeded the 30-acre Property to the University, which is located on the south side of the WSUTC Campus. A copy of the WSUTC Campus Master Plan is illustrated in Attachment "A" and the Property is outlined in red. This was one of the incentives provided to the University by the Tri-Cities to locate a campus in Richland. At the time of the deed, the District had a baseball field, track and field complex, football field and bleacher seating on the Property that was used by the adjacent Hanford High School. The Property was also deeded to the University pursuant to a "Disposition Agreement" that provided continued use by the District of its athletic facilities until such time that the Property was needed by the University for its campus facilities. Under the Disposition Agreement, if the Property were ever needed for WSUTC facilities, WSUTC would have to relocate the District's original facilities to other property owned by the District, at WSUTC's expense.

In 2006, the District and WSUTC entered into an Interagency Agreement whereby the District was permitted to improve and supplement its athletic facilities on the Property so long as any required relocation of the new improvements would be at the District's expense. Since the 1993 Disposition Agreement, the

District has maintained the entire 30-acre Property and has paid all costs of operating the athletic facilities thereon. In 2014, the District and WSUTC also entered into an agreement whereby WSUTC obtained the right to use certain District athletic facilities on the Property.

The District desires to substantially improve its athletic facilities on a portion of the Property owned by WSUTC, and it has obtained approval from its voters to issue bonds for that purpose. Such improvements will include, but not be limited to, new bleacher seating (2,000 seats), restroom facilities, a concession area, artificial field turf and resurfacing of the existing track. The District's improvements will cost in excess of $6,000,000 and the District does not want to make the improvements on WSUTC's Property in light of the 2006 Interagency Agreement between the parties, which could require the District to relocate such improvements at the District's expense.

As a result of the foregoing, the District originally proposed to lease 15 acres of the Property from WSUTC under a long-term ground lease, which we presented to the Board of Regents as a Future Action Item in March 2018. After that meeting, the District's Board (with community input and support), decided that the District should not build its proposed improvements on land that it does not own, and elected not to proceed with the ground lease. The District then proposed the possibility of "swapping" a 9-acre portion of WSUTC's Property for a similarly sized portion of Hanford High School's property. The proposed land swap was presented to the Board of Regents in May 2019, and was approved by Resolution #190503-609.

After the Board of Regents approved the land swap, WSU proceeded to draft the Land Swap Agreement and a new Operating Agreement with the District. During this process, several unforeseen complexities arose in the Operating Agreement with respect to the ongoing operation, maintenance and scheduled use of WSUTC's and the District's respective properties. As a result, the District expressed its interest in purchasing the entire 30-acre property, and sent a formal request to the University in a letter dated December 16, 2019. A copy of the District's letter is provided in Attachment "B".

The WSUTC Campus supports the sale of the Property to the District as evidenced in Chancellor Haynes' December 7, 2019 Memo, a copy of which is provided in Attachment "C". Chancellor Haynes' Memo contains a detailed justification for WSUTC's support of the Property to the District.

As part of the proposed sale, WSUTC would continue to have access to the District's facilities for commencement exercises, pinning ceremonies and for the proposed WSU Summer Football Camp. The District has hired an appraiser to conduct an appraisal of the Property, which should be complete in late January. The appraised value of the Property will exceed $1,000,000. WSUTC desires to move forward with the proposed sale of the Property to the District. Pursuant to the original intent that the Property benefit WSUTC, the proceeds from this sale will be utilized for future projects on the WSUTC campus.

ATTACHMENTS: Attachment "A" – WSUTC Campus Master Plan. The 30-acre Property deeded to WSUTC by the District in 1993 is outlined in red.

Attachment "B" – District's December 16, 2019 Letter

Attachment "C" – Chancellor Haynes' December 7, 2019 Memo

Attachment "A"

WSUTC Campus Master Plan



Attachment "B"

District's December 16, 2019 Letter

RICHLAND
School District

December 16, 2019

Ryan Goodell
Executive Director
Contracts and Real Estate Office (CREO)
Washington State University
P.O. Box 641045
Pullman, WA 99164-1045

RE: WSU Tri-Cities Property

Dear Mr. Goodell:

As you know, Washington State University and the Richland School District have been in talks concerning the 30 acres of land adjacent to Hanford High School. The 30 acres is tax parcel #1-2608-100-0002-002. Most recently the two agencies have been working on a land swap whereby WSU would swap 9 acres contained within the 30 acres for 9 acres located just to the south.

While the District appreciates the time and effort the University has shown in drafting the land swap and associated Operating Agreement, it seems that it would be beneficial to all and it is the District's sincere desire to purchase the full 30 acres. This purchase would expedite the projects the District has scheduled for the site while allowing the site to remain available for high school, community, and university use. The District has a recent appraisal for the 9-acre parcels and we have initiated an appraisal of the full 30 acres. The District has sufficient funds currently available to complete a purchase of the 30 acres.

The District will continue to be a good partner with WSU Tri-Cities and is open to allowing the University to use the football field for commencement exercises and pinning ceremonies. The District would welcome an opportunity to host a summer football camp.

Please feel free to contact me if you have any questions and if you would like to explore the purchase and sale further. I can be reached at 509-967-6001 or Rick.Schulte@rsd.edu.

Sincerely,

Dr. Rick Schulte
Superintendent
Richland School District No. 400

Cc: Galt Pettett

Attachment "C"

Chancellor Haynes' December 7, 2019 Memo

[see attached]

WASHINGTON STATE UNIVERSITY TRI-CITIES

MEMORANDUM

To: President Schulz and Vice President Stacy Pearson
From: Sandra Haynes and Damien J. Sinnott
Date: 12/07/19
Re.: Proposed land sale to Richland School District

INTRODUCTION

In February of 2017, the Richland School District passed a bond which included funds to improve the athletic facilities at Hanford High School adjacent to the WSU Tri-Cities campus. A significant portion of Hanford High School's current athletic facilities are located on land that the Richland School District transferred to WSU in 1993,[1] and initially the Richland School District was interested in repurchasing that land. However, because the land is adjacent to the WSU Tri-Cities campus and is listed in our long-term master plan, we were hesitant to consider selling it. As an alternative, we proposed a long-term land lease which initially seemed feasible to both parties, but after receiving some political pressure the Richland School District was ultimately unwilling to dedicate taxpayer money to the construction of a new facility on land that it did not own. By way of a compromise, the Richland School District proposed a land swap in which WSU would exchange the 9 acres of land that the current athletic facilities sit on, for another 9 acres parcel. (See attached map in Appendix A). Because the proposed parcel that WSU would receive is also adjacent to the remaining land that WSU would retain, and also includes a well-maintained varsity soccer field, we believed that proposed land swap made sense and would be in WSU's best interest.

After the proposed land swap was presented to, and approved by, the WSU Board of Regents, we proceeded to work with the Richland School District on the documents that would be necessary to complete the transaction; however, in the process of doing so it became clear that there would be numerous unforeseen complexities and challenges moving forward. As a result we are now of the opinion that it would be more beneficial to WSU to forego the land swap and simply resell the entire 30 acre parcel back to the Richland School District for market value and use the sale proceeds to improve athletic facilities on other land on the WSU Tri-Cities campus. The Richland School District remains interested in purchasing this land and is in a position to do so as the bond that it passed included funds for land acquisition.

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[1] In 1993, the Richland School District transferred 30 acres of land to WSU. This parcel begins at George Washington Way and runs parallel to Sprout Road and the WSU TC campus. In terms of depth, it extends from Spout road to a point that covers roughly 75% of the existing track and football field. (See attached map in Appendix A).

CHALLENGES WITH THE LAND SWAP

There are a number of practical, logistical, and political challenges that we will face if we move forward with the proposed land swap. Each of these challenges are detailed below, but for all intents and purposes they are all derived from the same source and that is that while WSU received this 30 acre parcel from the Richland School District in 1993, it has essentially owned it in name only—i.e., WSU, the Richland School District, and the greater community have for the last twenty-six years all treated this property as if it was still a part of the Hanford High School campus. At the time of the transfer, Hanford High School had existing athletic facilities on the property which remained in place. Since that time, Hanford High School expanded those facilities to include a J.V. baseball and softball field which they use for their own teams and also for community teams and youth tournaments. By agreement, Hanford High School has also been responsible for maintaining the property and for scheduling its use (when a community member wants to use the fields on this property it contacts Hanford High School to make the arrangements and pays Hanford High School a small administrative fee. Likewise, when WSU wants to use this property, that it owns, it also has to contact Hanford High School to make arrangements). As we proceeded to work through the details of the proposed land swap, it became apparent how difficult it will be to undue and unwind this longstanding practice.

One of our bigger concerns moving forward has been with the idea that the Richland School District has maintained control of scheduling use of WSU property—it simply did not make sense to us that we had to make arrangements with another entity to use our own property, and we had some liability concerns when we realized that the Richland School District was making WSU property available for wide-spread community use. We were also concerned that some of that community use might not be in compliance with the limitations set forth in the Washington Administrative Code's provisions regarding use of University property. Accordingly, as we worked with the Richland School District to draft a new post-land swap operating agreement it was our intent to change this practice and return control of University owned property to WSU. However, the Richland School District was hesitant to agree to this, largely because they have become accustomed to using the property as their own (as an example they regularly use the fields for P.E. classes and thought that the idea of having to schedule and/or ask us for permission each time they want to use it would be challenging). In addition, during our discussions it became clear that the Richland School District has made this property available for community use at a much greater magnitude than we were aware of—for community soccer teams' practices, baseball tournaments, lacrosse, ultimate frisbee, etc., and all without WSU knowledge, involvement, or oversight. Once we became aware of the magnitude of use, we had concerns that the WSU Tri-Cities campus lacks the resources necessary to handle the scheduling and logistical support for this volume of use. Furthermore, in our experience, the WSU service center model will make it difficult if not impossible to continue to make this property available for community use at the

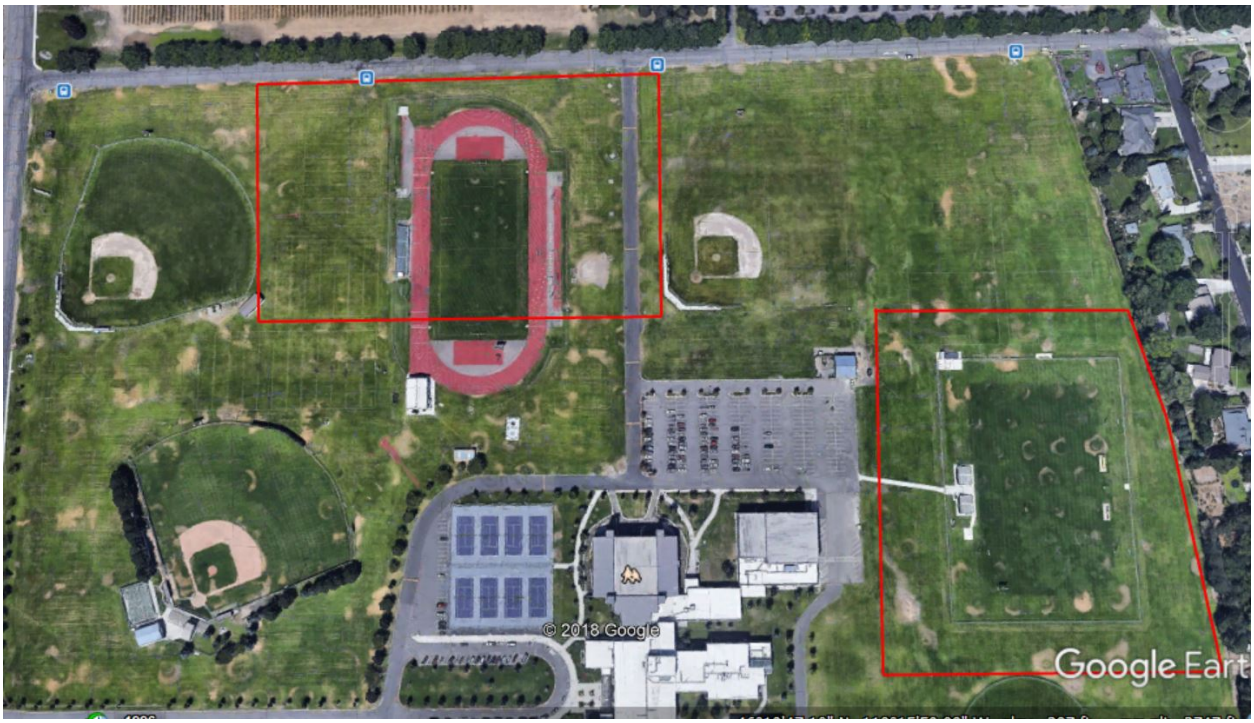
minimal rate that the Richland School District has been charging. Thus, we foresee practical and logistical problems if we move forward, but also a public relations problem if community members are no longer able to use this property in the way that they have become accustomed because WSU is either unwilling or unable to allow them to do so.

As we discussed the details of the land swap with the Richland School District, it also became apparent that the Richland School District had hopes of treating the 9 acre parcel that WSU would be receiving in a similar manner. We had tentatively agreed to allow the Hanford High School varsity soccer teams to continue to utilize the soccer fields on the property for their games, in exchange for the District's agreement to continue to maintain the fields, but when we started talking about details like signage it became clear that the Richland School District had not fully anticipated WSU treating this property as its own. By way of example, they disclosed that they had been in negotiations with a local financial institution for an exclusive sponsorship and had envisioned putting this institution's logo on all of the athletic signs on the Hanford High School campus—including the soccer field sign that WSU would now own. They understood why this would be problematic for us—particularly as we may want to negotiate sponsorships on our own behalf and for our own needs—but it was emblematic of the challenges associated with reversing course on the longstanding practice of treating this property as if it was still owned by the Richland School District.

PROPOSED SALE

In light of the challenges identified above, we believe that it may be in the best of interest of WSU to forego the idea of a land swap and instead to simply sell the 30 acre parcel back to the Richland School District. While this property is adjacent to our campus, it is not really a part of it and has not been treated as such. We have included it in our long-term master plan, but we do not have any particular short-term plans for it, and truthfully do not envision any long-term use for it either. We have discussed this with our Vice-Chancellor of Finance & Administration, and his opinion is that we have an abundance of land that is sufficient to meet our campus needs and accommodate our anticipated growth for the next one hundred years or more. Based on our preliminary analysis of market rates, a sale of this 30 acre parcel will likely yield proceeds in the range of $1.7-$2 million dollars—a portion of which could be used to build out new fields on the WSU Tri-Cities campus to accommodate current and future athletic needs, with the remainder being available to supplement and improve other campus infrastructure. Accordingly, it is our recommendation that we seek the Board of Regent's permission to forego the land swap and proceed with a sale of this 30 acre parcel.

APPENDIX A



BOARD OF REGENTS

Sale of Real Property (30 Acres) located in Richland, WA

Resolution #200124-618

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

RESOLVED: That the Board of Regents authorize the sale of a parcel of vacant land in Richland, Washington totaling 30 acres, identified as Benton County Parcel No. 1-2608-100-0002-002 (the "Property"), and delegate authority to the President or his designee to enter into any and all documents necessary to complete this sale of the Property to the Richland School District.

Dated this 24th day of January, 2020.

_____

Chair, Board of Regents

_____

Secretary, Board of Regents

FUTURE ACTION ITEM #1

Discontinue the Master of Arts in Hispanic Studies
(Bryan K. Slinker)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Discontinuation of the Master of Arts in Hispanic Studies

PROPOSED: That the Board of Regents discontinue the Master of Arts in Hispanic Studies

SUBMITTED BY: Bryan K. Slinker, Interim Provost and Executive Vice President

SUPPORTING INFORMATION: The College of Arts and Sciences proposes to discontinue the Master of Arts (MA) in Hispanic Studies.

The College of Arts and Sciences realized that with the American Studies Ph.D. Program, and with a pending retirement of at least one faculty member, the School of Languages, Cultures, and Race is not able to provide the necessary courses for the master's program. Additionally, the Ph.D. in American Studies does have a "Latina/o and Latin American Studies" plan of study available to our Ph.D. students.

The current students who are enrolled in the program will feel no impact from the discontinuation. They will be allowed to finish the program as it currently is. Moreover, the current students are all expected to graduate in May 2020.

The complete proposal for discontinuation is attached. The proposal was reviewed carefully and has support from the Provost's Office. The recommendation was passed by the Faculty Senate on January 23, 2020.

ATTACHMENT: Attachment A

Attachment A

WASHINGTON STATE UNIVERSITY

Office of
Provost and Executive Vice President

MEMORANDUM

TO: Faculty Senate

FROM: Bryan Slinker, Interim Provost and Executive Vice President

SUBJECT: Discontinue Master of Arts in Hispanic Studies

DATE: October 4, 2019

The attached proposal to discontinue the Master of Arts in Hispanic Studies has been reviewed by the Provost's Office. We have no concerns about the proposal. We feel the School of Languages, Cultures, and Race is taking an appropriate step given the lack of resources available to offer the degree, and opportunity exists within the American Studies program for students who are interested in this topic.

We judge it ready for the Senate review process. Please note that, though the form requests an indefinite suspension, SLCR director Dr. Carmen Lugo-Lugo indicates that they do wish to discontinue the degree.

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

MASTERMORATORIUM OR SUSPENSION OF A DEGREE PROGRAM

DEANS: Use this form to request or remove a moratorium or suspension of a degree program or a certificate of 30 or more credits. Send this completed form in Word version electronically to the Office of the Provost: provost.deg.changes@wsu.edu

Degree Title:	M. A. Hispanic Studies		
Academic Program:	P6061		
Academic Plan:	P6061_0010		
Number of Credits:			
Department(s) or Program(s):	School of Languages, Cultures, and Race		
College(s):	College of Arts and Sciences		
Campus(es):	Pullman		
Contact Name:	Carmen R. Lugo-Lugo		
Contact Phone:	335-6173	**Email:**	clugo@wsu.edu

Action Requested:

☐ Moratorium: Begin Date: ___End Date: __ (Complete items 1-3)

☒ Suspension: Begin Date: _August, 2020_ End Date: _____ (Complete items 1-4)

☐ Remove Moratorium: Effective Date: _____ (only complete items 5-7 below)

☐ Remove Suspension: Effective Date: _____ (only complete items 5-7 below)

1. Rationale for moratorium or suspension:

We are requesting an indefinite suspension of the Program. We realized that with the American Studies PhD Program, and with a pending retirement of at least one faculty member, we are not able to provide the necessary courses for the master's program. The Ph.D. in American Studies does have a "Latina/o and Latin American Studies" plan of study available to our Ph.D. students.

2. Potential impact of moratorium or suspension on current students in the program:

The current students who are enrolled in the program will feel no impact from the suspension. They will be allowed to finish the program as it currently is. In fact, they are all currently scheduled to graduate in May 2020.

3. Potential impact of moratorium or suspension on faculty in the program:

The faculty members that are currently involved with the Hispanic Studies M.A. program will be able to participate in the "Latina/o and Latin American Studies" plan of study within the American Studies PhD program.

4. If requesting a suspension, please indicate whether a closure is under consideration; if so, include a time-line.

No courses for the master's program in Hispanic studies will be offer after Spring 2020.

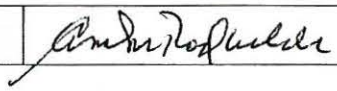
5. If requesting to remove a moratorium or suspension, please indicate the conditions under which the program moratorium or suspension no longer apply.

N/A

6. If requesting to remove a moratorium or suspension, please indicate the resources from faculty and staff needed to reinstate the program are available, and whether there will be any potential impacts to other programs if reinstated.

N/A
7. If removing the program from suspension status, please explain the market demand for the program and a specific plan of sustainability for the program.
N/A

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

Chair Signature:		Date:	8.26.19
Dean Signature:		Date:	8 Aug 2019
VP Global Campus		Date:	

→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

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

Comments:

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

FUTURE ACTION ITEM #2

Discontinue the Master of Nursing Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner (Bryan K. Slinker)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Discontinuation of the Master of Nursing Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner

PROPOSED: That the Board of Regents discontinue the Master of Nursing Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner

SUBMITTED BY: Bryan K. Slinker, Interim Provost and Executive Vice President

SUPPORTING INFORMATION: The College of Nursing proposes to discontinue the Master of Nursing (MN) Plans in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner options.

The MN degree for nurse practitioners is no longer relevant for initiation into the profession. The new degree requirement endorsed nationally is the Doctor of Nursing Practice degree. The MN degree option was retained while the College of Nursing's DNP degree launched. The College of Nursing is not able to support the MN degree for nurse practitioner training while also supporting a robust DNP Program. The MN program will continue only with a Population Health track, after undergoing a major curricular revision. Most students would be better served completing as a DNP for all other specializations.

Currently, there are only 2 students in the College of Nursing with approved programs of study for the MN in a nurse practitioner track. The College of Nursing will support these 2 students to complete their degree requirements as the MN curricular changes do not affect their program of study.

The complete proposal for discontinuation is attached. The proposal was reviewed carefully and has support from the Provost's Office. The recommendation was passed by the Faculty Senate on January 23, 2020.

ATTACHMENT: Attachment A

Attachment A

WASHINGTON STATE UNIVERSITY | Graduate School

DATE: November 20, 2019
TO: Faculty Senate
FROM: Judi McDonald, Associate Dean, Graduate School
RE: MN

JMcD
GMason, College of Nursing

The purpose of this memo is to clarify that the request is to close the Master of Nursing plans (options) in Family Nurse Practitioner and Psychiatric Mental Health Nurse Practitioner. The Master of Nursing plan in Population Health will remain open, hence this request is not a degree closure.

This makes sense to me. OK
12-2-19

PO Box 641030, Pullman, WA 99164-1030
509-335-6424 | Fax: 509-335-1949 | gradschool.wsu.edu

WASHINGTON STATE UNIVERSITY

Office of
Provost and Executive Vice President

MEMORANDUM

TO: Faculty Senate

FROM: Bryan Slinker, Interim Provost and Executive Vice President

SUBJECT: Discontinue the Masters of Nursing Degree

DATE: October 4, 2019

The attached proposal for discontinuing the Masters of Nursing degree has been reviewed by the Provost's Office. We have no concerns about the proposal. The program has established a plan to ensure that all currently-enrolled students will be able to complete their degrees on schedule. Faculty involved in the program are all fully engaged with Doctor of Nursing Practitioner program, and there is unanimous support within the college to do this.

We judge it ready for the Senate review process. Please note that though the college completed a "request to suspend degree" form, program director Dr. Anne Mason confirms that the college wishes to eliminate the degree entirely. Rather than have the college complete a new form, we ask that you treat this document as a request to eliminate the degree.

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

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:	Master in Nursing – Family Nurse Practitioner or Psychiatric Mental Health Nurse Practitioner
Academic Program:	Nursing
Academic Plan:	
Number of Credits:	51-53 FNP, 50 PMHNP
Department(s) or Program(s):	College of Nursing
College(s):	College of Nursing
Campus(es):	Spokane, Vancouver, Tri-Cities

Contact Name:	Tami Kelley	Email Address:	Tamara.kelley@wsu.edu
Contact Phone:	509-324-7334	*Proposed start date:	August 2018

Rationale for discontinuing the degree:
1) The MN degree for nurse practitioners is no longer relevant for initiation into the profession. The new degree requirement endorsed nationally is the Doctor of Nursing Practice degree. The MN degree option was retained while our DNP degree launched. 2) The College is not able to support the MN degree for nurse practitioner training while supporting a robust DNP Program. 3) The MN program has undergone major curricular revision that focuses on population-based health. The degree requirements for this plus the NP training would greatly inflate the number of credits required for an MN in a nurse practitioner track, students would be better served completing as a DNP.
Implications for currently enrolled students (how many)? Attach teach out plan.
There are currently only 2 students in the College of Nursing with approved programs of study for the MN in a nurse practitioner track. We will support these 2 students completing their degree requirements as the MN curricular changes do not affect their program of study.

☐ **Attach teach out plan** None required at this time due to the natural phase out of interest.

Impact on or responses of current faculty and staff:
The Graduate faculty of the College of Nursing have fully endorsed discontinuing the degree option for MN in a nurse practitioner track.
Impact on or responses of other degree programs, departments, colleges or campuses:
The MN degree option in the College of Nursing is focused now on population health. The faculty of this track are population and public health experts and are not able to supervise nurse practitioner students. Additionally, the MN program completed a curriculum revision in 2018 to begin to implement in 2019. This curricular change does not support NP students completing the MN curriculum and their NP requirements within a reasonable number of MN credits.
Impact on or responses of other stake holders (e.g., advisory or alumni groups):

None known, the DNP as the degree of nurse practitioners is widely accepted in health care.

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

Chair Signature:	Anne M. Mason	Date:	07/31/2019
Dean Signature:	Mel Haberman	Date:	August 1, 2019

→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

Everett Chancellor		Date:	
Spokane Chancellor		Date:	
Tri-Cities VCAA		Date:	
Vancouver VCAA		Date	
VP Global Campus		Date:	
Provost Office:		Date:	

Comments:

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

Merrill, Angela Lori

From: Parks, Craig
Sent: Thursday, September 5, 2019 8:17 AM
To: Merrill, Angela Lori
Subject: FW: process for placing a program on moratorium
Attachments: Proposal to Discontinue MN Program.pdf

From: Mason, Anne Michele <anne.mason@wsu.edu>
Sent: Wednesday, September 4, 2019 3:37 PM
To: Parks, Craig <parkscd@wsu.edu>
Subject: process for placing a program on moratorium

Hi Craig: I met with Judi McDonald today to discuss the request nursing submitted to discontinue the MN in passing for the nurse practitioner tracks (attached, submitted to the Provosts office in early August). I agree placing these programs in moratorium is what we want to do at this time while the discontinuance paperwork is moving through. Can you provide me with the process for moratorium? Thank you, Anne

Anne Mason, DNP, ARNP, PMHNP-BC
DNP Program Director, PMHNP Program Coordinator
Washington State University College of Nursing
PO Box 1495 | Spokane, WA 99210-1495
ph 509-324-7253| fax 509-324-7341| anne.mason@wsu.edu
nursing.wsu.edu
WSU College of Nursing: integrity | caring | social justice | altruism | maximizing health potential

NLN **National League** *for* **Nursing**
Center of Excellence in Nursing Education

Enhance Student Learning and Professional Development 2017 - 2021

MORATORIUM OR SUSPENSION OF A DEGREE PROGRAM

DEANS: Use this form to request or remove a moratorium or suspension of a degree program or a certificate of 30 or more credits. Send this completed form in Word version electronically to the Office of the Provost: provost.deg.changes@wsu.edu

Degree Title:	Master of Nursing – Family Nurse Practitioner (FNP) Master of Nursing – Psychiatric Mental Health Nurse Practitioner (PMHNP)		
Academic Program:	Master of Nursing		
Academic Plan:			
Number of Credits:	51-53 FNP; 50 PMHNP		
Department(s) or Program(s):	Nursing		
College(s):	College of Nursing		
Campus(es):	Spokane, Tri-Cities, Vancouver		
Contact Name:	Anne M. Mason, DNP Program Director Tami Kelley, Graduate Program Coordinator		
Contact Phone:	509-324-7334	Email:	Tamara.kelley@wsu.edu
Action Requested:			

☐ Moratorium: Begin Date: _____ End Date: _____ (Complete items 1-3)

☒ Suspension: Begin Date: August 2018 End Date: _____ (Complete items 1-4)

☐ Remove Moratorium: Effective Date: _____ (only complete items 5-7 below)

☐ Remove Suspension: Effective Date: _____ (only complete items 5-7 below)

1. Rationale for moratorium or suspension:

The MN degree for nurse practitioners is no longer relevant for initiation into the profession. The new degree requirement endorsed nationally is the Doctor of Nursing Practice degree. The MN degree option was retained while our DNP degree launched in 2012. 2) The College is not able to support the MN degree for nurse practitioner training while supporting a robust DNP Program. 3) The MN program has undergone major curricular revision that focuses on population-based health. The degree requirements for

this plus the NP training would greatly inflate the number of credits required for an MN in a nurse practitioner track, students would be better served completing as a DNP

2. Potential impact of moratorium or suspension on current students in the program:

There are currently only 2 students in the College of Nursing with approved programs of study for the MN in a nurse practitioner track. We will support these 2 students completing their degree requirements as the MN curricular changes do not affect their program of study. We cannot have additional students in this option though due to faculty with the training to support these students are completely full with the DNP students.

3. Potential impact of moratorium or suspension on faculty in the program:

No impact. All nurse practitioner faculty are full with supervising/teaching DNP nurse practitioner students.

4. If requesting a suspension, please indicate whether a closure is under consideration; if so, include a time-line.

Yes, closure documentation has been submitted.

5. If requesting to remove a moratorium or suspension, please indicate the conditions under which the program moratorium or suspension no longer apply.

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

Chair Signature:	Anne M Mason	Date:	9/6/2019
Dean Signature:	Michael Huberman	Date:	9-6-19
VP Global Campus		Date:	

→ Submit to the Provost's Office at provost.deg.changes@wsu.edu

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

Comments:

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

7. If removing the program from suspension status, please explain the market demand for the program and a specific plan of sustainability for the program.

WASHINGTON STATE UNIVERSITY FOUNDATION

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Foundation Regents Report

SUBMITTED BY: Lisa Calvert, Vice President for Advancement
CEO, Washington State University Foundation

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

- The WSU Foundation's ultimate goal is to grow a sustainable pipeline of philanthropic investment in WSU's academic, research, and service initiatives through which lives, livelihoods, and communities are transformed. Alignment to best-in-industry systems, staffing, and resources continues to be a priority. During the WSU Foundation Directors Retreat last month, the Directors engaged in strategic planning to build and scale advancement to maximize philanthropic growth, optimize volunteer engagement, and ensure optimal fiduciary oversight.
- Donors give in response to a dynamic vision and bold, fundable ideas—the bolder the better. We are in robust conversations with each campus, college, and unit area about developing their philanthropic opportunities, and honing the visionary bold, fundable ideas that will collectively define the philanthropic agenda and messaging for the campaign.
- The WSU Foundation has identified nearly 18,000 potential donors who are currently unassigned to a development professional. These individuals are donors and have wealth capacity. This indicates tremendous opportunity for WSU and for those who are looking to make a difference during the next campaign. The Foundation is in the process of optimizing the portfolios for WSU's development officers to ensure that WSU is able to engage these individuals in philanthropic activity that will make a lasting impact for WSU and those it serves.
- As of February 29, 2020, total philanthropic activity is trending 5.1% higher in FY2020 over the previous fiscal year, with more than $80.6 million in total commitments received. Outright gifts and pledges are trending 19% higher in FY2020, which is an indication that WSU's core philanthropic activity—cash in the door—is strong and growing. As a reminder, development professionals are being trained to shift the gift mix to more cash.

FY2020 Year-to-Date Philanthropic Activity Report (as of Feb. 29, 2020)

	7/1/2019 through 2/29/2020	7/1/2018 through 2/29/2019	% Change
Outright Gifts & New Pledges			
Cash	$28,709,323	$27,040,431	6.17%
Securities	$4,807,808	$1,368,079	251.43%
Real Estate	$1,677,100	$0	100.00%
Gifts in Kind	$365,784	$502,059	-27.14%
Pledges - New	$7,649,931	$7,380,727	3.65%
Total Outright Gifts & New Pledges	**$43,209,946**	**$36,291,295**	**19.06%**
Planned Gifts			
Irrevocable	$239,000	$1,385,817	-82.75%
Revocable	$20,520,174	$8,891,830	130.78%
Total Planned Gifts	**$20,759,174**	**$10,277,647**	**101.98%**
Other Contributions	**$1,000,000**	**$5,816,860**	**-82.81%**
Private Grants	**$15,641,550**	**$24,311,153**	**-35.66%**
Total Philanthropic Activity Grand Total:	**$80,610,670**	**$76,696,956**	**5.10%**

WASHINGTON STATE UNIVERSITY

Office of
Faculty Senate

March 13, 2020

TO: All Members of the Board of Regents
SUBJECT: Faculty Senate Report
SUBMITTED BY: Greg Crouch, Chair

Update on 2020/2021 Faculty Senate Leadership. Two faculty members are running unopposed.

- Chair-Elect – Doug Call, Regents Professor of Molecular Epidemiology
- Executive Secretary – Matt Hudelson, Associate Professor of Mathematics and Statistics

Voting has started and the election will be certified on March 26.

Update on the Faculty Manual Project. Faculty Affairs Committee (led by Professor Steve Hines) and Laura Griner Hill (Vice Provost for Faculty Development and Affairs) have continued to update and refine language in the Faculty Manual. One such change refines language around faculty tracks and appointments. These language changes were the result of many meetings, surveys, and individual discussion. Additional Faculty Manual updates include:

- Stoppage of tenure clock for family leave
- Emeritus faculty appointments
- Royalties and Trademarks

These changes follow a major reorganization of the manual and will complete the committee work for this year. Several future updates are cycling through the Ombudsman and AG for consideration in the 2020/2021 academic year. In summer 2020, Senate Executive Committee will focus on drafting updates to the senate constitution and bylaws as well as continuing to update the Educational Policy and Procedure Manual (EPPM). Specifically, the EPPM will be updated to in order to comply with state, federal, and accreditation requirements.

Update on the Campus and Community Mental Health Task Force. Task Force campus members include representatives from Faculty Senate, Cougar Health Services and Student Affairs administration. Community members include representatives from Schweitzer Engineering Laboratories, Pullman Regional Hospital, Pullman City Council, and Palouse Psychiatry and Behavioral Health. The task force is finalizing its report and will focus on two recommendations:

1) Retain and recruit Counseling and Psychological Services (CAPS) psychologist providers. CAPS has struggled to meet student demand because it has been unable to fill 3-4 vacant psychologist positions for the last few years. WSU Human Resource Services is conducting a salary analysis. By fully staffing CAPS to meet student needs, the task force anticipates increased community resource capacity as these currently carry a large student clientele.
2) Develop a prevention model that collects all current WSU interventions in and out of the classroom (stress management, coping strategies, etc.). These measures will be connected to a student's four-year path at developmentally appropriate levels. This model is projected to be in place by fall 2021 and available system wide.

Update on Faculty Participation in Strategic Planning. Faculty Senate has collected responses to the draft strategic plan and is working with the president and provost to produce a second draft of the system-level plan. A summary analysis will be available on the Faculty Senate website by March 26, 2020.

Other Updates

- Everett campus will have Faculty Senate representation in fall 2020.
- Spokane campus is developing a campus faculty council similar in structure to the Resident Faculty Organization (Tri-Cities) and Council of Faculty Representatives (Vancouver). This organization will elect representatives to the Faculty Senate and Faculty Senate Steering Committee.

PO Box 641038, Pullman, WA 99164-1038
509-335-8350 | Fax: 509-335-3983 | faculty.senate@wsu.edu | facsen.wsu.edu

Date: March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: GPSA Report

SUBMITTED BY: Jennifer E. Johnson, GPSA President

On behalf of GPSA, I would like to thank the Board of Regents for your continued support of graduate and professional students. It is with great pleasure that I report the following:

PDI Update: The Professional Development Initiative (PDI) continues to be a successful program as it progresses through its fourth official year. This incredible partnership between GPSA, the Graduate School, and the President's Office, truly provides the opportunity for graduate and professional students; postdoctoral students, faculty, and staff to develop both personal and professional skills in order to become a better person, student, researcher, instructor, and/or administrator. This year, PDI will facilitate a total of 52 events, four of which were held on other campuses, and expects to serve over 1,200 individuals.

Dissertation Grants: Following the success of our travel grants, GPSA created a new application for students seeking funding, no more than $500, to support the completion of dissertation projects. The funds can be used to buy equipment, compensate participants in studies, travel for data collection purposes, or in any other aspect that is necessary for the research. Although this is a new source of funding from GPSA, we have already received 17 applications since the launch this semester. We have granted funds to 11 graduate students totaling nearly $5000.

GPSA Chat & Chew with President Schulz: In efforts to better connect graduate and professional students to GPSA and WSU administration, GPSA is hosting the second annual "Chat & Chew" event. The event is designed to be a casual and low-risk way for graduate and professional students to interact with WSU administrators. GPSA wants to ensure that our constituents' voices are amplified, and we felt that this would be a great way to do so. As this event carries forward with future GPSA leaders, we hope to invite additional WSU administrators to get various perspectives about campus life.

Graduate Stipend Level: A major concern for graduate students at WSU is the current stipend level that they receive. As the standard of living continues to rise in Pullman, graduate students are struggling to provide for themselves and sometimes their families. GPSA has had broad and initial discussions with WSU Administration about the current stipend levels and its effects on student well-being and degree completion rates. As it has been confirmed that 12% of the total stipend for a graduate student is reallocated towards their student fees, It is our hope that GPSA can work with WSU administrators to implement a higher minimum-stipend level across the WSU system.

Graduate Writing Center (GWC): This year, the GPSA increased our support of the GWC by relocating the center, adding consultants, and improving the work space. The GWC works with students to help them learn to revise and edit their own writing. The center averaged 350 appointments the past two years, serving approximately 200 graduate and professional students, not including walk-ins. We are hoping that by tripling the availability of consultants for students to meet with, we will be able to serve more students. We are already seeing a 20% increase in students served since opening the new center in January.

Graduate Study Lounge: The Graduate Study Lounge located in the library is one of the only places on campus devoted solely to graduate and professional students. We have improved the space by adding new qualitative and quantitative software to the provided computers. Last year alone, we had nearly 500 students come visit the study center over 6,500 times.

Associated Students of WSU Tri-Cities
ASWSUTC
Office of the President

Date: March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: ASWSUTC's Report

SUBMITTED BY: Zackary Harper, ASWSUTC President

The Associated Students of WSU Tri-Cities (ASWSUTC) have had an awesome year thus far! I'm happy to go over what we have accomplished as well as what we have in store for the rest of the academic year.

Advocacy Projects:
This year, Savanna and I decided to take a different approach to working on advocacy projects. To begin, the entire ASWSUTC Team met over the summer to brainstorm what projects to work on. The team then chose which projects they were passionate about, and then they had to convince their team members that this project was worth working on. Upon submitting their projects to the team, we all voted on which projects would be priority, and then we met with the Chancellor's Cabinet to discuss these projects. We are extremely lucky to have Dr. Sandra Haynes, as she helped us create Task Forces that included students, staff, and faculty to research their topic and provide recommendations back to Cabinet. The biggest change we made this year is that we approached these improvements as campus-wide improvements, as all members of the campus community would benefit from our projects. We have met with Chancellor Haynes about the outcomes of the task forces, and we're ready to present to Cabinet soon.

These projects include: Student Advising Improvements, Mental Health Resources, Wellness Rooms, Class Scheduling Conflicts, Supporting Student Parents, Campus Security Visibility, LGBTQIA+ Education, Campus-Wide Sustainability, Campus Pride, Food Equity Program, Veteran's Financial Aid, Campus Cleanliness, College of Education Policies, CAHNRS Website, Improved Lab Equipment, and Extended Library Hours.

Coug Day at the Capitol:
Our ASWSUTC Director of Legislative Affairs, Remy Plate, was the chair of the Student Government Council Legislative Committee. This committee is primarily charged with planning the WSU System-wide event Coug Day at the Capitol. The impressive work of Remy, Andrea and Davina from Vancouver, Morgan and Sheridan from Global, and Brandy from Health Sciences shows how multi-system collaboration can be extremely beneficial to WSU students.

ASWSUTC Spring Executive Election:
We held our Spring 2020 Executive Election this semester to accomplish two things: (1) elect the 2020-2021 ASWSUTC President and Vice President, and (2) vote on the Safety and Transportation Fee Referendum. We had record turnout (over 19%) for both ballots in this election! Robin Kovis and Stephanie Warner won the Executive Ballot, and the Safety and Transportation Fee passed with an 80% approval rating. Kudos to our team for getting out the vote!

WASHINGTON STATE UNIVERSITY

Administrative Professional Advisory Council

March 13, 2020

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Administrative Professional Advisory Council Report

SUBMITTED BY: Stephanie Rink, Chair

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

1. APAC will hold elections this spring in the March and April time frame for new council members and a new executive team.
2. APAC council members will submit a summary of collected thoughts surrounding the draft strategic plan; what APAC thinks of the draft plan and how this plan will impact staff – positively and negatively.
3. Monday, February 17th APAC hosted a seminar on "Emotions and Politics" during Staff Appreciation Week. Due to the holiday, the seminar didn't draw a large audience as we hoped. However, the discussions were very engaging and interesting. Systemwide, we had 55 people attend.
4. Staff Appreciation Week was the week of February 17th which included seminars on the following topics: Emotions & Politics, Appreciation in the Flow of Work, Investing Beyond Your Retirement Account, Holding Difficult Conversations, and Smart Health. The seminars have been well attended.
5. APAC will hold a spring seminar in coordination with the Carson College of Business. Jan Hargrave, a leading expert in behavioral authority and body language will present "Actions Speak Louder Than Words: Understanding Nonverbal Communication".
6. For the first time, APAC has a council member representing our extension staff. We are very proud of the strides we have made representing all sites where there may not be an actual campus and extension staff are attending our events via Zoom. We are proud of this partnership and hope it can continue to grow.
7. APAC continues to have a voice on several university committees and councils including the Fiscal Health Advisory Committee, the Strategic Planning and Institutional Effectiveness Council, and The Commission on the Status of Women, among others.
8. APAC continues monthly council meetings where all APs are encouraged to attend, and VPs and upper administration are asked to present on initiatives and updates throughout the year. APAC Executive Leadership will continue to meet with President Schulz monthly.

March 13, 2020

TO: ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Alumni Association Progress Report

SUBMITTED BY: Jane Yung, WSUAA President 2019-20
Tim Pavish, WSUAA Executive Director

WSUAA Impact Study Next Steps
Following the presentation of the study's results to President Schulz by Lisa Calvert and Bob Burdenski, the WSUAA was cleared to implement the study's recommended actions. The study helped the WSUAA to assess strengths to be enhanced, weaknesses to be improved, and new opportunities for meaningful programming and engagement. Strategic workgroups with members drawn from the WSU Foundation, WSUAA, the WSU system community, and alumni were formed to begin implementing the recommendations. More news on our progress to come.

Events & Activities Review
For the WSUAA, 2019 was a year filled with success, excitement, and achievement. During the 2018-19 academic year, the highest-recorded total of 39,674 alumni and friends of WSU gathered at 966 WSUAA events. Kudos to the WSUAA staff and the Association's army of volunteers across the country.

All six of the international gold-medal winning *Feast* dinners sold out in record time last fall. (The 12th straight year *The Feast* has sold out.) These exquisite four-course dinners feature WSU-sourced fare prepared by talented HBM students and exceptional wines from a Wine-By-Cougars winery. *The Feast* is the result of a partnership among the WSUAA, its Wine-By-Cougars Wine Club, the Carson College of Business and its School of Hospitality Business Management, the Jordan Schnitzer Museum of Art/WSU, the Cougar Marching Band, and the School of Music.

The WSUAA Fall Leadership Conference took place over Homecoming weekend, October 17-19. In addition to voting in new WSUAA vice president Shelly Spangler, the Leadership Conference included special guest speakers Regent Scott Carson, President Kirk Schulz, and WSUV Chancellor Mel Netzhammer. Homecoming weekend also featured the WSUAA Student Alumni Ambassadors' annual Bonfire and Pep Rally and the exclusive Platinum Life and Life Member Reception. The reception attracted over 400 Platinum Life and Life Members to the Lewis Alumni Centre.

The WSUAA conducted five PreGame events last fall in conjunction with WSU Athletics. The events took place before the football games with Houston, Utah, Arizona State, Cal, and the Cheez-It Bowl in Phoenix. For the first time ever, the WSUAA executed three PreGames that averaged over 1,500 attendees each, including 2,000 fans at the Cheez-It Bowl event.

Scholarships
The WSUAA scholarship application process closed on January 31 for students in the upcoming 2020-21 academic year. Scholarships are powered by membership, generous donations, and the Cougar license-plate program. In 2019, $656,450 in scholarships were awarded across WSU through the license-plate program alone! The crimson WSU plate continues to be the #1 specialty plate in the state of Washington, with 23,072 currently on the road.

Cultivating Cougar Careers

To engage and assist recent graduates as they enter (or re-enter) the job market after college, the WSUAA's expanded career support services specifically aim at assisting Cougs post-graduation. *Better Budgeting for Cougs* events – powered by a partnership with BECU – include programming on managing a budget, paying off student loans, tips for purchasing a house, and other pertinent topics. The WSUAA's *Cougar Career Academy*, a series of online workshops, is designed to provide graduates with some of the necessary tools for career success by connecting them with career-development professionals and field experts. Finally, the WSUAA's *Women's Leadership Summit*, in Seattle on May 6, will focus on sharing the life and career experiences of guest speakers to help WSU alumnae achieve success in their chosen professions. First Lady Dr. Noel Schulz will be a keynote speaker, joined by WSUAA President Jane Yung and other highly talented alumnae to guide Cougs on their path to career success.

The WSUAA – Investing in the Future

ACTION ITEM #1

Establish the School of Information (iSchool)
(Bryan K. Slinker)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Establishment of the School of Information

PROPOSED: That the Board of Regents establish the School of Information

SUBMITTED BY: Bryan K. Slinker, Interim Provost and Executive Vice President

SUPPORTING INFORMATION: The College of Arts and Sciences proposes the establishment of the School of Information (iSchool). The iSchool aims to unite integrative research, teaching and service oriented programs, personnel and pedagogical approaches and to educate the next generation of data-savvy, culturally aware, creative thinkers. The development of such a school would mirror similar recent developments at universities including, among the most prominent, University of California - Berkeley, MIT, and Cornell. What these new interdisciplinary programs have in common is their commitment to the cross-pollination of ideas, diverse faculty, and interdisciplinary knowledge to fuel innovative and sustainable research driven by community engagement and industry need.

Inspired by these developing programs and grounded in WSU's rich tradition of research driven by and through outreach and engagement, the iSchool will establish a collision-rich, silo-free educational and research environment that encourages deep thought and interaction between faculty, students, industry leaders, and community groups. WSU's ongoing commitment to our land-grant tradition and the university's long-term engagement with state and regional industries, provides the necessary foundation to connect the skills that today's industry leaders are looking for with the ideals of providing an inclusive, diverse and equitable educational structure that fosters creativity, collaboration, and curiosity to solve local problems with global solutions.

In addition to offering existing degree programs in Data Analytics (DA) and Digital Technology and Culture (DTC), the iSchool will be

positioned to develop new interdisciplinary degree programs as well as minors and certificates that include an emphasis on data visualization, statistical learning, artificial intelligence, user experience, creative coding, and integrative design. Growing organically from the core offerings in DA and DTC, the iSchool will build a curriculum that values integrative approaches, collaborative frameworks, and practical skill building through innovative, critical, and creative outputs. Ultimately, the iSchool will become a hub for both affiliated faculty and students across degree programs to unite through research agendas, open lab settings, and classrooms all geared to generate new knowledge and durable learning with wide-reaching benefits.

The complete proposal for the School of Information is attached. This proposal was reviewed carefully and has support from the Provost's Office. This proposal was recommended by the Faculty Senate's Steering Committee and Faculty Affairs Committee on September 19, 2019.

ACTION ITEM #1

FY2021 Housing and Dining Rates
(Mary Jo Gonzales/ Terry Boston)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2021 Housing and Dining Rates

PROPOSED: That the Board of Regents approve an increase in the Housing and Dining Rates not to exceed the following percentage from the FY2020 Rates.

Residence Halls:
2.5% ($285) of the total weighted average for room and board (weighted average of a double room and level 2 dining plan).

Apartments:
2.0% of the total weighted average for Single Student Apartment (SSA) rates.
1.0% of the total weighted average for Family apartment rates.

SUBMITTED BY: Terry Boston, Acting Vice President for Student Affairs

SUPPORTING INFORMATION: The Housing and Dining System is a self-sustaining auxiliary unit that requires establishing room and board rates that are sufficient to meet bond covenants and support the University's strategic goals.

The Housing and Dining Advisory Board is comprised of student representatives from the Resident Hall Association (RHA), Associated Students of Washington State University (ASWSU), Graduate and Professional Students Association (GPSA), as well as representatives from the Budget Office, Finance & Administration, and Student Affairs.

The Advisory Board met throughout the fall and part of spring semester to review current operations and discuss operational changes anticipated for next year. The Advisory Board toured various facilities within the system and were

provided notebooks containing detailed budget information, organizational charts and system goals for the long-range housing plans. The rate increase recommendations are based on student input, economic projections and system demands (see supporting information). The proposed increases received unanimous support from the Advisory Board. Pending Regent's approval, the new rates will be effective for fall semester 2020.

The Advisory Board is very conscious of the impact that cost increases have on college affordability for students. Inquiries with other Washington higher education institutions indicate that plans to increase housing rates for fall 2020 range between 4-6%.

The Advisory Board is comprised of seven student representatives* and six administrators as outlined below.

Representative:	**Area:**
Alyssa Cove*	RHA Representative
Brad Doering*	Apartment Coordinator
Michael Faust *	GPSA Representative
Kevin Kissinger*	Resident Technology Advisor
Jhordin Prescott*	ASWSU Vice President
Noah Sanchez*	Resident Advisor
Patrick Summit*	Assistant Hall Director
Cyndi Arbour	Facilities Services
Terry Boston	Student Affairs
Sean Greene	Housing & Dining Services
Edwin Hamada	Residence Life & Housing
Gail Nash	Finance/Budget Manager
Kelly Westhoff	Budget Director

WSU Housing and Dining System
Resident Hall, Dining and Apartment Rate Proposal
2020-2021 Academic Year

Occupancy trends, Fall Census Day (10th day after classes start)

	Residence Halls	Single Student Apartments		Family Apartments	
2016	5,191	829*	97%	867	97%
2017	5,372	891*	95%	865	97%
2018	5,818	914	97%	850	94%
2019	5,726	908	97%	824	91%
2020 (projected)	5,744	908	97%	829	92%
*Chief Joseph Units varied due to construction and renovation					

Revenue Assumptions
4,200 targeted freshmen class

Expense Assumptions

- 2.2% cost of living increase for employees per legislature approval
- 7.5% increase for temporary and student employees due to minimum wage increase
- 2.0% increase in food costs
- 3.4% net increase in employee benefits.
- 5.0% increase in utility costs
- 2.5% increase in perquisites
- 2.0% increase inflation on supplies and services

Target $2.0 million for major repairs and equipment

Recommended Increases
Apartments

Single Student apartments	increase 2.0%
Family Housing	increase 1.0%

Residence Halls Room and Board

	2019-20	2020-21	Increase	% Increase
Weighted Average Residence Hall Double Room	$7,019	$7,254	$235	3.3%
Dining Plan, Level 2	4,300	4,350	50	1.2%
Total*	$11,319	$11,604	$285	2.5%
*Total is the sum of weighted average double room and level 2 dining plan.				

ACTION ITEM #2
FY2020 Athletics Budget Update
Expenditure Transfer Approval
(Stacy Pearson/Pat Chun)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: FY2020 Athletic Budget Update and Expenditure Transfer Approval

PROPOSED: That the Washington State University Board of Regents approve Athletics expenditure transfers related to the 2020 football coach transition in accordance with SSB6493, even though net impact to the FY2020 budget of the additional revenues and expenditures is zero.

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

SUPPORTING INFORMATION: Washington State University has implemented a fiscal recovery plan for WSU Athletics to achieve an operating breakeven position by FY2023. This plan also ensures that WSU is fully compliant with RCW 28B.15.120 (Board of trustees or regents—annual budget requirements), which requires certain actions of state college and university boards related to the budgets of intercollegiate athletics programs.

The statute requires that the WSU Board of Regents specifically approve, in an open public meeting, any expenditure over two hundred fifty thousand dollars that was not included in the approved annual budget, in an open public meeting. While this legislation requires that these expenditures be approved in advance, it also allows for the approval to occur at the next regularly scheduled board meeting after the expenditure if the expenditure is: (a) Time sensitive and the net fiscal impact of the expenditure results in a direct revenue gain to the program.

In January 2020, WSU hired Nick Rolovich as the head coach of the WSU football program. As is standard practice in this type of transition, WSU committed to cover the buyout of Coach Rolovich's contract with the University of Hawaii. This buyout exceeded the $250,000 threshold outlined in SSB6493 which requires BOR approval.

WSU also incurred additional costs to hire the new coach and for

the transition of the football staffs. However, none of the additional costs individually exceeded the $250,000 approval limit. Further, the full cost of the transition, approximately $1.6 million, is covered in the budget as outlined below.

The additional costs include; (a) paying the contractual obligations for the remaining staff members, (b) relocation expenses for the new staff coming to Pullman, (c) search expenses, (d) office and equipment changes, (e) increases in recruiting and (f) other normal transition expenses. These costs are covered by the $2.25 million buyout, which is due to WSU per the terms in Coach Leach's contract. In addition, the impact of the lower bowl payout is also included in this update and covered by the contract buyout revenues.

The net impact to the FY2020 budget of the additional revenues and expenditures is zero and is reflected in Attachment B.

ATTACHMENTS: Attachment A: Athletics Five Year Annual Operating Budgets Approved by the WSU Regents FY2020-2024

Attachment B: January 2020 Update to the FY2020 Approved Operating Budget with Revenue and Expenditure Impacts for the Football Coaching Transition.

Washington State University
Athletics Budget - Projected

	FY2020	FY2021	Projected FY2022	FY2023	FY2024
REVENUES:					
01 - Ticket Sales	8.6	10.7	11.0	12.0	11.1
02 - Direct State/Gov Support	-	-	-	-	-
03 - Student Fees	1.5	1.4	1.4	1.4	1.3
04 - Direct Inst. Support	3.7	3.8	3.9	4.0	4.1
05 - Less Xfer to Inst.	-	-	-	-	-
06 - Indirect Inst. Support	0.4	0.4	0.4	0.4	0.5
06A - Debt Service, Lease, Rentals	-	-	-	-	-
07 - Guarantee Revenue	0.1	0.2	-	0.3	0.3
08 - Contributions	11.1	11.7	11.5	12.0	11.6
09 - In-Kind	1.6	1.6	1.6	1.6	1.6
10 - 3rd Party Compensation	-	-	-	-	-
11 - Media Rights	21.9	23.0	24.2	25.5	26.7
12 - NCAA Distribution	1.5	1.6	1.6	1.7	1.7
13 - Conference Distribution	12.1	12.1	12.8	13.0	13.3
14 - Program/Concessions etc.	1.1	1.5	1.6	1.7	1.8
15 - Royalties/Advert. etc.	3.2	4.5	5.0	5.2	5.3
16 - Sport Camp Revenue	0.3	0.3	0.3	0.3	0.3
17 - Endowments	0.6	0.7	0.7	0.7	0.7
18 - Other Revenue	2.0	2.4	2.5	2.5	2.5
19 - Bowl Revenue	2.6	2.7	2.8	2.9	3.0
Total Revenue	72.5	78.9	81.4	85.3	85.9
EXPENSES:					
20 - Athletic Aid	11.0	11.7	12.0	12.2	12.5
21 - Guarantee Expense	1.8	1.3	1.8	1.6	1.5
22 - Coaches Comp: WSU	14.3	15.4	14.8	14.9	14.9
23 - Coaches Comp: 3rd Party	-	-	-	-	-
24 - Admin Comp: WSU	15.1	15.3	15.5	15.8	16.0
25 - Admin Comp: 3rd Party	-	-	-	-	-
26 - Severence	2.0	1.7	1.3	-	-
27 - Recruiting	1.5	1.6	1.6	1.7	1.7
28 - Team Travel	4.7	4.7	4.8	5.0	5.2
29 - Equipment	2.2	2.3	2.3	2.5	2.7
30 - Game Expenses	2.5	2.7	2.7	2.8	2.6
31 - Fund Raising/Marketing	2.4	2.5	2.6	2.7	2.7
32 - Sport Camp Expense	0.3	0.3	0.3	0.3	-
33 - Spirit Groups	0.2	0.2	0.2	0.2	0.2
34 - Facilities: Debt/Lease/Rental	9.6	10.0	10.0	10.0	10.0
35 - Direct Admin Expense	2.0	2.1	2.1	2.2	2.2
36 - Indirect Inst. Support	0.4	0.4	0.4	0.4	-
37 - Medical/Insurance	0.9	0.9	0.9	1.0	1.0
38 - Dues & Memberships	2.4	2.5	2.6	2.7	2.8
39 - Student-Athlete meals	1.0	1.0	1.0	1.0	1.0
40 - Other Expense	4.7	4.6	4.7	4.8	4.9
41 - Bowl Expenses	2.1	2.2	2.3	2.4	2.5
41A - Coaches Bowl Bonuses	0.5	0.5	0.5	0.5	0.5
Total Expenses	81.7	83.9	84.6	84.7	85.3
Net Income from Operations	(9.3)	(5.0)	(3.2)	0.5	0.5
56-Capitalized Expenses	6.7	0.3	0.0	-	-
Net Income after Capitalized Epenses	(16.0)	(5.3)	(3.2)	0.5	0.5
Accumulated Deficit	(92.8)	(98.1)	(101.3)	(100.8)	(100.28)
Accumulated Deficit					

Attachment B

Washington State University
Athletics Budget - FY2020 Budget Update

	FY2020	Jan Update		
REVENUES:				
01 - Ticket Sales	8.6	8.6	-	
02 - Direct State/Gov Support	-	-	-	
03 - Student Fees	1.5	1.5	-	
04 - Direct Inst. Support	3.7	3.7	-	
05 - Less Xfer to Inst.	-	-	-	
06 - Indirect Inst. Support	0.4	0.4	-	
06A - Debt Service, Lease, Rentals	-	-	-	
07 - Guarantee Revenue	0.1	0.1	-	
08 - Contributions	11.1	11.1	(0.0)	
09 - In-Kind	1.6	1.6	-	
10 - 3rd Party Compensation	-	-	-	
11 - Media Rights	21.9	21.9	-	
12 - NCAA Distribution	1.5	1.5	-	
13 - Conference Distribution	12.1	12.2	0.1	Audit surplus from Pac-12
14 - Program/Concessions etc.	1.1	1.1	-	
15 - Royalties/Advert. etc.	3.2	3.2	-	
16 - Sport Camp Revenue	0.3	0.3	-	
17 - Endowments	0.6	0.6	-	
18 - Other Revenue	2.0	4.2	2.3	Leach buyout
19 - Bowl Revenue	2.6	1.4	(1.2)	Lower Bowl payout
Total Revenue	72.5	73.6	1.1	
EXPENSES:				
20 - Athletic Aid	11.0	11.0	-	
21 - Guarantee Expense	1.8	1.9	0.0	
22 - Coaches Comp: WSU	14.3	14.3	-	

23 - Coaches Comp: 3rd Party	-	-	-	
24 - Admin Comp: WSU	15.1	15.1	0.0	
25 - Admin Comp: 3rd Party	-	-	-	
26 - Severence	2.0	3.1	1.1	Severence for FB staff not retained
27 - Recruiting	1.5	1.5	-	
28 - Team Travel	4.7	4.8	0.1	
29 - Equipment	2.2	2.2	-	
30 - Game Expenses	2.5	2.5	-	
31 - Fund Raising/Marketing	2.4	2.4	-	
32 - Sport Camp Expense	0.3	0.3	-	
33 - Spirit Groups	0.2	0.2	-	
34 - Facilities: Debt/Lease/Rental	9.6	9.6	-	
35 - Direct Admin Expense	2.0	2.0	-	
36 - Indirect Inst. Support	0.4	0.4	-	
37 - Medical/Insurance	0.9	0.9	-	
38 - Dues & Memberships	2.4	2.4	-	
39 - Student-Athlete meals	1.0	1.0	-	
40 - Other Expense	4.7	5.2	0.5	Coach transition - moving exp & transition cost
41 - Bowl Expenses	2.1	1.5	(0.6)	Savings on bowl expenses
41A - Coaches Bowl Bonuses	0.5	0.5	-	
Total Expenses	81.7	82.9	1.1	
Net Income from Operations	(9.3)	(9.3)	0.0	
56-Capitalized Expenses	6.7	6.7		
Net Income after Capitalized Epenses	(16.0)	(16.0)		
Accumulated Deficit	(92.8)	(92.8)		

Cheez-It Bowl summary: The Cheez-It bowl has a very low payout compared to other Pac-12 affiliated bowls. The pay out was $1.2M less than the Alamo Bowl (WSU bowl from FY19). Bowl expenses were reduced by more than $400,000 by minimizing travel costs and other efforts.

ACTION ITEM #3

Pacific Northwest University of Health Sciences (PNWU) Lease
for Nursing Program in Yakima
(Stacy Pearson/Daryll DeWald)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: PNWU Lease for Nursing Program in Yakima

PROPOSED: That the Board of Regents authorize a ten (10) year Office/Classroom Lease on the PNWU campus in Yakima, WA, and delegate authority to the President or his designee to enter into any and all documents necessary to complete the execution of said Lease.

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

SUPPORTING INFORMATION: The College of Nursing (CON) currently occupies approximately 13,200 gross sq. ft. of office space on the Yakima Valley Community College campus located at W Nob Hill Blvd. and S 16th Ave., Yakima, WA. The CON has an opportunity to relocate onto the Pacific Northwest University of Health Sciences (PNWU) campus (the same location as the WSU College of Pharmacy), which is becoming the Health Sciences hub of that region. This would provide significantly better space long-term for nursing's educational program in Yakima. The initial term of the lease, if approved, is ten (10) years. Final negotiations with PNWU are ongoing, but the estimated total amount of rent and payment for services for the ten-year term will be approximately $6,500,000. The WSU Spokane Health Sciences Campus and the CON will adjust their annual operating budgets to cover this new annual cost. CON's plan to grow enrollments (See Attachment B) is intended to be one source of revenue for this purpose.

The new space on the PNWU campus consists of approximately 17,800 gross square feet and includes furniture, utilities, parking, and other services and amenities. Importantly, colocation with PNWU and the Nursing and Pharmacy programs allows for greater collaboration and interprofessional development. This environment

is fertile for expansion of the undergraduate (R.N., B.S.N and D.N.P. and professional Doctor of Nursing practice nursing degree programs; therefore, plans have been formulated and are in the process of being implemented. Expansion will provide greater impact and revenue for the WSU College of Nursing and WSU.

Yakima is an important site regionally for health sciences education and health care delivery, and the health sciences college faculty have many educational and research ties to collaborators in the region. WSU Tri-Cities and WSU Vancouver also have interest and engagement with WSU Yakima programs. This request is for the approval of a lease agreement between WSU Health Sciences and PNWU on behalf of the College of Nursing. Currently, the College of Pharmacy and Pharmaceutical Sciences has a five-year lease agreement with PNWU.

Additional key terms and dates for the new Lease with PNWU are outlined in the Memo from WSU Health Sciences to PNWU (Attachment A). The CON's 5-Year Strategic Plan for Growth is provided in Attachment B. Nursing expansion in Yakima and across the state will be facilitated and enhanced by having the CON located on the PNWU campus because of the improved quality of facilities and expanded opportunities for interprofessional education.

ATTACHMENTS: Attachment A – WSU Heath Sciences Memo
Attachment B – College of Nursing's 5-Year Strategic Plan for Growth

BOARD OF REGENTS

Pacific Northwest University of Health Sciences (PNWU) Lease
for Nursing Program in Yakima

Resolution #200313-622

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

RESOLVED: That the Board of Regents authorize a ten (10) year Office/Classroom Lease on the PNWU campus in Yakima, WA, and delegate authority to the President or his designee to enter into any and all documents necessary to complete the execution of said Lease.

Dated this 13th day of March, 2020.

_____
Chair, Board of Regents

_____
Secretary, Board of Regents

Attachment A

WASHINGTON STATE UNIVERSITY
HEALTH SCIENCES
SPOKANE

Office of
the Vice President/Chancellor

MEMORANDUM

TO: Michael Lawler, President, Pacific Northwest University of Health Sciences
Ed Bilsky, Provost and Chief Academic Officer, Pacific Northwest University of Health Sciences

FROM: Daryll DeWald, Vice President & Chancellor Washington State University Health Sciences
Stacy Pearson, Vice President for Finance & Administration, Washington State University

DATE: January 24, 2020

SUBJECT: WSU Nursing Relocation to PNWU Yakima Campus

This memorandum serves as official notice that WSU Health Sciences (WSU) plans to relocate its College of Nursing program located on the Yakima Valley College (YVC) campus to the Pacific Northwest University of Health Sciences (PNWU) campus.

The planned date to relocate WSU's nursing program to PNWU's campus is late Spring of 2020. To meet this timeline, WSU and PNWU will need to act diligently and in good faith to finalize a mutually acceptable written agreement by March 15, 2020. The agreement will need to include certain WSU standard contract terms and conditions for an arrangement of this size and complexity. The agreement must also comply with all WSU policies and applicable laws for public institutions of higher education.

As WSU is terminating its current lease with YVC and relocating its nursing program to PNWU's campus, the space WSU will be occupying on the PNWU's campus needs to be move-in ready. Important terms that will need to be incorporated into the lease agreement to ensure WSU can continue to offer educational and administrative services to its nursing students during this relocation include the following:

Intent to locate into approximately 10,694 Net Assigned Square Feet (NASF) in the Project NEXT Building

Planned date of relocation: Late Spring 2020

Planned initiation of lease agreement: July 1, 2020

Duration of the Lease will be 10 years

412 E. Spokane Falls Blvd, Spokane, WA 99202-2131
509-358-7550 | Fax: 509-358-7505

Approximate cost of the lease will be around $600,000 per year, which will include space and utilities, furniture and certain services or amenities that are consistent with the draft Cooperative Agreement between WSU and PNWU. Other services not subject to the base fee may be negotiated by the parties such as those stated in the draft Cooperative Agreement between WSU and PNWU.

Finalizing the space arrangements will also require defining the simulation capabilities and spaces, classrooms, and office designation of designated (for WSU Nursing) and shared space (with PNWU and WSU Pharmacy) and who is responsible for completion and maintenance of the different facilities.

WSU also commits to work in good faith and develop secondary agreements, where appropriate, with PNWU to define costs and services for PNWU-occupied WSU Spokane-leased space, WSU IRB serving PNWU, WSU EHS serving PNWU, and WSU instructional collaboration.

Attachment B

5 Year Strategic Plan For Growth

Nursing is Poised For Growth

College of Nursing

Strategies:

- Statewide Demand – Expand enrollments in all fields of nursing to address critical shortage of nurses in the state of Washington
- Offensive – Minimize impact of other programs from getting established/growing
- Defensive – Maintain control of programs

Conclusion:

- Need to implement incentive for College of Nursing by remodeling the budget so that they receive net tuition and can make strategic investments to grow programs

College of Nursing

History of Nursing Net Tuition

Net Tuition by Campus	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Pullman (from Spokane/Yakima) - Grad	627,413	707,653	804,876	815,557	922,285	3,877,783
Pullman (from Spokane/Yakima) - UG	4,838,879	4,482,973	4,092,430	4,261,097	4,406,239	22,081,618
Spokane/Yakima - UG - > EBB	84,000	43,867	39,067	48,400	-	215,333
Tri-Cities - Grad	57,872	119,654	222,134	234,720	190,689	825,068
Tri-Cities - UG	982,928	985,113	993,922	870,456	732,621	4,565,040
Vancouver - Grad	1,010,389	1,194,072	922,797	1,134,629	1,168,116	5,430,003
Vancouver - UG	566,312	567,290	662,611	682,591	756,754	3,235,557
Total	8,167,793	8,100,621	7,737,837	8,047,450	8,176,703	40,230,403

The College of Nursing has generated $40M in net tuition system-wide over the past five years, $26M to Pullman, $5M to Tri-Cities, and $9M to Vancouver

Current Tuition for:
Undergrad - $10,290
Grad - $17,816

College of Nursing

Forecasted RN-BSN Program Headcount by Location

RN-BSN	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup						
Spokane	37	40	50	60	60	60
Tri-Cities	11	10	15	15	20	20
Vancouver	153	155	160	160	160	160
Walla Walla	7	10	15	15	20	20
Yakima	9	8	15	20	20	20
Everett						
RN-BSN - Total	217	223	255	270	280	280

Strategies:

- **Expand to Everett** for students in the northern corridor. Currently students who live in the northern corridor must drive to Vancouver. We have an opportunity to expand our presence in Everett.
- The RN-BSN program has an opportunity to **create a dual enrollment program** where *community college students who are accepted in the Associate Degree program could apply to WSU to complete the Associate Degree and BSN at the same time*. Clark College and Spokane Community College are exploring with WSU a statewide option for students. If we were to offer this option statewide it will vastly increase our RN-BSN numbers.
- **Moving online.** A very complicated multi-campus issue. The dual enrollment program to be fully online. The RN-BSN is **currently revising the curriculum to decrease the clinical hours**. This change will focus on practice hours with a specific focus (research, policy, population health and leadership). Our community stakeholders (Kaiser) want a population health/nurse care manager course. We have built that into our new curriculum to prepare students to manage complex populations.
- **Hire a full-time advisor/program coordinator**. We currently need to increase our presence statewide. Our competitors have better presence, swag and marketing strategies. We propose hiring a staff member to work strategically with our community college partners to work on innovative ways to gets students to chose WSU. This person would collaboratively work with the campus advisor to create a growth-oriented strategic plan.
- **Explore new program development.** RN to DNP/PhD, RN to MBA/MSN

College of Nursing

Forecasted Pre-Licensure (BSN) Program Headcount by Location

Pre-Licensure	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup						
Spokane	351	360	360	360	360	368
Tri-Cities	79	96	96	96	104	112
Vancouver						
Walla Walla						
Yakima	92	96	96	104	112	120
Everett						
Pre-Licensure - Total	522	552	552	560	576	600

Strategies:

- **Expand Prelicensure enrollment on Yakima & Tri-Cities**: Possible expansions that may be responsive to need would be to expand the Yakima and Tri-Cities campuses by 1 section (8 students) over the next two years. Yakima campus would be the most reasonable campus to increase in 2020-2021, enjoying the more stable faculty. The Tri-Cities campus has traditionally had large faculty and leadership turnover, but also has a great nursing need. With appropriate support, Tri-Cities could potentially add a new section (8 students) in 2021- 2022.
- **Expansion of Spokane capacity:** Could be accomplished by expanding the Spokane site by 1 section AFTER the "teach out" of the new curriculum is complete, in 2022. A new section of 8 students could be supported in 2022 – 2023. The addition of each new section would be anticipated to result in at least 0.5 clinical faculty and 0.25 didactic faculty increase per term for a total of 3 new faculty FTE for each new section on each campus.
- **Change the program on all campuses to Year Round BSN Program**: The existing BSN program does not offer courses in the summer. This results in Fall admission students "sitting out" one summer between their 2nd and third terms, and Spring admission students sitting out two summers between their 1st and 2nd and 3rd and 4th terms. *This proposal would be to change the program to year round, best deployed with the new curriculum.* Admission would be twice per year, in the spring and fall, with an increase in the enrollment to 100 on the Spokane campus (2 additional sections) in addition to expansion on the TC and Yakima campus would result in 32 additional enrolled annually across the campuses. The new curriculum decreases clinical hours but increases the didactic faculty need. This program would result in the graduation of 150-155 students each cycle, with 300 graduates over two years, up from the existing 250 per year. Admissions would be the same as above, but with students graduating after 4 terms, rather than 5 or 6 total terms, accelerating the number of graduates.

College of Nursing

Forecasted MN PH Program Headcount by Location

MN PH	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup	2	2	5	7	20	30
Spokane	5	5	5	13	40	45
Tri-Cities	3	3	5	12	20	25
Vancouver	20	20	10	35	40	50
Walla Walla	1	1	2	5	10	15
Yakima			5	5	15	20
Everett				5	10	15
MN - Total	31	31	32	82	155	200

Strategies:

- To expand by Fall 2021, target admissions in Central Washington (Yakima and Tri-Cities) & Eastern WA (Spokane):
- The MN PH program is developing more visibility for the three Graduate Certificates: Nursing Education, Nursing Leadership and Public Health. While the majority of students are completing the certificates within their primary graduate degree programs (MN PH, DNP, PhD), growth is feasible in non-matriculated tracks for post BSN/post MN-RN applicants seeking the Public health certificate.
- Another avenue for program expansion is through the RN-MN pathway for RN applicants (RN-B program) with a BA/BS in another degree and a prelicensure RN-MN pathway for BSN students with a BA/BS in another degree.

College of Nursing

Forecasted DNP Program Headcount by Location

DNP	FY19	FY20	FY21	FY22	FY23	FY24
Puyallup	46	35	35	35	35	35
Spokane	60	55	55	55	55	55
Tri-Cities	18	16	30	18	18	24
Vancouver	53	60	60	60	60	60
Walla Walla	5	3				
Yakima	6	4	16	18	18	24
Everett				30	30	42
DNP - Total	188	173	196	216	216	240

Positioned for success:

There were just 31 students enrolled in 2012, the program's first year, versus 173 in the 2019-20 academic year. The college closed the MN Advanced Degree option in fall 2019 which will account for more students in the DNP program. Additionally:

- A plan developed by WSU and the Kadlec Foundation in 2019 promises to boost DNP enrollments in the Tri-Cities. Those graduates will create a larger pool of potential faculty to support growth of the Yakima program.
- Yakima DNP enrollment will be enhanced by the move of the program to PNWU. The more modern facilities will:
  - Attract new DNP faculty and students
  - Expand opportunities for learning via high-fidelity simulation
  - Provide better technological support for hybrid delivery of distance education
  - Enable students to engage in interprofessional education activities with PNWU students, preparing better clinical practitioners and educators, and begin opportunities for nursing faculty to serve as Affiliate faculty at PNWU.

Forecast of Nursing Net Tuition

System Wide Headcount						
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
DNP	188	173	196	216	216	240
MN PH	31	31	32	82	155	200
RN-BSN	217	223	255	270	280	280
Pre-Licensure	522	552	552	560	576	600
Conversion to AAFTE						
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
DNP	132	121	137	151	151	168
MN PH	22	22	22	57	109	140
RN-BSN	239	245	281	297	308	308
Pre-Licensure	574	607	607	616	634	660
Projected Revenue (At FY19 Tuition)						
Average Net Tuition - UG		9,300				
Average Net Tuition - Grad		15,000				
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
DNP	$ 1,974,000	$ 1,816,500	$ 2,058,000	$ 2,268,000	$ 2,268,000	$ 2,520,000
MN PH	$ 325,500	$ 325,500	$ 336,000	$ 861,000	$ 1,627,500	$ 2,100,000
RN-BSN	$ 2,219,910	$ 2,281,290	$ 2,608,650	$ 2,762,100	$ 2,864,400	$ 2,864,400
Pre-Licensure	$ 5,340,060	$ 5,646,960	$ 5,646,960	$ 5,728,800	$ 5,892,480	$ 6,138,000
Total	$ 9,859,470	$ 10,070,250	$ 10,649,610	$ 11,619,900	$ 12,652,380	$ 13,622,400
Incremental Revenue Over FY19		$ 210,780	$ 790,140	$ 1,760,430	$ 2,792,910	$ 3,762,930
PNWU Investment		$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000
Net (Deficit)/Surplus		$ (439,220)	$ 140,140	$ 1,110,430	$ 2,142,910	$ 3,112,930
Cumulative (Deficit)/Surplus		$ (439,220)	$ (299,080)	$ 811,350	$ 2,954,260	$ 6,067,190

Summary

Summary:

- The College of Nursing historically and currently has been/is the largest nursing program in the state of Washington and our plan to expand enrollment in all program tracks (RN-to-BSN, BSN, MN-Population Health, DNP, and PhD) is designed to keep us as the acknowledged leader in nursing education in the state.
- Our expansion plan involves engaging in formal partnerships with large hospital care facilities across the state (Premera, Kadlec, MultiCare, Veterans, Kootenai, Kaiser-Permanente, PNWU) to name a few.
- We believe the plan is a reasonable estimate of enrollment over the next five years.
- To achieve success, we will need funding to increase the number of qualified faculty to teach and conduct clinical supervision, additional staff to run the daily operations, and the capacity to open new clinical placements for students across the state, including rural placements.
- The dire need for the Spokane campus to receive tuition reimbursement is central to our expansion plans as is the need for a nursing financial model that works for all campuses.
- We are optimistic we will find a way forward together and we look forward to growing in conjunction with our health sciences partners located state-wide.

ACTION ITEM #4

Proposed Changes to the President's Delegations of Authority (Stacy Pearson)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Changes to the President's Delegations of Authority

PROPOSED: That the Board of Regents approve the following changes to the President's Delegated Authority:

- Increase the threshold amount for required approval by the Board of Regents from $2,500,000 to $5,000,000 for general business and financial affairs.

- Increase the real estate transaction threshold amount for required approval by Regents from $1,000,000 to $5,000,000.

- Increase the capital construction projects threshold amount for required approval by Regents from $1,000,000 to $5,000,000, for all projects, regardless of funding source.

  Provided, however, that the Board of Regents receive a written update at the subsequent, regular meeting of the Board, of all transactions executed under this delegation of authority that fall between $1,000,000 and $5,000,000; and

  Provided further, that the President will advise the Chair of the Board of Regents when transactions are completed that exceed the current delegated authority limits.

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

SUPPORTING INFORMATION: Pursuant to RCW 28B.10.528, the Board of Regents is authorized to delegate to the President, or his designees, powers and duties vested in or imposed upon the Board by law to enable the President or his designee to act on behalf of the Board of Regents in matters relating to the administration and governance of the

University. Concerns have been raised regarding the existing limits in the delegation of authority adopted by Resolution #011005-143 dated October 5, 2001 including:

- **General Business and Financial Affairs:** Purchases of goods, equipment, supplies and materials do not generally involve major policy. The proposed $5,000,000 threshold amount will provide Purchasing Services with a more consistent threshold and enable more effective and efficient operations.

- **Real Estate:** Real estate transactions usually require a short turnaround time. The current approval process can take three to four months and is not conducive to timely real estate negotiations.

  Under the University's current threshold, all real estate transactions that exceed $1,000,000 require the approval of the Board of Regents, regardless of transaction type as generally illustrated in the table below:

Leases	Acquisitions	Dispositions	Easements
$1,000,000 over the term of the Lease, as landlord or tenant	$1,000,000	$1,000,000	$1,000,000

The University's threshold amounts are outdated and relatively low compared to other similar institutions. We propose an increase to the threshold for all University real estate transactions to $5,000,000, as illustrated below:

Leases	Acquisitions	Dispositions	Easements
$5,000,000 over the term of the Lease, as landlord or tenant	$5,000,000	$5,000,000	$5,000,000

The proposed $5,000,000 threshold amount will allow CREO (Contracts and Real Estate Office) to function more effectively and efficiently, which is critical when the University needs to work quickly to complete an acquisition or disposition, or to finalize a lease agreement.

- **Capital Projects:** Under the University's current threshold, all non-state funded capital projects that exceed $1,000,000 require the approval of the Board of Regents.

  The University's $1,000,000 delegation of authority for non-state funded capital projects is outdated and has been in place since the early 2000's. This delegation was most recently changed in 2013 to allow an increase to $5,000,000 for state funded projects

  The proposed $5,000,000 threshold amount provides Facilities Services a consistent threshold, allowing the unit to function more effectively and efficiently.

  The capital construction transaction threshold amount required for Board of Regents approval is proposed to increase as follows:

  For projects that have an estimated total cost of five (5) million dollars or less, the President or designee is delegated the authority to approve and execute contracts relating to the selection and appointment of architects, engineers, planners, and other professional consultants;

  - to approve and adopt schematic design plans;
  - to establish project budgets;
  - to award and execute construction contracts for new buildings, additions;
  - to reject any or all bids, and to rebid projects where determined to be appropriate;
  - to authorize the use of alternative public works procurement consistent with RCW 39.10

The Office of Finance and Administration will provide a written quarterly update to the Board of Regents for all transactions between $1,000,000 and $5,000,000.

The current delegated authority approvals that require the President to consult with the Chair of the Board of Regents for emergency expenditures that exceed the current delegated authority limits will be revised to include these new amounts.

ACTION ITEM #1

Proposed Amendments to WAC 504-26-110: Standards of Conduct for Students - Composition of Conduct Board (Mary Jo Gonzales/Terry Boston)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Amendments to WAC 504-26-110: Standards of Conduct for Students - Composition of Conduct Board

PROPOSED: That the Board of Regents approve the proposed amendments to WAC 504-26-110: Standards of Conduct for Students - Composition of Conduct Board

SUBMITTED BY: Terry Boston, Acting Vice President for Student Affairs

SUPPORTING INFORMATION: The University President has authority to adopt emergency rules, provided that a summary of any action taken is presented to the appropriate committee of the Board of Regents at the next regularly scheduled meeting. WAC 504-26-110 was previously amended by emergency rule and a summary was presented to the Board at the November 2019 meeting. This action item seeks to make that emergency rule permanent through the Board of Regents' authority under Chapter 28B.30 RCW and Chapter 34.05 RCW to adopt, amend, and repeal University regulations published in the Washington Administrative Code.

WAC 504-26-110 sets forth the composition of the University Conduct Board (see attached) for adjudicating student conduct matters where suspension or expulsion is a possible outcome. Delays in having timely hearing presents potential Title IX compliance concerns and may negatively impact both reporting and responding students awaiting a conduct board hearing. By reducing the number of conduct board members, delays in scheduling hearings will be significantly reduced.

The proposed changes were discussed with student leaders across the WSU system. They understood the negative impact that the delays were having on students and were generally supportive of the smaller boards, although some expressed concern with the reduction of student members required for each conduct board from three to one. It was conveyed that while only one would be required, whenever

possible the board would strive to keep the original vision of a strong student presence (majority students) while ensuring compliance with our institutional agreement from the U.S. Department of Education's Office of Civil Rights. Ultimately, student leaders understood the need for the emergency rule and supported the change.

During the time the emergency rule has been in place, the University Conduct Board eliminated the backlog of delayed cases and completed hearings in a more efficient and timely manner. On February 5, 2020, a public hearing was conducted to solicit public comments regarding the amendments (see attached). Generally, the comments in support noted that scheduling was easier, resulted in a reduction in the length of the hearings, and had little to no effect on the amount of student participation in the outcome. There were no comments opposing the amendments.

ATTACHMENT: Attachment A: Filed Report pursuant to RCW 34.05.325(4)

Attachment A

WASHINGTON STATE UNIVERSITY

Office of Procedures and Forms

MEMORANDUM

DATE: February 7, 2020

TO: Kirk H. Schulz
President

FROM: Deborah L. Bartlett
Rules Coordinator

SUBJECT: Amend *WAC* Chapter 504-26: Standards of Conduct for Students

This report is filed pursuant to RCW 34.05.325(4).

On February 5, 2020, a public hearing was conducted to solicit public comments regarding amendment of *WAC* Chapters 504-26: Standards of Conduct for Students. The proposed amendments are intended to modify, clarify, and update the University's standards of conduct for students. The proposed amendments decrease the number of student conduct board members from five to three and remove the option for storage of student firearms at the WSU police department. The rules regarding the composition of a conduct board are updated because the amount of time required for WSU to schedule and complete student conduct hearings with five conduct board members presents potential Title IX (of the Civil Rights Act) compliance concerns and may negatively impact both reporting and responding students awaiting a conduct hearing. Therefore, WSU proposes changes to WAC 504-26-110 to reduce the number of conduct board members required to hear a case. These changes will reduce the difficulty in scheduling cases for a hearing, reduce waiting times, and reduce the risk of noncompliance with Title IX's timely resolution requirements, while also promoting the well-being of reporting and responding students awaiting a conduct board hearing. WSU's student conduct code regarding firearms is updated to reflect the discontinuation of student firearm storage by the WSU Police Department. Recent amendments to RCW 9.41.345 made the university's firearms storage program unfeasible and thus the university discontinued the program. Accordingly, WAC 504-26-213 must be amended to reflect this change in university policy.

Four employees submitted written comments to the Office of Procedures, Records, and Forms, via the Office of Student Affairs, during the public comment period prior to the close of business on February 5, 2020. Two students made a statements at the public hearing. Copies of the written comments and a synopsis of the oral comments are attached to this memorandum.

Prior to the hearing, notice of opportunity to make public comment on this proposal, either verbally or in writing, was published on January 21, 2020 in the WSU Tri-Cities Currents newsletter; on January 27, 2020 in the WSU Insider, the WSU Spokane Announcements, the

PO Box 641225, Pullman, WA 99164-1225
509-335-2005 • Fax: 509-335-3969 • http://www.wsu.edu/~forms/index.html

WSU Everett weekly newsletter, and the WSU Vancouver employee and student e-mail newsletters; on January 28, 2020 in the online edition of the Daily Evergreen at WSU Pullman; and on January 29, 2020 in the print edition of the Daily Evergreen at WSU Pullman; and was duly submitted for publication on January 13, 2020 in the WSU Events Calendar. Notice was also published on January 15, 2020 on the WSU rule-making website, which is accessible by a direct link from the WSU home page. Each notice included notification of the time and place of the public hearing where oral comments could be provided and a request for written comments to be submitted no later than the close of business on February 5, 2020.

Other than the oral and written comments received from the individuals indicated above, no additional comments were received, oral or written, from the public regarding this proposal.

dlb

cc: Danielle Hess, Senior Assistant Attorney General, Attorney General's Office--WSU Division
Nathan Deen, Assistant Attorney General, Attorney General's Office--WSU Division
Karen Metzner, Assistant Director, Center for Community Standards
Steve Hansen, Associate Director, WSU Police Department
Bill Gardner, Associate Vice President and Executive Director, Public Safety
Jill Creighton, Associate Vice President, Office of Student Affairs and Dean of Students
Terry Boston, Acting Vice President, Office of Student Affairs
Vicky Murray, Executive Director, Office of Finance and Administration
Stacy Pearson, Vice President, Office of Finance and Administration
Desiree Jacobsen, Executive Assistant to the Board of Regents

Attachments: Written comments received during public commenting period ending February 5, 2020 regarding amendment of *WAC* Chapters 504-26: Standards of Conduct for Students

Synopsis of oral comments received from attendees at public hearing held February 5, 2020 regarding amendment of *WAC* Chapters 504-26: Standards of Conduct for Students

Copy of proposed amendment to *WAC* Chapters 504-26: Standards of Conduct for Students

University Conduct Board Statistics

MEMBERSHIP

Current Composition

- Active Roster
  - 13 Students, 11 Staff
- Inactive Roster – *Schedules did not work, requested semester off, or unresponsive to communications*
  - 22 Students, 3 Staff

Membership Changes Since June 1

- Added 16 total members
  - 14 students, 2 staff
- Lost 20 total members
  - 16 students, 4 staff

Current University Conduct Board Membership by Campus

- **Pullman** – 9 active staff, 13 active students, 1 inactive staff, 19 inactive students
- **Spokane** - 1 active staff, 1 inactive student
- **Tri-Cities** – 1 inactive student
- **Vancouver** – 1 inactive staff
- **Everett** – 1 inactive staff
- **Global** – 1 active staff, 1 inactive student

SCHEDULING FOR HEARINGS:

Before Emergency WAC 504-26-110

- Summer scheduling was challenging to find enough students available to do a hearing with alternates available. Scheduling was put together as possible
- Fall 2019 – Hearings were scheduled weekly only on Monday, Wednesday, and Friday mornings from 8am-12pm as student schedules allowed since at least 4 students with the same availabilities were needed

Since Emergency WAC 504-26-110

- Spring 2020 – Hearings are scheduled based on weekly alternating teams
  - Monday and Wednesdays
    - Noon-6PM
    - 2 Staff chairs
    - 4 Staff alternates
    - 7 Students
  - Tuesday and Thursdays
    - Noon-6PM
    - 2 Staff chairs
    - 3 Staff alternates
    - 6 Students

STATEMENTS REGARDING EMERGENCY WAC 504-26-110

Nathan Deen, Assistant Attorney General, WSU Division of the Office of the Attorney General

"I wholeheartedly support the proposed amendment. For certain types of Conduct Board cases-particularly those involving Title IX matters were witness credibility is often at issue, stakes and emotions are high for all parties, and relevant evidence is often voluminous-due process and state law requirements regularly result in conduct board hearing times of twelve hours or more. With lengthy hearings, it becomes increasingly difficult to schedule long blocks of hearing times with student schedules. Prior to reducing the Conduct Board quorum size, this difficulty in scheduling long periods of hearing times caused a back log of student conduct cases resulting in delays for respondents and complainants to achieve finality in their student conduct cases. The quorum size also complicated hearings once they begin. There are several cases that have taken weeks to complete as the parties, their lawyers, the conduct board, and the Administrative Law Judge assigned to the case must all have the same availability to complete the hearing. By reducing the conduct board's quorum, this mitigates these problems by reducing the number of personal schedules that must align to complete lengthy hearing. In addition, reducing the conduct board's quorum has little to no effect on the amount of student participation in the outcome. Under WSU's process, the Appeals Board has the final review of the matter and owes no deference to the Conduct Board's decision. Appeal Board membership remains unchanged under the proposed amendments and continues to require a majority of students to reach quorum."

Audrey Van Nuland, Academic Advisor and University Conduct Board Chair

Scheduling has changed for the better since the quorum changed. It is much easier to schedule 3 people than 5, especially if a case takes more than the time originally presumed. It was very difficult when I worked on a hearing that one of the students quit. It was difficult to find someone to get caught up and replace them. With a quorum of 3, it is a much easier process.

Kyle Holbrook, Student Housing Coordinator and University Conduct Board Chair

My experience with the quorum of five went smoothly enough though the case we worked on was already pretty cut and dry. I did feel the number could lead to some hesitance in discussing differing viewpoints or exploring points of clarification because of the high number of people.

My experience with the quorum of three people was very good. We still had a diversity of opinions, and due to having less people, we had more time to discuss sensitive/differing viewpoints as a group. This in turn I feel led to a more genuine consensus building as we all had an opportunity to have a full conversation on the case. I would wholeheartedly recommend an official change to a 3-member quorum.

Karen Fischer, Associate Dean of Students

From a student care perspective – The emergency WAC revisions provide a more expedient scheduling process and provides more favorable timelines to conclusion for both reporting party and responding party.

The longer timelines due to challenges of scheduling multiple volunteer board members negatively impacts both reporting party and responding party by having significant uncertainty for longer time periods and the uncertainties impede educational and personal progress.

CASES

University Conduct Board Cases by Campus since March 2019

- Pullman – 13, 1 pending
- Spokane - 0
- Tri-Cities - 0
- Vancouver - 0
- Everett - 0
- Global – 1 pending

COMPARISON

Case comparison since Emergency WAC 504-26-110 went into effect, **bold cases are Title IX / EP 15:**

Cases prior to 10/22/19 when WAC change went into effect. Policy to schedule 4 students and 3 staff, one of which is a chair. This allows for one student and one staff alternate.

- **Case 1 – 4 hours and 2 minutes, 7 hours real time**
  - Respondent represented
  - Investigation commenced 8/8/18, case concluded 4/19/19
- **Case 2 – 5 hours and 53 minutes, 8 hours real time**
  - Respondent represented
  - Investigation commenced 9/4/18, case concluded with appeal 8/21/19
- **Case 3 – 3 hours, 6 hours real time**
  - All parties represented
  - Investigation commenced 12/5/18 (additional pending cases of similarity), case concluded with appeal 6/26/19
- **Case 4 – 3 hours and 44 minutes, 6-8 hours real time**
  - All parties present, not represented
  - Investigation commenced 9/12/18, case concluded with appeal 7/22/19
- **Case 5 - 8 hours in total time**
  - University party only
  - Needed to use an alternate student
  - Investigation commenced 3/29/18, case concluded 6/20/19
- Case 6 – 2 hours total time
  - University and student initially present, ended participation after rescheduling
  - Hearing needed to be continued due to lack of students
- **Case 7 – 30 hours in total time**
  - All parties represented
  - Needed to use a student alternate, and an additional student resigned mid-hearing
  - Investigation commenced 6/11/18, case concluded with appeal 12/18/19
- Case 8 – 4 hours total time
  - University and student with representation present
  - Need to use alternate student and staff as two members were not able to participate in the hearing known a week before hearing date

Cases after 10/22/19 with WAC change in effect. Current policy to schedule two students and two staff, one of which is a chair. At time of hearing the additional staff member is released as an alternate unless a student cannot participate in the hearing.

- Case 1 – 3 hours total time
  - University only party
  - Heard by 2 students (student chair) and 1 staff
- **Case 2 – 14 hours total time**
  - University, reporting student with representation, and responding student with representation
  - 2 days before hearing, one student called in sick, day of hearing second student was going to participate via conference call while driving. Was able to procure a backup student. Heard by 2 staff and 1 student
  - Case is currently in appeal
- **Case 3 – 10 hours total time**
  - University and student with representation present
  - Heard by staff chair and two students
  - Case is currently in appeal
- Case 4 – 3 hours total time
  - University and student with representation present
  - Heard by staff chair and two students
- Case 5 – 2 hours total time
  - University and student participated
  - 3 days before hearing, student had an unexpected medical appointment, heard by 2 staff and 1 student
- Case 6 – pending hearing
  - University and student participant
  - 2 staff and 2 students scheduled
- **Case 7 – pending hearing**
  - University, reporting student, responding student with representation
  - 2 staff and 2 students scheduled

The following oral comments were received during the public comment period concerning proposed changes to *WAC* 504-26 Standards of conduct for students. (WSR 20-02-107)

Jhordin Prescott, ASWSU Vice President

My name is Jhordin Prescott. I am the ASWSU vice president. I am testifying in support of this passage. I felt like our voices really were heard as we talked to Terry and Jill a couple of times, multiple times. I felt like it was a really transparent process, and I felt like it was really very well communicated to us.

I think that it is really unfair for students to have to wait months in order to be heard, so that is why I am testifying in support of it. Thank you.

Joshua Hiler, WSU Student

Good afternoon, my name is Josh Hiler. I want to speak on the 504-26-110 revision. I do want to first say that I am currently a student member of the student conduct board, but I am speaking as an individual.

I support the reduction in the forum from five to three; the timeliness issues have certainly been a problem in the past. However, I wanted to raise a concern with some the change in the intent. Part of the intent in the original version when we had the five [members] and three students required meant that anyone who . . . for a final decision to be made, at least one student would have to vote in favor of it, because of the requirement for three students. Under the current revision, that is no longer the case. Now I do not think we should change it to be a majority of students under the new formula; I think the new formula is a good formula.

However, since we want to sort inspire that intent, or at least I would imply that we want to inspire that intent, I would suggest a small change to the language inserting after "any rank or classification," language along the lines of "and the Office of Student Conduct shall endeavor to maximize the number of student members where feasible." The idea behind this that it lends legitimacy to the board where there is at least one student voting in favor. Which, given the severity of the offenses that are brought before the board and the gravity of the potential sanctions, I think this is important for the University and for the student body. Thank you.

WSR 20-02-107
PROPOSED RULES
WASHINGTON STATE UNIVERSITY

[Filed January 2, 2020, 9:04 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 19-21-171.

Title of Rule and Other Identifying Information: Chapter 504-26 WAC, Standards of conduct for students.

Hearing Location(s): On February 5, 2020 at 4:00 p.m., at Lighty 401, Washington State University (WSU) Pullman, Pullman, Washington; SPBS 125A, WSU Spokane, Spokane, Washington; TFLO 210, WSU Tri-Cities, Richland, Washington; DEN 301, WSU Vancouver, Vancouver, Washington; Seminar 261, WSU Everett, Everett, Washington; 1-720-707-2699 or 1-646-558-8856 for call-in attendees. Join Zoom meeting from PC, Mac, Linux, iOS, or Android https://wsu.zoom.us/j/896935775, meeting ID 896 935 775.

Date of Intended Adoption: March 13, 2020.

Submit Written Comments to: Deborah Bartlett, Rules Coordinator, P.O. Box 641225, Pullman, WA 99164-1225, email prf.forms@wsu.edu, fax 509-335-3969, by February 5, 2020.

Assistance for Persons with Disabilities: Contact Joy Faerber, phone 509-335-2005, fax 509-335-3969, email prf.forms@wsu.edu, by February 3, 2020.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The university is modifying, clarifying, and updating the university's standards of conduct for students.

Reasons Supporting Proposal: The proposed amendments decrease the number of student conduct board members from five to three and remove the option for storage of student firearms at the WSU police department.

The rules regarding the composition of a conduct board are updated because the amount of time required for WSU to schedule and complete student conduct hearings with five conduct board members presents potential Title IX (of the Civil Rights Act) compliance concerns and may negatively impact both reporting and responding students awaiting a conduct hearing. Therefore, WSU proposes changes to WAC 504-26-110 to reduce the number of conduct board members required to hear a case. These changes will reduce the difficulty in scheduling cases for a hearing, reduce waiting times, and reduce the risk of noncompliance with Title IX's timely resolution requirements, while also promoting the well-being of reporting and responding students awaiting a conduct board hearing.

WSU's student conduct code regarding firearms is updated to reflect the discontinuation of student firearm storage by the WSU police department. Recent amendments to RCW 9.41.345 made the university's firearms storage program unfeasible and thus the university discontinued the program. Accordingly, WAC 504-26-213 must be amended to reflect this change in university policy.

Statutory Authority for Adoption: RCW 28B.30.150.

Statute Being Implemented: RCW 9.41.345(5).

Rule is necessary because of federal law, Title IX of the Civil Rights Act of 1964.

Name of Proponent: WSU, public.

Name of Agency Personnel Responsible for Drafting: Danielle Hess, Senior Assistant Attorney General, Attorney General's Office, WSU Division, French Administration 332, Pullman, WA 99164-1031, 509-335-2636; Implementation and Enforcement: Mary Jo Gonzales, Vice President, Student Affairs, French Administration 134, Pullman, WA 99164-1013, 509-335-4531, or Terry Boston, Acting Vice President, Student Affairs, French Administration 134, Pullman, WA 99164-1013, 509-335-4531.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. The university does not consider these rules to be significant legislative rules.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules relate only to internal governmental operations that are not subject to violation by a nongovernment party; and rules adopt, amend, or repeal a procedure,

practice, or requirement relating to agency hearings; or a filing or related process requirement for applying to an agency for a license or permit.

Is exempt under RCW 19.85.025.

Explanation of exemptions: The amendments to WSU student conduct code only apply to students at WSU, and therefore do not affect business or commerce in any way.

January 2, 2020
Deborah L. Bartlett, Director
Procedures, Records and Forms
and University Rules Coordinator

AMENDATORY SECTION (Amending WSR 18-23-083, filed 11/19/18, effective 12/20/18)

WAC 504-26-110 Composition of conduct board.

A conduct board must consist of ((~~five~~))three members. A quorum of ((~~five~~))three is needed to hear a matter. The presiding officer is not a member of the conduct board and therefore is not considered for purposes of determining whether there is a quorum. A ((~~majority of~~))minimum of one conduct board member((~~s~~)) hearing a matter must be an enrolled WSU student((~~s~~)) (undergraduate, graduate, or professional) and may be full-time or part-time. The remaining members may be students, or full-time or part-time faculty or staff of any rank or classification. When the complainant or respondent is enrolled at a particular campus, at least one member of the conduct board must be from that campus. No conduct board member may serve on a case if the member previously served on a board in a case involving the same complainant or respondent.

AMENDATORY SECTION (Amending WSR 18-23-083, filed 11/19/18, effective 12/20/18)

WAC 504-26-213 Firearms and dangerous weapons.

No student may carry, possess, or use any firearm, explosive (including fireworks), dangerous chemical, or any dangerous weapon on university premises or in university-approved housing. Airsoft guns and other items that shoot projectiles are not permitted in university-approved housing. ((~~Students wishing to maintain a firearm on campus for hunting or sporting activities must store the firearm with the Washington State University department of public safety.~~))

ACTION ITEM #2

Proposed Amendments to WAC 504-26-213: Standards of Conduct For Students - Firearms and Dangerous Weapons (Stacy Pearson/Bill Gardner/Terry Boston)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Proposed Amendments to WAC Chapter 504-26-213: Standards of Conduct for Students - Firearms and Dangerous Weapons

PROPOSED: That the Board of Regents approve the proposed amendments to WAC 504-26-213: Standards of Conduct for Students – Firearms and Dangerous Weapons.

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

SUPPORTING INFORMATION: The University President has authority to adopt emergency rules, provided that a summary of any action taken is presented to the appropriate committee of the Board of Regents at the next regularly scheduled meeting. WAC 504-26-213 was previously amended by emergency rule and a summary was presented to the Board at the November 2019 meeting. This action item seeks to make that emergency rule permanent through the Board of Regents' authority under Chapter 28B.30 RCW and Chapter 34.05 RCW to adopt, amend, and repeal University regulations published in the Washington Administrative Code.

The university is updating the rules to remove the option for storage of student firearms at the WSU Police Department. While only the Pullman Campus was equipped for storage, the rule, as updated, extends to all campuses. A summary of the background and reason for the rule change follows, and a copy of the chapter, illustrating the specific changes, is appended as Attachment A.

These changes are necessary to ensure that WSU policy is consistent with RCW 9.41.113, which was modified as a result of Washington Initiative 1639. Essentially, the law requires a background check prior to transferring a firearm to the owner, and there is no exception for our unique service of storing firearms for our students who wish to bring them to campus for hunting or sporting activities. The length of time to conduct a background check is unpredictable, varying from days to weeks, which renders the service impractical in meeting the needs of

our students, as such a background check would have to be conducted each and every time a firearm is retrieved. Current legal opinion is that WSU should discontinue this service in order to be consistent with the law as currently written.

The University filed an emergency rule making order on September 26, 2019 in order to maintain compliance with RCW 9.41.113, and refiled the emergency rule making order on January 23, 2020. Emergency rules are effective for 120 days while the permanent rule making process is in progress.

A notice of opportunity to make public comment on the proposal, either verbally or in writing, was publish on January 21, 2020 in the WSU Tri-Cities Currents newsletter; on January 27, 2020 in the WSU Insider, the WSU Spokane Announcements, the WSU Everett weekly newsletter, and the WSU Vancouver employee and student e-mail newsletters; on January 28, 2020 in the online edition of the Daily Evergreen at WSU Pullman; and on January 29, 2020 in the print edition of the Daily Evergreen at WSU Pullman; and was duly submitted for publication on January 13, 2020 in the WSU Events Calendar. Notice was also published on January 15, 2020 on the WSU rule-making website, which is accessible by a direct link from the WSU home page. Each notice included notification of the time and place, on each campus, of the public hearing where oral comments could be provided, and a request for written comments to be submitted no later than the close of business on February 5, 2020.

No comments, either oral or written, were received with regard to WAC Chapter 504-26-213.

ATTACHMENT: Attachment A - WAC Chapter 504-26-213

Attachment A

WAC 504-26-213 Firearms and dangerous weapons. No student may carry, possess, or use any firearm, explosive (including fireworks), dangerous chemical, or any dangerous weapon on university premises or in university-approved housing. Airsoft guns and other items that shoot projectiles are not permitted in university-approved housing. ((~~Students wishing to maintain a firearm on campus for hunting or sporting activities must store the firearm with the Washington State University department of public safety.~~))

WAC 504-26-213 Firearms and dangerous weapons. No student may carry, possess, or use any firearm, explosive (including fireworks), dangerous chemical, or any dangerous weapon on university premises or in university-approved housing. Airsoft guns and other items that shoot projectiles are not permitted in university-approved housing.

ACTION ITEM #3

Proposed Amendments to the Washington State University Retirement Plan and Washington State University Voluntary Investment Program (Theresa Elliot-Cheslek/Ann Monroe)

March 13, 2020

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Amendments to and Restatement of the Washington State University Retirement Plan (WSURP) and the Washington State University Voluntary Investment Program (VIP)

PROPOSED: That the Board of Regents approve and adopt the amended and restated Washington State University Retirement Plan (WSURP) and the amended and restated Washington State University Voluntary Investment Program (VIP) in substantially the same form as the versions attached to the agenda item; and

That the Board of Regents delegate to the President or his designee(s) the authority to make such changes in the plan documents in substantial conformity with the versions presented at this meeting, to execute the plans in the University's name, and to take such other actions as deemed necessary or appropriate to implement the plans.

SUBMITTED BY: Theresa Elliot-Cheslek, Vice President and Chief Human Resource Officer; and Ann Monroe, HRS Benefits Director, Human Resource Services

SUPPORTING INFORMATION: The Board of Regents has authority pursuant to RCW 28B.10.400 through 28B10.423, RCW 28B.30.095 and RCW 28B.30.150 to establish and govern the retirement plans for eligible employees. The Board of Regents adopted the WSURP, effective July 1, 1974. Several revisions have been made since that time, the most recent on January 1, 2012. The Board of Regents established a Washington State University Tax-Deferred Annuity Program January 1, 1983, now name the Washington State University Voluntary Investment Program, with the most recent plan document effective January 1, 2009.

Treasury Regulations require 403(b) plans to contain certain provisions. The IRS is providing a Remedial Amendment Period for employers to review and amend or restate their 403b plans, which for Washington State University are the Washington State University Retirement Plan (WSURP) and Voluntary Investment Plan (VIP). In addition, other regulatory changes have occurred, including the SECURE Act, Tax Cuts and Jobs Act, the HEART Act and Department of Retirement Systems Regulation Changes, which have been incorporated into the plan

documents. The proposed amendments and recommendations are tracked in the attached plan documents reflect the components and approved wording the IRS would expect to see in 403(b) plan documents.

The primary changes are highlighted below:

Washington State University Retirement Plan

SECTION 2.	DEFINITIONS Unless otherwise identified, amendments to definitions are in response to the Remedial Amendment Period and incorporate definitions the IRS expects to see in 403(b) plan documents. Due to additions and changes in this section, correspondingly the new terms are reflected throughout the document. Definitions will be in alignment with the VIP document, where applicable.
2.8	Compensation: Definition is being modified in order to be able to collect contributions from the majority of faculty pay types.
2.14	Eligible Employee: Removing (d), addressed in (a) of this section.
SECTION 3.	ELIGIBILITY AND PARTICIPATION
3.3 – prior version	Retirees under WSRS Hired Into an Eligible Position: struck from the document, addressed in 2.14 of the document.
3.4	Enrollment in Plan and Failure to Make Elections: modified to reflect an enrollment can occur in various media/formats, and may not only be in hardcopy form.
SECTION 4.	CONTRIBUTIONS
4.2(a)	Age 50 Catch-up Deferrals: additions are part of Remedial Amendment Period activity.
4.4	Limit on Compensation Taken into Account: reworded as part of Remedial Amendment Period activity.
4.5	Contribution Transmission: additions are part of Remedial Amendment Period activity.
4.6(b)	Military Service: additions are part of Remedial Amendment Period activity.
4.12	Maximum Contribution: additions are part of Remedial Amendment Period activity.
SECTION 6.	BENEFITS
6.3	Minimum Distribution Requirements: subsections (b) and (c)(i) updated to reflect age requirement changes from 70 ½ to 72 due to the SECURE Act.
6.5	Rollover Distributions: additions are part of Remedial Amendment Period activity.

Washington State University Voluntary Investment Plan

SECTION 2.	DEFINITIONS
	Unless otherwise identified, amendments to definitions are in response to the Remedial Amendment Period and incorporate definitions the IRS expects to see in 403(b) plan documents. Due to additions and changes in this section, correspondingly the new terms are reflected throughout the document. Definitions will be in alignment with the WSURP document, where applicable.
SECTION 3.	ELIGIBILITY AND PARTICIPATION
3.1	Eligibility and Participation: changed to reflect that elections can be made in various formats, including electronic or hardcopy.
3.2	Revision to SRA: added to clarify changes can be made at any time.
3.3	Termination of Contributions: previous wording reflected termination of participation, where the topic is contributions.
SECTION 4.	VIP CONTRIBUTIONS
4	VIP Contributions: updates to this section incorporate the Roth Deferral option, which previously had been addressed in a January 1, 2010 amendment document. Additions and amendments reflect IRS preferred wording and information as part of Remedial Amendment Period activity.
4.1 prior version	Contributions to other Plans: deleted since it is an unnecessary section.
SECTION 5.	FUND SPONSORS AND FUNDING VEHICLES
5.1	The Fund Sponsors and Funding Vehicles: clarification that WSU identifies the default investments if a participant does not make an election. Clarification that Plan terms are controlling over Funding Vehicle(s), if there is a conflict.
5.3	Fund Transfer: VIP document adjustments reflect alignment with the same topic in the WSURP document.
SECTION 6.	BENEFITS
6.2	Death Benefits: adjustments are part of Remedial Amendment Period activity.

6.3	Hardship Distributions: amendments incorporate the Tax Cuts and Jobs Act
6.4	Minimum Distribution Requirements: amendments incorporate the SECURE Act and the preferred IRS language being addressed as part of Remedial Amendment Period activity.
6.6	Loans: rewording to preferred IRS language as part of Remedial Amendment Period activity.
6.7	Direct Rollover of Eligible Rollover Distributions: rewording to preferred IRS language as part of Remedial Amendment Period activity.
SECTION 7. – prior version	GENERAL PROVISIONS AND LIMITATIONS REGARDING BENEFITS This section has been moved to Section 8: Miscellaneous
SECTION 8.	MISCELLANEOUS
8.6	Mistaken Contributions of other Plan Failures: amendments to reflect preferred IRS language as part of Remedial Amendment Period activity.

ATTACHMENTS: Attachment A – WSURP 403(b) Redline Copy
Attachment B - WSURP 403(b) Clean Copy
Attachment C – WSU Voluntary Investment Program (VIP) Redline Copy
Attachment D – WSU Voluntary Investment Program (VIP) Clean Copy

Board of Regents

Proposed Amendments to the Washington State University Retirement Plan and Washington State University Voluntary Investment Program

Resolution #200313-613

WHEREAS, the Board of Regents has authority pursuant to RCW 28B.10.528 and RCW 28B.10.400, *et seq.*, to establish and govern retirement and annuity programs to faculty and other eligible staff of the University; and

WHEREAS, the Board of Regents has determined that the Washington State University Retirement Plan and the Voluntary Investment Program should be amended and restated in substantially the same form as the versions attached to the agenda item to incorporate state and federal regulatory changes including the SECURE Act, Tax Cuts and Job ACT, the HEART Act and Department of Retirement Systems regulation changes. Additionally, modifications and additions to the document should be reflective of IRS recommended 403(b) components and language, and responsive to the IRS Remedial Amendment Period.

NOW, THEREFORE, BE IT RESOLVED that the Washington State University Retirement Plan and the Voluntary Investment Program, each as amended and restated effective March 31, 2020, are approved and adopted in or substantially in the form presented at the March 13, 2020 meeting of the Board of Regents; and

The President or his designee(s) is authorized to make the changes in the Washington State University Retirement Plan and the Voluntary Investment Program, not substantially at variance with the document presented to this meeting, and to take such other actions deemed necessary or appropriate to implement the Plan and Program.

Dated this 13th day of March, 2020.

_____

Chair of the Board of Regents

_____

Secretary to the Board of Regents

WASHINGTON STATE UNIVERSITY RETIREMENT PLAN

RETIREMENT PLAN RULES

As Amended and Restated March ___, 2020~~Effective~~ ~~January 1, 2012~~~~March, 2020~~

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SECTION 1. ESTABLISHMENT OF PLAN

The Washington State University ("WSU") Board of Regents established the Washington State University Retirement Plan as of July 1, 1974. This plan document sets forth the provisions of the Plan, as amended through March ___, 2020 but with a general retroactive effective date of January 1, 2010 as provided for in Rev. Proc.2013-22. ~~and effective as of January 1, 2012~~March ~~XX~~, 2019. This plan is a governmental plan as defined in Code Section 414(d) and is intended to satisfy the provisions of Code Section 403(b).

SECTION 2. DEFINITIONS

The terms and phrases defined in this section have the following meanings throughout this Plan document.

2.1 Account means the account maintained for the benefit of any Participant or Beneficiary under a Funding Vehicle.

2.2 Account Balance means the total benefit to which a Participant or a Beneficiary is entitled under all Funding Vehicles, taking into account all contributions made to the Funding Vehicle and all Earnings and expenses allocable to the Account, and any distributions made to the Participant or Beneficiary.

2.3 Annuity Contract means a nontransferable group or individual contract described in Code Section 403(b)(1) that is issued by a Fund Sponsor and that includes payment in the form of an annuity.

''

~~**2.1. 2.4 Accumulation Account** means the separate account established for each Participant with a Fund Sponsor. The current value of a Participant's Accumulation Account includes all Plan Contributions to the Fund Sponsor, less expense charges, and reflecting investment experience.~~

~~**2.2. Annuity Contract** means a nontransferable contract described in Code Section 403(b)(1) that is issued by a Fund Sponsor and that includes payment in the form of an annuity.~~

2.~~4~~5 Beneficiary means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's ~~Accumulation~~ Account (or remaining ~~Accumulation~~ Account) under the Plan in the event of the Participant's death. If the Participant is married or~~,~~ remarries, ~~or has a state registered domestic partner under RCW 26.60 et seq. (a "domestic partner"),~~ the Participant's designation (including a pre-existing designation in the case of remarriage) of someone other than the spouse ~~or domestic partner~~ as a primary Beneficiary requires the written consent of the spouse ~~or domestic partner~~. Any such consent must be witnessed by a notary public. Unless the consent expressly provides that the Participant may designate an additional Beneficiary or Beneficiaries without further consent of the spouse, the consent will be effective only with respect to the specific designation to which the consent relates. Spousal ~~or domestic partner~~ consent will be effective only with respect to that spouse ~~or domestic partner~~. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that there is no spouse or that the spouse ~~or domestic partner~~ cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on

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file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's ~~Accumulation~~ Account (or remaining ~~Accumulation~~ Account~~)~~ remaining on the Participant's death) will be paid in the following order of priority: (a~~i~~) to the Participant's surviving spouse, ~~or state registered domestic partner,~~ and, if none; (b~~ii~~) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (c~~iii~~) to the Participant's surviving parents, and, if none; (d~~iv~~) to the Participant's estate. For purposes of Sections 6.3 and 6.5, a Designated Beneficiary means as described in Treas. Reg. Section~~§~~1.401(a)(9)-4 and, as applicable and the context requires, an "Eligible Designated Beneficiary" under the Secure Act.

~~2.3.~~ 2.~~5~~6 **Board** means the Board of Regents of Washington State University.

~~2.4.~~ 2.~~6~~7 **Break in Service** means termination of all WSU employment and appointments for at least one (1)~~a~~ full day.

~~2.5.~~ 2.~~7~~8 **Code** means the Internal Revenue Code of 1986, as amended ~~(Title 26 of the United States Code)~~.

2.~~8~~9 **Compensation** for purposes of computation of Plan contributions means the amount paid by WSU to a Participant under the terms of his or her appointments, including summer and other extended appointments. Compensation shall be determined before taking into account any salary reduction under Code Sections 125, 132, 403(b) or 457(a). Compensation includes Post-Severance Compensation consisting of regular pay but excludes~~ing~~ all other Post-Severance Compensation. Compensation ~~shall not include~~ also excludes leave cash-out payments, any settlement, severance or tenure purchase payments, any amounts paid for teaching overloads, extra services, and royalties from intellectual property, deferred compensation, incentive compensation, supplemental compensation, and any other forms of additional compensation ~~not included in the base salary~~. In the case of employees on contract, the contract may exclude additional items from Compensation. Notwithstanding the foregoing, for purposes of ~~Code Section 415~~ the Annual Additions Limit ~~testing under Section 4.10~~under Section 4.12(b)(vi), Compensation means "~~I~~includible C~~c~~ompensation".

~~2.6. as defined in Treas. Reg. § 1.403(b) 2(b)(11).~~

~~2.7.~~ 2.~~9~~10 **Custodial Account** means the group or individual custodial account or accounts described in Code Section 403(b)(7), to hold regulated investment company stock issued by a Fund Sponsor.

2.1~~0~~1 **Differential Wage Payment** means as defined in Code Section 3401(h).

~~2.8.~~ 2.11 **Earnings** means the net income, gain or loss earned by an Account or with respect to a contribution or distribution, as the context requires.

2.1~~2~~2 **Election** means any Participant or Beneficiary written election (including made in electronic form) under the Plan and which is made on/in the form the Plan Administrator or the Fund Sponsor provides for this purpose. An Election must be made in the manner and

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within the time period the Plan, the Plan Administrator, or the Fund Sponsor prescribe, and as is consistent with Code Section 403(b) or other applicable law.

2.133 Elective Deferral means a Participant's pre-tax deferrals which WSU contributes to the Participant's Account at the Participant's Election in lieu of the Participant receiving cash compensation. A Mandatory Contribution is not an Elective Deferral.

~~2.9.~~ **2.145 Eligible Employee** means any Eemployee of WSU who is employed in an Eligible Position; provided~~,~~ however, that an~~A~~ Eemployee is not an Eligible Employee if the Eemployee:

(a) ~~was~~ was first hired ~~hired by~~by ~~-~~WSU on or after July 1, 2011, and who within thirty (30) days ~~of hire~~ after employment commencement made an irrevocable Election to participate in a WSRS plan as identified in RCW 41.32 or RCW 41.40 (including an Election under Section 3.2(b));

~~(a)~~(b) ~~has retired from WSU~~ having been a Participant in the Plan, has retired from WSU as described in and in accordance with the policies and guidelines established by the Plan Administrator and then in effect; or

(c) was first hired by ~~was hired by~~ WSU on or after July 1, 2011, and as described in RCW 28B.10.400(2), is eligible for normal retirement or has taken (drawing benefits under) normal or early retirement under a WSRS plan as identified in RCW 41.50.030 ~~is eligible to retire or has retired under a WSRS plan as identified in RCW 41.50.030, as described in RCW 28B.10.400(2); or~~.

~~(b) was hired by WSU on or after July 1, 2011, and who made an irrevocable Election (including an Election under Section 3.2(c)) to participate in a PERS or TRS plan.~~

~~2.10.~~ **2.156 Eligible Position** means a WSU faculty, ~~or~~ administrative professional staff, or coach position in which the Eemployee has at least fifty (50%) percent full-time equivalency in at least one (1) semester of each Plan Year or equivalent period, but does not include Agricultural Extension Service employees on a federal appointment or persons rendering a professional service on a fee, retainer, or special contract basis, or as an incident to the private practice of a profession. Classified positions prior to April 26, 1973, and administrative professional positions prior to April 26, 1973, or after September 30, 1992, are Eligible Positions, provided the Eemployees holding such positions did not elect to participate in or transfer to PERS prior to January 1, 1974. A civil service position held by a Participant as described in Section 3.1(e) and 3.2(d) is an Eligible Position. An Eligible Employee, once having begun participation in this Plan, shall be deemed to be employed in an Eligible Position even if his or her position no longer requires at least fifty (50%) percent full-time equivalence, so long as the position otherwise qualifies as an Eligible Position.

2.167 Employee means each individual who is a common law employee of the State of Washington performing services for WSU, including an individual who is appointed or elected. This definition is not applicable unless the Employee's compensation for performing services for WSU is paid by the State of Washington. Further, a person occupying an elective or appointive

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public office is not an Employee unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of the State of Washington. An individual receiving a Differential Wage Payment from WSU is treated as a WSU Employee.

2.17 Employment Commencement Date means the date on which the Employee first performs Service for WSU. References in the Plan to "hire date" mean the Employment Commencement Date. The Re-Employment Commencement Date means the date on which the Employee first performs Service for WSU after WSU re-hires the Employee.

~~2.11.~~ **2.188 Fund Sponsor** means an insurance, variable annuity, or investment company that provides Funding Vehicles available to Participants under this Plan.

2.1919 Funding Vehicles means the Annuity Contracts and Custodial Accounts available for investing contributions under this Plan, as specifically approved by WSU under Section 5.1.

2.200 Includible Compensation means an Employee's compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to Code Section 911 relating to United States citizens or residents living abroad), including Differential Wage Payments, for the most recent period that is a Year of 403(b) Service. ~~Includible Compensation also includes~~ Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in the Employee's gross income but for the rules of Code Sections125, 132(f)(4), 402(e)(2), 402(h)(1)(B), 402(k), or 457(b). Includible Compensation does not include any Compensation other than Post-Severance Compensation, paid after Severance of Employment. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in Treas. Reg. Section 1.401(a)(17)-1(d)(4)(ii) with respect to eligible participants in governmental plans, the amount of Includible Compensation of any Participant taken into account in determining contributions will not exceed $285,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B) for periods after 2020.

2.21 IRA means ~~means~~ an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).

2.22 IRS means the Internal Revenue Service.

2.231 Mandatory Contribution means a mandatory pre-tax contribution by a Participant which the Participant agrees to make as a condition of employment by WSU. All contributions to the Plan made from a Participant's Compensation, except Elective Deferrals, are Mandatory Contributions.

2.242 Matching Contribution means a WSU funded contribution made with respect to a Participant's Elective Deferrals.

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~~2.12.~~ 2.2~~5~~3 **Nonelective Contribution** means a WSU funded contribution which is not a Matching Contribution.

~~2.24 **IRA** means an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).~~

2.2~~6~~5 **Participant** means any Eligible Employee of WSU who participates in the Plan in accordance with Section 3 and who is contributing to the Plan (or has made contributions to the Plan and who still has an ~~Accumulation~~ Account) in accordance with Section 4.

2.27~~30~~ **PERS** means the Washington Public Employees' Retirement System under RCW 41.40.

~~2.13.~~

~~2.14.~~ 2.2~~8~~6 **Plan** means the Washington State University Retirement Plan as set forth in this document as it may be amended from time to time in accordance with Section 10~~9~~.1.

~~2.15.~~ 2.2~~9~~7 **Plan Administrator** means WSU and its designees in accordance with Section 8.1.

~~2.16.~~ 2.30~~28~~ **Plan Contributions** means Elective Deferrals, Mandatory Contributions, Nonelective Contributions and/or Matching C~~e~~ontributions ~~by WSU and the Participant under this Plan in accordance with Section 4.1~~as the context requires.

2.31 ~~2.29~~ **Plan Year** means the calendar year.

2.32 **Post-Severance Compensation** means Compensation paid after a Participant's Severance from Employment from WSU, to include regular pay, leave cash-outs, or deferred compensation paid within the time period described herein. Any other payment paid after Severance from Employment is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay, parachute payments under Code Section 280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment. Post-Severance Compensation includes regular pay, leave cash-outs, or deferred compensation only to the extent WSU pays such amounts by the later of two and one-half (2 ½) months after Severance from Employment or by the end of the Limitation Year (under Section 4.12(b)(viii)) that includes the date of such Severance from Employment. Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with WSU. Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment. Deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the deferred compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant

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had continued in employment with WSU and only to the extent that the payment is includible in the Participant's gross income.

~~2.17. 2.30 PERS means the Washington Public Employees' Retirement System under RCW 41.40.~~2.3~~1~~ **Qualified Military Service** means as defined in Code Section 414(u)(5). Notwithstanding any provision in the Plan to the contrary, as to Qualified Military Service, the Plan will credit Service, the Employer will make Plan Contributions, and the Plan will provide benefits in accordance with Code Section 414(u).

2.34~~3~~ **Related Employer** means WSU and any other entity that is related to WSU under Code Sections 414(b), (c), (m) or (o). WSU will determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23.

2.35 **SECURE Act** means the Setting Up Every Community for Retirement Enhancement Act of 2019.

2.3~~6~~5 **Service** means any period of time the Employee is in the employ of WSU, including any period the Employee is on an unpaid leave of absence authorized by WSU under a uniform policy applicable to all Employees.

2.3~~6~~47 **Severance from Employment** ""or "Separation from Service" occurs when an Employee ceases to be employed by WSU or a Related Employer that is eligible to maintain a section 403(b) Plan under Treas. Reg. Section 1.403(b)-2(b)(8), even if the Employee remains employed with another entity that is a Related Employer where either: (a) such Related Employer is not an eligible employer; or (b) the Employee is employed or in a capacity that is not employment with an eligible employer.

2.38 **Spouse** means the person to whom the Participant is legally married and for this Plan also includes a registered domestic partner under RCW 26.60 et seq or other applicable law.

2.3~~8~~9 **Taxable Year** means the taxable year of a Participant.

2.3~~40~~975 **TRS** means the Washington State Teachers' Retirement System under RCW 41.32.

2.4~~10~~386 **Unbroken Service** means Service as an Employee without a Break in Service.

2.4~~2~~1 **USERRA** means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

2.4~~32~~ ~~39~~37 **WSU** means Washington State University.

2.4~~43~~038 **Washington State Retirement System (WSRS)** means any retirement system paid for by the State of Washington and administered by the Washington State Department of Retirement Systems, as identified in RCW 41.50.030.

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2.4543~~91~~ Year of 403(b) Service means for purposes of determining Includible Compensation~~,~~, each full year during which an individual is a full-time Employee, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer, determined under Treas. Reg. Section 1.403(b)-4(e). An Employee's number of Years of 403(b) Service equals the aggregate of such years or parts of years. The work period is the Employer's annual work period.

SECTION 3. ELIGIBILITY AND PARTICIPATION

~~3.1.~~ 3.1 Participation for Employees ~~Hired~~ Hired Before January 1, 2012.

(a) Two (2) Year ~~Voluntary Contribution~~ Elective Deferral Period. An Eligible Employee may become a Participant as of the date of his or her employment in an Eligible Position or any time during the first two (2) years of employment by submitting an Election to the Plan Administrator to make Elective Deferrals. A Participant during the first two (2) years of employment also may make an Election to: (i) change the amount of their Elective Deferrals~~contribution~~; (ii) revoke their Election to make Elective Deferrals~~contributions~~; or (iii) re-elect to make ~~contributions~~ Elective Deferrals after having revoked a prior Election. Any Elective Deferral Election submitted to the Plan Administrator will become effective as of the first (1st) ~~day of any pay period following receipt to which the Plan Administrator reasonably may apply the Election.~~administratively practicable payroll date or payroll period on or following the Plan Administrator's actual receipt of the Election. The provisions of this Section 3.1(a) apply notwithstanding any contrary provision in Section 4.1.

(b) Mandatory Contributions After Two (2) Years. An Eligible Employee must become a Participant and begin making Mandatory C~~o~~ontributions no later than the second (2nd) anniversary of his or her date of employment in an Eligible Position. Once having begun ~~-~~participation in this Plan, a Participant cannot cease participation while employed in an Eligible Position, except as provided below.

(c) Reclassification or Appointment to Eligible Position. An existing ~~WSU~~ E~~e~~mployee who is then a ~~p~~participant in a WSRS plan and who is reclassified or appointed to an Eligible Position may ~~irrevocably~~ make an irrevocable E~~e~~lection to become a Participant in this Plan or remain in the WSRS plan by making such Election ~~in writing~~ within ninety (90) days of being notified of reclassification or appointment to an Eligible Position. If no timely Election is made, the ~~Participant~~ Employee will remain in the WSRS plan. Such Election may be made only once in an ~~individual~~Employee's U~~u~~nbroken S~~s~~ervice ~~to WSU~~, and such Election shall be irrevocable, except as identified in Section 3.1(c)(i). ~~For this purpose, "unbroken service" means service without a Break in Service.~~

(i) Reclassification or Appointment to a Different Eligible Position Classification. An E~~e~~mployee who under Sections 3.1(c) or 3.1(d) was offered ~~the option to~~ an E~~e~~lection to become a ~~member~~ Participant in this Plan or remain as a participant in a WSRS plan, and who on or after July 1, 2011, is reclassified or

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appointed to an Eligible Position in an employment type not previously held, will be offered a new Election opportunity to stay in their current retirement plan or elect to enroll in this Plan or the applicable WSRS plan. For purposes of this section, "employment type" means an eligible faculty, ~~or~~ administrative professional or coach classification.

(d) New Employee Participating in WSRS Plan. ~~A new WSU employee who is~~ A~~a~~ participant in a WSRS plan who leaves their former employer and immediately commences employment with WSU (no work days missed)~~and who transfers to WSU without a Break in Service~~ in ~~into~~ an Eligible Position, may make an irrevocable ~~irrevocably~~ E~~e~~lection to become a Participant in this Plan or remain in the WSRS plan~~,~~ (provided that such plan is offered at WSU and such E~~e~~lection to remain is permitted by the Department of Retirement Systems), by making such Election ~~in writing~~ within thirty (30) days ~~upon being hired into~~ after commencing employment in an Eligible Position. If no timely Election is made, the ~~Participant~~ Employee will immediately begin participation in this Plan. Such Election may be made only once in an ~~individual~~Employee's U~~u~~nbroken S~~s~~ervice ~~to WSU~~, and such Election shall be irrevocable, except as identified in Section 3.1(c)(i). ~~For this purpose, "unbroken service" means service without a Break in Service.~~

(e) Participants Reclassified or Appointed to Civil Service.

(i) Reclassification or Appointment Prior to January 1, 2012. A Participant in this Plan who prior to January 1, 2012, ~~is~~ was reclassified or appointed to a civil service position will remain a Participant in the WSURP, provided there is no Break in Service. If an Eligible Employee has not reached the second (2nd) anniversary of his or her date of employment in an Eligible Position, and has not made an Election to become a Participant, the E~~e~~mployee will be enrolled in a WSRS plan.

(ii) Reclassification or Appointment After December 31, 2011. A Participant in this Plan who after December 31, 2011, is reclassified or appointed to a civil service position, may make an Election to participate in a WSRS plan or remain in this Plan as specified in the policies adopted by the Plan Administrator and then in effect.

3.2 Participation for Employees Hired ~~Hired~~ On and After January 1, 2012.

~~(f)~~(a) Immediate Mandatory Contributions. Unless they make an Election under this Section 3 to participate in a WSRS plan, ~~A~~an Eligible Employee who is hired into an Eligible Position immediately will become a Participant in the Plan effective as of ~~the date of hire~~ Employment Commencement Date and is subject to making the M~~m~~andatory C~~c~~ontributions described in Section 4.1.

~~(g)~~(b) New WSU Employee Never a Member in a WSRS Plan. An otherwise Eligible Employee who has never been a member of a WSRS plan who is hired into an

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Eligible Position within thirty (30) days thereafter may make an Election to participate either: (i) in this Plan; or (ii) in TRS Plan 3 if employed in an eligible faculty position; or (iii) in PERS Plan 3 if employed in an eligible administrative professional position. If the employee elects to participate in TRS 3 or PERS 3, the employee is not an Eligible Employee in accordance with Section 2.140(a). If no timely Election is made, the Eligible Employee will become a Participant in this Plan.

(h) (c) New WSU Employee Currently or Formerly a Member in a WSRS Plan. An otherwise Eligible Employee who is or was a member of a WSRS plan and who is hired into an Eligible Position within thirty (30) days thereafter and who is or was a member of a WSRS plan may make an Election to participate either in this Plan or in a PERS or TRS plan as specified in the policies adopted by the Plan Administrator. If the employee elects to participate in a PERS or TRS plan, the employee is not an Eligible Employee in accordance with Section 2.150(d). If no timely Election is made, the Eligible Employee will become a Participant in this Plan.

(i) (d) WSU Employee Who is Reclassified or Appointed to or from an Eligible Position. A WSU employee who is: (i) a participant in a WSRS plan who is reclassified or appointed to an Eligible Position; or (ii) a Participant in this Plan who is reclassified or appointed to a position that qualifies for participation in a WSRS plan, within thirty (30) days thereafter, may make an irrevocable Election to participate in this Plan or a WSRS plan as specified in the policies adopted by the Plan Administrator, provided the employee is an Eligible Employee in accordance with Section 2.140.

3.2. **3.3 No Simultaneous Participation.** A Participant may not contribute under both this Plan and a WSRS plan at the same time; provided that this Section 3.3 does not limit participation in a plan established pursuant to RCW 28B.10.480 or RCW 41.50.770.

3.3. 3.4 **Retirees Under WSRS Hired Into an Eligible Position.** Those employees who have retired under any WSRS plan or who are eligible for regular retirement under any WSRS plan and who are rehired into an Eligible Position cannot participate will immediately begin participation in the Plan, except as provided in Section 2.10(c).

3.4. **3.45 Enrollment in Plan and Failure to Make Elections.** An Eligible Employee must make their Election in the form/format as provided by the Plan Administratorcomplete and return to the Plan Administrator the appropriate Election forms. Forms for the Fund Sponsors and for the Funding Vehicles selectioned must be made with returned to the Fund Sponsor(s) or as directed by the Plan Administrator. Failure to submit Elections will not delay participation in the Plan and may result in the application of Funding Vehicle default provisions, each in accordance with the Plan terms.

3.5. **3.56 Cessation Termination of Contributions Participation.** All Plan Contributions by and as to a A Participant will cease a employee's participation in the Plan will cease if:

(a) (a) The Participant ceases to be an Eligible Employee; He or she Sseparates from Sservice with WSU and all Related Employers; or

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~~(b)~~ (b) WSU terminates the Plan; ~~The Plan is terminated in accordance with the provisions of Section 10~~9.1; ~~or~~

~~(c)~~ (c) The Participant ~~He or she~~ makes an Election or is defaulted into a WSRS plan in accordance with the provisions of this Plan; or

(d) As to a Taxable Year or Limitation Year, the Participant has reached the Elective Deferral Limit or the Annual Additions Limit for that Year and as applicable to the Plan Contributions.~~He or she is transferred or reclassified to a position that is not ceases to be employed in an Eligible Position, and he or she does not remain an active Participant in this Plan under Section 3.1(c) or 3.2(d).ceases to be employed in an Eligible Position.~~

~~(d)~~

SECTION 4. CONTRIBUTIONS

4.1 ~~Plan~~ Mandatory Contributions and Nonelective Contributions. A Participant must contribute a Mandatory Contribution equal to five (5%) percent of Compensation from date of participation until the end of the month in which his or her thirty-fifth (35th) ~~th~~ birthday occurs, then must contribute a Mandatory Contribution equal to seven and one-half (7½%) percent of Compensation commencing thereafter. WSU will make a Nonelective Contribution for each Participant in an amount equal to the Participant's Mandatory Contribution amount.

4.2 Elective Deferrals, Catch-up Deferrals and Matching Contributions. A Participant may make an Election to defer two and one-half (2½%) percent as an Elective Deferral ~~increase the contribution rate to ten percent~~ at any time following the month during which his or her fiftieth (50th) ~~th~~ birthday occurs; provided that such Election may be revoked and thereafter re-elected at the option of the Participant. A Catch-up Eligible Participant also may or revoke make an Election to make Catch-up Deferrals. If the Participant makes Elective Deferrals or Catch-up Deferrals under this Section 4.2, WSU will make a M~~m~~atching C~~c~~ontribution ~~equal~~ in an amount equal to ~~each Participant contribution~~ the Participant's Elective Deferrals. ~~and will transmit all Plan Contributions to the Fund Sponsor(s).~~

(a) Age 50 Catch-up Deferrals.

(i) Definition of Catch-up Eligible Participant. A Catch-Up Eligible Participant is a Participant who is eligible to make Elective Deferrals and has attained age fifty (50) or who will attain age fifty (50) before the end of the Taxable Year in which the Participant will make a Catch-up Deferral. A Participant who dies or who incurs a Separation from Service before actually attaining age fifty (50) in such Taxable Year is a Catch-up Eligible Participant.

(ii) Definition and Treatment of Age 50 Catch-Up Deferral. An Age 50 Catch-up Deferral is an Elective Deferral by a Catch-up Eligible Participant and which exceeds the Elective Deferral Limit under Section 4.12(a) or the Annual Additions Limit under Section 4.112(b). Age 50 Catch-up Deferrals

are not subject to the Elective Deferral Limit under Section 4.112(a) or to the Annual Additions Limit under Section 4.112(b).

(iii) Limit on Age 50 Catch-Up Deferrals. A Participant's Age 50 Catch-up Deferrals for a Taxable Year may not exceed the lesser of: (a) 100% of the Participant's Compensation for the Taxable Year when added to the Participant's other Elective Deferrals; or (b) the Catch-up Deferral dollar limit in effect for the Taxable Year ($6,500 for 2020). After the 2020 Taxable Year, the IRS will adjust the Age 50 Catch-up Deferral dollar limit in multiples of $500 under Code Section 414(v)(2)(C).

~~4.1.~~ **4.3 Income Tax Deferral.** Plan Contributions shall be made on a tax-deferred basis as authorized under Section 403(b) of the Code; provided that Participant contributions shall be made on a non-tax-deferred basis for certain Participants who so elected on an irrevocable basis prior to February 1, 1998.

4.4 Limit on Compensation Taken into Account. ~~In addition to other applicable limitations stated in the Plan affecting the amounts contributed to the Plan and notwithstanding any other provision of the Plan to the contrary, the Compensation taken into account for any Plan Year may not exceed the amount identified in Code Section 401(a)(17), adjusted by the Commissioner of Internal Revenue from time to time for increases in the cost of living, except such limit does not apply to any Participant who first became a Participant on or after July 1, 1996, and who otherwise qualifies for the transitional rule under Treas. Reg. § 1.401(a)(17)-1(d)(4)(ii).~~ For any Plan Year, the Plan Administrator in allocating Plan Contributions, cannot take into account more than $285,000 (or for years after 2020, such larger amount as the IRS may prescribe pursuant to an adjustment made in the same manner as under Code Section 415(d)) of any Participant's Compensation. Notwithstanding the foregoing, a Participant may make Elective Deferrals with respect to Compensation which exceeds the Plan Year Compensation limitation, provided such Elective Deferrals otherwise satisfy the Elective Deferral Limit and other applicable Plan limitations. In applying any Plan limitation on the amount of Matching Contributions, where such limits are expressed as a percentage of Compensation, the Plan Administrator may apply the Compensation limit under this Section 4.4 annually, even if the Matching Contribution formula is applied on a per pay period basis or is applied over any other time interval which is less than the full Plan Year or, the Plan Administrator may pro rate the Compensation limit. This Section 4.4 will not apply to a Participant who first became a Participant during a Plan Year beginning before January 1, 1996 (or, if earlier, the first Plan Year in which the Employer amended the Plan to reflect the limitation of Code Section 401(a)(17)) to the extent it would reduce the Participant's Compensation taken into account to an amount less than the amount allowed under the Plan as in effect on July 1, 1993.

~~4.2.~~ **4.5 Contribution Transmission.** WSU will transmit to the Fund Sponsors all Plan Contributions as soon as is administratively practicable and within any time period required under applicable law.

4.~~6~~5 Leave of Absence.

(a) Leave of Absence with Pay. During an authorized leave of absence with pay, Plan Contributions will continue to be made. Plan Contributions will be calculated based on the Participant's ~~actual~~ Ce~~o~~mpensation paid by WSU during the leave of absence.

(b) Military Service. This Section 4.6(b) applies to an Employee who: (1) has completed Qualified Military Service under USERRA; (2) the Employer has rehired under USERRA; and (3) is a Participant entitled to make-up contributions under Code Section 414(u). This Section 4.6(b) also applies to an Employee who dies or becomes disabled while performing Qualified Military Service.

(i) WSU Contributions. WSU will make up any Plan Contributions WSU would have made and which the Plan Administrator would have allocated to the Participant's Account had the Participant remained employed by WSU during the period of Qualified Military Service. WSU will make up any Matching Contribution or Nonelective Contribution that WSU would have made and which the Plan Administrator would have allocated to the Participant's Account during the period of Qualified Military Service, but only to the extent of any make-up Elective Deferrals or make-up Mandatory Contributions that the Participant makes under Section 4.6(b)(iii).

(ii) Compensation. For purposes of this Section 4.6(b), the Plan Administrator will determine an affected Participant's Compensation as follows. A Participant during his or her period of Qualified Military Service is deemed to receive Compensation equal to that which the Participant would have received had he or she remained employed by WSU, based on the Participant's rate of pay that would have been in effect for the Participant during the period of Qualified Military Service. If the Compensation during such period would have been uncertain, the Plan Administrator will use the Participant's actual average Compensation for the twelve (12) month period immediately preceding the period of Qualified Military Service, or if less, for the period of employment.

(iii) Elective Deferrals and Mandatory ~~—~~Contributions. During a Participant's period of Qualified Military Service, the Plan Administrator must allow a Participant to make up Elective Deferrals or Mandatory Contributions to his or her Account. The Participant may make up the maximum amount of Elective Deferrals or Mandatory Contributions which he or she under the Plan terms would have been able to contribute during the period of Qualified Military Service (less any such amounts the Participant actually contributed during such period) and the Participant must be permitted to contribute any lesser amount as the Plan would have permitted. The Participant must make up any contribution under this Section 4.5(b)(iii) commencing on his or her Re-Employment Commencement Date and not later than five (5) years following the Re-employment Commencement Date (or if less, a period equal to three (3) times the length of the Participant's Qualified Military Service triggering such make-up contribution).

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(iv) Limitations. Contributions under this Section 4.6(b) are Annual Additions under Section 4.12(b) and are subject to the Elective Deferral Limit under Section 4.12(a) in the year to which such contributions are allocated, but not in the year in which such contributions are made.

(v) Differential Wage Payments. The Plan is not treated as failing to meet the requirements of any provision described in this Section 4.6(b) by reason of any contribution or benefit which is based on a Differential Wage Payment. The preceding sentence applies only if all Employees performing service in the uniformed services described in ~~Code §~~Code Section 3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account ~~Code §§~~Code Sections 410(b)(3), (4), and (5)). The Plan Administrator operationally may determine, for purposes of any provision described in this Section 4.6(b), whether to take into account any Elective Deferrals, and if applicable, any Matching Contributions, attributable to Differential Wage Payments.

(vi) No Earnings. A Participant receiving any make-up contribution under this Section 4.6(b)is not entitled to an allocation of any Earnings on any such contribution prior to the time that WSU actually makes the contribution (or timely deposits the Participant's own make-up Elective Deferrals or Mandatory Contributions) to the Plan.

(vii) HEART Act Death Benefits. If a Participant dies while performing Qualified Military Service, the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death.

~~(b)~~

~~(c)~~ (c) Leave of Absence Without Pay. A Participant who returns to employment with WSU immediately following an authorized leave of absence without pay, other than an absence described in Section 4.5~~4~~(b), and who remains employed by WSU for at least two (2) years after such return, will receive credit for the leave period to be used in the computation of benefits as described in RCW 28B.10.407, not to exceed a maximum of two (2) years' credit, provided: (i) the Participant is eligible for such benefits; and (ii) makes the contributions described in this Section 4.5~~4~~(c). The Participant must contribute the total amount that the Participant would have been contributed had the Participant not been on leave~~e~~

~~-~~(including any amount WSU would have contributed) less any contributions under Sections 4.6~~4~~(a) or (b) with respect to the same leave. The contributions under this Section 4.6~~4~~(c) will be based on the average of the Participant's Compensation at the time the leave of absence was authorized and the time the Participant resumes employment with WSU. WSU will not make M~~m~~atching Contributions or Nonelective Contributions with respect to such contributions. The Participant may not make the contributions until they have satisfied the two (2) year post-leave service condition

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described above, and the Participant must make the contributions no later than the end of the fifth (5th) year after returning from the leave.

~~4.3.~~ 4.~~7~~6 **Rollovers or Transfers to the Plan.** The Plan does not accept r~~R~~ollovers or transfers from other plans, accounts, or annuities ~~to the Plan will not be accepted~~.

~~4.4. 4.8 Allocation of Plan Contributions.~~ ~~As further described in Section 5.1, a Participant may allocate Plan Contributions to Funding Vehicles while assuming the sole responsibility for the investment performance of his or her chosen Funding Vehicles.~~

4.~~8~~9~~8~~ **Vesting of Contributions.** Each contract and certificate issued in accordance with the provisions of the Plan is the property of the Participant. Amounts attributable to Plan Contributions by the Participant and WSU are immediately vested and shall be nonforfeitable, subject to Section 9~~8~~.7. However, Plan Contributions based on a mistake of fact, shall be returned to WSU if WSU so requests as provided in Section 9.7(a) ~~XXX~~.

~~4.5.~~ 4.~~9~~10~~9~~ **Account Statement.** At least once a year, and more often as may be required by applicable law, the Fund Sponsor(s) will send each Participant a report summarizing the status of his or her ~~Accumulation~~ Account~~(s)~~. A Participant may obtain similar reports or illustrations upon Separation from Service ~~termination of employment~~ or at any other time by writing directly to the Fund Sponsor(s).

~~4.6.~~ 4.1~~0~~1~~0~~ **No Reversion.** Under no circumstances will any Plan Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, WSU, except as provided in ~~Section 4.7 and the second sentence of~~ Section 8~~9~~8.7(a).

4.1~~2~~1~~1~~ **Maximum Contribution~~.~~.** Plan Contributions for a Participant for any calendar year, together with contributions for the Participant under any other plan subject to Code Sections 402(g) or 403(b), shall not exceed the Elective Deferral Limit and the Annual Additions Limit ~~limitations in Code Sections 402(g) and 415(c), to the extent applicable~~, except as permitted by Code Section 414(v) as to age 50 Catch-up Deferrals. ~~The limitations of Code Sections 402(g), 414(v) and 415(c) are herein incorporated by reference. See Section 8.7 as to correction of contributions which exceed these limitations.~~

(a) Annual Elective Deferral Limitation. A Participant's Elective Deferrals for a Taxable Year may not exceed the Elective Deferral Limit. Age 50 Catch-up Deferrals are not subject to the Elective Deferral Limit.

(i) Definition of Elective Deferral Limit. The Elective Deferral Limit is the Code Section 402(g) limitation on each Participant's Elective Deferrals for each Taxable Year. The Elective Deferral Limit is $19,500 in 2020, and in future years is subject to adjustment by the IRS in multiples of $500 under Code Section 402(g)(4). However, in no event shall a Participant's Elective Deferrals exceed the Participant's Compensation for the Taxable Year. If the Participant's Taxable Year is not a calendar year, the Plan Administrator must apply the Code Section 402(g)

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limitation in effect for the calendar year in which the Participant's Taxable Year begins.

(ii) Definition of Excess Deferral. A Participant's Excess Deferral is the amount of Elective Deferrals for a Taxable Year which exceeds the Elective Deferral Limit.

(iii) Suspension after Reaching Limit. If the Plan Administrator determines a Participant's Elective Deferrals to the Plan for a Taxable Year would exceed the Elective Deferral Limit, the Plan Administrator will suspend the Participant's Elective Deferrals, if any, until the following January 1 and will pay to the Participant in cash the portion of the Elective Deferrals which would result in the Participant's Elective Deferrals for the Taxable Year exceeding the Elective Deferral Limit.

(iv) Correction. If the Plan Administrator determines a Participant's Elective Deferrals already contributed to the Plan for a Taxable Year exceed the Elective Deferral Limit, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income, no later than April 15 of the following Taxable Year (or if later, the date permitted under Code Sections 7503 or 7508A).

(v) 415 Interaction. If the Plan Administrator distributes the Excess Deferrals by the April 15 deadline under Section 4.121(a)(iv), the Excess Deferrals are not an Annual Addition under Section 4.112(b), and the Plan Administrator may make the distribution irrespective of any other provision under this Plan or under the Code. Elective Deferrals distributed to a Participant as an Excess Amount in accordance with Section 4.112(b) are not taken into account in determining the Participant's Elective Deferral Limit.

(vi) More than One Plan. If a Participant participates in another plan subject to the Code Section 402(g) limitation under which the Participant makes elective deferrals pursuant to a 401(k) Plan, elective deferrals under a SARSEP, elective contributions under a SIMPLE IRA or salary reduction contributions to a 403(b) plan (irrespective of whether WSU maintains the other plan), the Participant may provide to the Plan Administrator a written claim for Excess Deferrals made to the Plan for a Taxable Year. The Participant must submit the claim no later than the March 1 following the close of the particular Taxable Year and the claim must specify the amount of the Participant's Elective Deferrals under this Plan which are Excess Deferrals. The Plan Administrator may require the Participant to provide reasonable evidence of the existence of and the amount of the Participant's Excess Deferrals. If the Plan Administrator receives a timely claim which it approves, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income the Participant has assigned to this Plan, under this Section 4.121(a)(vi). If a Participant has Excess Deferrals because of making Elective Deferrals to this Plan and other WSU plans (but where the Elective Deferral Limit is not exceeded based on the Participant's Elective Deferrals to any single plan), the Participant for purposes of this Section

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4.12~~1~~(a)(vi) is deemed to have notified the Plan Administrator of this Plan of the Excess Deferrals.

(vii) Definition of Allocable Income. Allocable Income means Earnings allocable to the Excess Deferrals for and through the end of the Taxable Year in which the Participant made the Excess Deferral. To calculate Allocable Income for the Taxable Year, the Plan Administrator will use a uniform method which reasonably reflects the manner used by the Plan Administrator to allocate Earnings to Participants' Accounts or the "alternative method" under Treas. Reg. Section 1.402(g)-1(e)(5)(iii).

(b) Annual Code Section 415 Limit. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Annual Additions Limit.

(i) Prevention. If the Annual Additions the Plan Administrator otherwise would allocate under the Plan to a Participant's Account for the Limitation Year would exceed the Annual Additions Limit, the Plan Administrator will not allocate the Excess Amount, but instead will take any reasonable, uniform action the Plan Administrator determines necessary to avoid allocation of an Excess Amount including: (1) suspending or limiting a Participant's additional Mandatory Contributions or Elective Deferrals; (2) reducing WSU's future Plan Contribution(s); or (3) suspending or limiting the allocation to a Participant of any Plan Contribution previously made to the Plan (exclusive of Elective Deferrals). If the Plan Administrator allocates to a Participant an Excess Amount, the Plan Administrator must dispose of the Excess Amount in accordance with Section 4.12~~1~~(b)(ix).

(ii) Aggregation of WSU 403(b) Plans. If Annual Additions are credited to any other WSU Code Section 403(b) Plan in addition to those credited under this Plan for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under the other plan and this Plan may not exceed the Annual Additions Limit.

(iii) Aggregation where Participant Controls any Employer. If a Participant is in control of any other employer for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan, any other WSU Code Section 403(b) plan, any defined contribution plans maintained by the controlled employers, and any Code Section 403(b) plans of any other employers may not exceed the Annual Additions Limit for the Limitation Year. The Plan Administrator determines "control" under Code Sections 414(b) or 414(c), as modified by Code Section 415(h), in accordance with the rules of Treas. Reg. Section 1.415(f)-1(f). A "defined contribution plan" means a defined contribution plan qualified under Code Sections 401(a) or 403(a), a Code Section 403(b) plan, or a simplified employee pension plan under Code Section 408(k). The Plan Administrator will provide written or electronic notice to Participants that explains the limitation in this Section 4.12~~1~~(b)(iii) in a manner calculated to

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be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy this Section. The notice will advise Participants that the application of the limitations in this Section will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code Section 403(b). The notice will be provided annually, beginning no later than the year in which the Employee becomes a Participant.

(iv) Ordering Rules. If a Participant's Annual Additions under this Plan and any other plans aggregated with the Plan under this Section 4.1~~2~~1(b) result in an Excess Amount, such Excess Amount will consist of the Amounts last allocated. If the Plan Administrator allocates an Excess Amount to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will equal the product of: (1) the total Excess Amount allocated as of such date, multiplied by (2) the ratio of (a) the Annual Additions allocated to the Participant as of such date for the Limitation Year under the Plan to (b) the total Annual Additions allocated to the Participant as of such date for the Limitation Year under this Plan and the other aggregated plans.

(v) Definition of Annual Addition. An Annual Addition means the Plan Contributions credited to a Participant's Account under this Plan and employer contributions, elective deferrals, employee contributions, mandatory contributions, allocations under a simplified employee pension plan and forfeitures credited to any other plan aggregated with the Plan under this Section 4.1~~2~~1(b); provided that Age 50 Catch-up Contributions, distributed Excess Deferrals under Section 4.1~~2~~1(a)(v) and certain other amounts described in Treas. Reg. Section 1.415(c)-1(b) are excluded. For purposes of the dollar limitation under Section 4.1~~2~~1(b)(vi), Annual Additions also include amounts allocated to an individual medical account (as defined in Code Section 415(l)(2) included as part of a pension or annuity plan maintained by WSU and contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of a key-employee (as defined in Code Section 419A(d)(3)) under a WSU welfare benefit fund (as defined in Code Section 419(e)).

(vi) Definition of Annual Additions Limit. The Annual Additions Limit is the lesser of: (i) $57,000 in 2020 and as adjusted in future Limitation Years under Code Section 415(d)), or (ii) 100% of the Participant's Compensation for the Limitation Year.

(vii) Definition of Excess Amount. An Excess Amount is an excess of a Participant's Annual Additions for a Limitation Year over the Annual Additions Limit.

(viii) Definition of Limitation Year. The Limitation Year means the

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calendar year. However, if the Participant is in control of an employer under Section 4.1~~2~~1(b)(iii), the Limitation Year is the Limitation Year as defined in the defined contribution plan controlled by the Participant.

(ix) Correction of Excess Amount. If a Participant's Account exceeds the Annual Additions Limit for the Limitation Year, then the Plan may correct such excess in accordance with Section 9.7(b). Alternatively, the Plan Administrator may hold the Excess Amount in a separate account. The Excess Amount held in the separate account is includible in the Participant's gross income or the taxable year in which the Plan Contributions exceed the Annual Additions Limit. This separate account will be treated as a separate contract to which Code Section 403(c) (or another application provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

~~4.7. If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Plan for the purposes of Code Sections 402(g), 414(v) or 415, and such other plan is maintained by WSU or a Related Employer, then the extent to which annual contributions under this Plan will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, will be determined by WSU. If the reduction is under this Plan, WSU will advise the affected Participant of any limitations on his or her Plan Contributions required by this Section 4.10.~~

SECTION 5. FUND SPONSORS AND FUNDING VEHICLES

~~5.1.~~ **5.1 The Fund Sponsors and Funding Vehicles.** Participants and Beneficiaries may invest all Plan Contributions made to their ~~Accumulation~~ Account in one or more Funding Vehicles made available by WSU to Participants and Beneficiaries under this Plan and in accordance with any applicable law restricting investments by Participants not residing in the United States. A Participant or Beneficiary may allocate Plan Contributions among Funding Vehicles in any whole number percentages totaling one hundred percent (100%). Participants and Beneficiaries are solely responsible for the investment of their Account. If a Participant or Beneficiary fails to direct the investments of his or her ~~Accumulation~~ Account, the Account will be invested in a Funding Vehicle selected by WSU for such non-directing Participants and Beneficiaries. WSU's current choice of Fund Sponsor(s) and Funding Vehicles is not intended to limit future additions or deletions by WSU of Fund Sponsors and Funding Vehicles. The Plan Administrator shall maintain a list of all Fund Sponsors under the Plan. Such list is hereby incorporated as part of the Plan. The Fund Sponsor(s) and WSU shall exchange such information as may be necessary to satisfy Code Section 403(b) or other requirements of applicable law. In the case of a Fund Sponsor that is not eligible to receive Plan Contributions (including a Fund Sponsor that has ceased to be a Fund Sponsor eligible to receive Plan Contributions), WSU shall keep the Fund Sponsor informed of the name and contact information of the Plan Administrator in order to coordinate information necessary to satisfy Code Section 403(b) or other requirements of applicable law. In the event that the Plan terms and the Funding Vehicles are in conflict, the Plan terms are controlling; provided that as to the timing or form of any Plan distribution, such timing or form must be permitted under the Funding Vehicles as well as under the Plan.

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~~5.2.~~ **5.2 Funding Vehicle Exchange~~Transfer of Funds~~.** A Participant may exchange ~~may transfer~~ all or a part of his or her ~~Accumulation~~ Account between Funding Vehicles offered by a Plan Sponsor, subject to Fund Sponsor and/or Funding Vehicle contractual requirements, and to Code Section 403(b) and the regulations thereunder. However, an investment exchange to ~~transfer that includes~~ an investment with a Fund Sponsor that is not eligible to receive Plan C~~c~~ontributions under Section 5.1 is not permitted.

~~5.3.~~ **5.3 Third Party Trading.** The Participant, or his or her Beneficiary in the event of the Participant's death, is responsible for directing all funds invested under this Plan, and cannot assign that responsibility to another party, except that a Participant or Beneficiary may assign that responsibility in writing to a third party that has been given a power of attorney, and investment directions may be given by the legal representative of a Participant or Beneficiary who is under a legal disability. Any investment direction under this Section 5.~~2~~3 must be given in accordance with applicable law and any reasonable Plan Administrator or Fund Sponsor requirements.

~~SECTION 6. RETIREMENT~~

~~6.1. 6.1 Retirement Because of Age. As of the day after attaining Retirement Age or otherwise eligible to draw a lifetime annuity benefit from the Plan under Section 403(b) of the Internal Revenue Code, a Participant who is actively employed by WSU may elect to retire by submitting written notification to his or her superior with a copy to Human Resource Services.~~

~~6.2. 6.2 Retirement Because of Health Condition. A retirement because of health condition may be approved by the President of WSU in the event a Participant has a serious health condition that prevents him or her from performing the duties of his or her Eligible Position. Any request for retirement and supplemental payments because of health is submitted in writing to the Human Resource Services Benefits Director, who will convene a review of the request, and will presents its recommendations to the President.~~

SECTION ~~6~~7. BENEFITS

~~6.1.~~ ~~6~~7.1 **Benefits During Life.**

(a) Timing. A Participant may make an Election to commence distribution of his or her ~~Accumulation~~ Account upon or following S~~s~~eparation from S~~s~~ervice ~~from WSU~~ and at such other times (or upon such events) as the applicable Funding Vehicles and the Plan may permit; provided that such times and events are permissible under Code Section 403(b) and the regulations thereunder.

(i) In-Service Distribution at Age 59½ with Phased Retirement. A Participant who has elected phased retirement under applicable WSU procedures may commence distribution after reaching age 59½ even though the Participant has not incurred a S~~s~~eparation~~ed~~ from S~~s~~ervice ~~from WSU~~.

(ii) No Other In-Service Distributions. The Plan does not permit any other distributions prior to a Participant's S~~s~~eparation from S~~s~~ervice from WSU.

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(b) Form. A Participant may receive distribution of his or her ~~Accumulation~~ Account in the form of cash, payable either as a lump sum or in installment payments, or in the form of an annuity contract under which the Fund Sponsor will make payments to the Participant (and possibly to a Beneficiary), all in accordance with the payment options as authorized by the Fund Sponsor(s) and Funding Vehicles; provided that such payment options are consistent with the Plan and are permissible under Code Sections 403(b), 401(a)(9) and the regulations thereunder. The total amount of the annuity or other payment is calculated by the Fund Sponsors(s) on the rate and dividend basis then in effect and payments shall be made to the extent provided by the form of annuity.

(c) Participant Election. A Participant may make Elections as to time and form of payment of benefits under this Section 6.1 at such times and in the manner required by the Plan Administrator and Fund Sponsor(s), provided such elections are consistent with Code Section 403(b) and the regulations thereunder. All lifetime benefits are further subject to the required minimum distribution requirements of Section 6.3.
A Participant will make such Elections directly to the Fund Sponsor(s).

(d) Spousal ~~or Domestic Partner~~ Consent Required. Effective on and following the execution of this Plan, a married ~~A~~ Participant's Election to withdraw all or ~~lump sum payment of~~ any portion of his or her ~~Accumulation~~ Account requires the written consent of the Participant's spouse. ~~or state registered domestic partner under RCW 26.60 et seq. (a "domestic partner").~~

(i) Form of Spousal ~~or Domestic Partner~~ Consent. The consent of the spouse ~~or domestic partner~~ must be in writing, must acknowledge the effect of the ~~e~~Election or action to which the consent applies, and must be witnessed by a notary public. Unless the consent expressly provides that the Participant may make further elections without further consent of the spouse ~~or domestic partner~~, the consent will be effective only with respect to the specific ~~e~~Election to which the consent relates. Spousal ~~or domestic partner~~ consent will be effective only with respect to that spouse ~~or domestic partner~~. Spousal ~~Such~~ consent will not be required if it is established to the satisfaction of the Plan Administrator ~~WSU Human Resource Services~~ that there is no spouse or that the spouse ~~or domestic partner~~ cannot be located.

~~6.2.~~ ~~6~~7.2 **Death Benefits.** On the death of a Participant, the entire value of ~~each~~ the Participant's ~~Accumulation~~ Account (or of the remaining ~~Accumulation~~ Account) is payable to the Participant's Beneficiary or Beneficiaries. The Beneficiary may make an Election as to the time and form of payment under any payment option available under the Funding Vehicles, provided such payment options are consistent with Code Sections 403(b), 401(a)(9) and the regulations thereunder. A Beneficiary will make such Elections directly to the Fund Sponsor(s). However, to the extent that the ~~Accumulation~~ Account has previously been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. All death benefits are further subject to the required minimum distribution requirements of Section 6.3.

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~~6.3.~~ ~~6~~7.3 **Minimum Distribution Requirements.**

~~(a)~~ (a) Applicable Law. All distributions under this Plan will be made in accordance with Code Sections 403(b)(10) and 401(a)(9), as each is amended and in effect from time to time, and regulations thereunder. Notwithstanding anything to the contrary in this Section 7.3, required minimum distributions are subject to changes made under the SECURE Act and any regulations or other binding guidance issued thereunder.

~~(b)~~ (b) Lifetime Required Minimum Distributions. ~~A~~For ~~P~~Participants who ~~reached~~ attained age 70½ ~~in 2019 or earlier~~prior to January 1, 2020, ~~the Participant~~ must receive distribution or commence distribution of his or her ~~Accumulation~~ Account no later than April 1 following the calendar year in which the Participant attains age 70½ or, if later, April 1 following the calendar year in which the Participant S~~s~~eparates from S~~s~~ervice ~~from WSU~~. For Participants who ~~reach~~ attain age 70 ½ in 2020 or later, required minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 72, or, if later, by April 1 following the calendar year in which the Participant ~~retires~~ Separates from Service~~from the WSU~~. The annual lifetime minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-2 and 1.401(a)(9)-5. The entire ~~Accumulation~~ Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and Designated Beneficiary. Notwithstanding the above, the ~~Accumulation~~ Account for each Participant as of December 31, 1986, will be distributed in accordance with Treas. Reg. Section ~~§~~1.403(b)-6(e)(6).

~~(c)~~ (c) Death Required Minimum Distributions. The annual death minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-3 and 1.401(a)(9)-5.

(i) Death Before the Required Beginning Date. ~~Prior to January 1, 2020, I~~if the Participant dies prior to January 1. 2020 and before benefit payments are required to begin under Section 6.3(b), any benefits payable to a Designated Beneficiary will be paid, as the Designated Beneficiary elects: (a) by December 31 of the calendar year which contains the fifth (5th) anniversary of the Participant's death; or (b) ~~will be paid,~~ beginning no later than December 31 of the calendar year following the calendar year of the Participant's death, over a period not exceeding the life expectancy of the Designated Beneficiary. If the Designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70½.

~~As of January 1, 2020, i~~If the Participant dies in 2020 or later and before benefit payments are required to begin under Section 6.3(b), ~~the preceding paragraph,~~ any benefits payable to (or for the benefit of) a D~~d~~esignated Beneficiary will be paid, as the Designated Beneficiary elects: (c) by the end of the tenth (10th) full calendar year after the Participant's death; ~~,~~ or (d) ~~will be paid~~ beginning no later than the end of the first (1st) full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not

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exceeding the life expectancy of the designated Beneficiary. If the Ddesignated Beneficiary is the surviving spouse, the spouse may Elect to defer commencement of payments ~~may be delayed~~ until the date the Participant would have attained age 72. Special rules apply as to payments to other (non-spouse) Designated Beneficiaries. If the Beneficiary is not a Designated Beneficiary, or if a Designated Beneficiary fails to make a payment Election, payment will be made within five (5) years as described in Section 6.3(c)(i)(a).

~~(i) If there is no Designated Beneficiary, the entire Accumulation Account must be distributed within the period described in clause (a) above. If a Designated Beneficiary makes no Election, the period described in clause (a) applies.~~

~~(ii)~~ (ii) Death After the Required Beginning Date. Upon the Participant's death after the time benefits are required to begin under Section 6.3(b), any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. Minimum distributions will be calculated based on the longer life expectancy of the Participant or his or her Designated Beneficiary. If there is no Designated Beneficiary, the minimum distributions will be based on the Participant's remaining life expectancy.

(d) Separate Treatment of Contracts and Accounts. In applying the foregoing minimum distribution rules, each Annuity Contract or Custodial Account shall be treated as an IRA and distribution shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e).

~~6.4.~~ ~~6~~7.4 **No Loans.** The Plan does not make loans to Participants or Beneficiaries.

~~6.5.~~ ~~6~~7.5 **Rollover Distributions.**

~~(a)~~ (a) Direct Rollover. A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p)(1)(B)) who is entitled to an Eeligible Rrollover Ddistribution ~~(as defined in Code Section 402(c)(4))~~ from the Plan may make an Election to have any portion of that distribution paid directly to an Eeligible Rretirement Pplan ~~(as defined in Code Section 402(c)(8)(B))~~ specified by the Participant or Beneficiary in a Ddirect Rrollover. In the case of a distribution to a Designated Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a Ddirect Rrollover is payable only to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

(b) Rollover and Tax Notice. Each Fund Sponsor within a reasonable time period (and within any period prescribed by applicable law) before making an initial Eeligible Rrollover Ddistribution, will provide an explanation to the Participant of his or

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her right to elect a Ddirect Rrollover and the income tax withholding consequences of not electing a Ddirect Rrollover.

(c) Election. A Participant (including for this purpose, a former Employee) may elect, at the time and in the manner prescribed by the Fund Sponsor, to have any portion of his or her Eligible Rollover Distribution from the Plan paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover. For purposes of this Section 6.5, a Participant includes as to their respective interests: (1) a Participant's surviving spouse, (2) the Participant's spouse or former spouse who is an alternate payee under a QDRO, or (3) any other Beneficiary of a deceased Participant who is a Designated Beneficiary under Treas. Reg. Section 1.401(a)(9)-4.

(d) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the distribution of an Eligible Rollover Distribution, the Plan must provide a written notice (including a summary notice as permitted under applicable IRS guidance) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice"). A recipient of an Eligible Rollover Distribution (whether he/she elects a Direct Rollover or elects to receive the distribution), also may elect to receive distribution at any administratively practicable time which is earlier than 30 days following receipt of the rollover notice. The provisions of this Section 6.5(d) do not apply to distributions to a Beneficiary described in Section 6.5(c)(3).

(e) Default Rollover. The Fund Sponsor, in the case of a Participant who does not respond timely to the rollover notice, may make a Direct Rollover of the Participant's Account in lieu of distributing the Participant's Account.

~~(f) ___' g) "h)~~ (fi) Definitions. The following definitions apply to this Section 6.5:

(i) Direct Rollover. A Direct Rollover means a payment by the Plan to the Eligible Retirement Plan the distributee specifies in his or her Direct Rollover election or in the case of an automatic rollover, to the IRA that the Plan designates.

(ii) Eligible Retirement Plan. An Eligible Retirement Plan means an IRA, an annuity plan described in ~~Code §~~Code Section 403(a), a qualified trust described in ~~Code §~~Code Section 401(a), an arrangement described in ~~Code §~~Code Section 403(b), or an eligible deferred compensation plan described in ~~Code §~~Code Section 457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. ~~'Code Section~~ In the case of a Beneficiary described in Section 6.5(c)(3), an Eligible Retirement Plan is limited to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of ~~Code §~~Code Section 408(d)(3)(C)).

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(iii) Eligible Rollover Distribution. An Eligible Rollover Distribution means any distribution of all or any portion of the Participant's Account Balance, except: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; (b) any required minimum distribution under Section 6.3; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200; (f) any corrective distribution of excess amounts under ~~Code §~~Code Section 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under ~~Code §~~Code Section 72(p) (h) dividends paid on employer securities described in ~~Code §~~Code Section 408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under ~~Code §~~Code Section 409(p); and (k) permissible withdrawals from a EACA described in ~~Code §~~Code Section 414(w). ²A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an IRA~~Code Sections~~ or (ii) a qualified plan described in ~~Code §§~~Code Sections 401(a) or 403(a), or (iii) a tax-sheltered annuity described in ~~Code §~~Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

~~(b) (iv) Code Section Code Section~~

SECTION ~~7~~8. ADMINISTRATION

~~7.1.~~ ~~8~~7.1 **Plan ~~Administration/~~Administrator.** WSU is the Plan Aadministrator, ~~of this Plan~~ and has designated WSU Human Resource Services to be responsible for the day-to-day administration of the Plan.

~~7.2.~~ ~~8~~7.2 **Authority of ~~WSU~~Plan Administrator.** The Plan Administrator has all the powers and authority conferred upon it herein and further shall have final authority to determine, in its discretion, all questions concerning eligibility and contributions under the Plan, to interpret all terms of the Plan, including any uncertain terms, to adopt Plan policies and procedures, and to decide any disputes arising under and all questions concerning administration of the Plan. Any determination made by the Plan Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, the Plan Administrator will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action. ~~WSU shall have final authority to determine all questions concerning eligibility and contributions under the Plan, to interpret all terms of the Plan, including any uncertain terms, to adopt Plan policies and procedures, and to decide any disputes arising under and all questions concerning administration~~

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~~of the Plan. Any determination made by WSU shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious.~~

7.3 Delegation of Authority. The Plan Administrator may delegate any power or powers to one or more other employees of WSU, or to any agent or independent contractor of WSU. Any such delegation shall be in writing, and may be obtained from the Plan Administrator.

SECTION ~~9~~8. MISCELLANEOUS

~~8~~9.1 Non-Alienation of Benefits. Except as provided in this S~~s~~ection ~~9~~8, no benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors, or legal process. No Participant or Beneficiary will have power in any manner to transfer, assign, alienate, or in any way encumber his or her Account or benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. The~~is~~ Plan Administrator will comply with any judgment, decree, or order (including a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child or other dependent of a Participant and is made pursuant to the domestic relations law of any state. ~~establishes the rights of another person to all or a portion of a Participant's benefit under this Plan to the extent that it is treated as a qualified domestic relations order under Code Section 414(p).~~ Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. ~~WSU shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.~~ The Plan Administrator may pay from a Participant's Account an amount the Plan Administrator determines is lawfully demanded under a levy issued by the IRS with respect to a Participant or Beneficiary, or is sought to be collected by the U.S. Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

~~8.1.~~ ~~9~~8.2 Plan Does Not Affect Employment. Nothing in this Plan is a commitment or agreement by WSU or by any Employee ~~any person~~ to continue his or her employment with WSU or by WSU to rehire a retired Participant, and nothing in this Plan is a commitment on the part of WSU to continue ~~the employment or~~ the rate of compensation of any Employee~~person~~ for any period. All E~~e~~mployees ~~of WSU~~ will remain subject to nonrenewal, discharge, or discipline to the same extent as if the Plan had never been put into effect.

~~8.2.~~ ~~9~~8.3 Claims of Other Persons. The Plan does not give any Participant, Beneficiary or any other person, firm, or entity of any type,~~corporation~~ any legal or equitable right against WSU or against its past, present or future officers, employees, or Board members~~Regents~~, except for the rights that are specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.

~~8.3.~~ ~~9~~8.4 Contracts and Certificates. In the event there is any inconsistency or ambiguity between the terms of the Plan and the terms of the contracts between the Fund Sponsor~~(s)~~ and WSU and/or the Participants and any contracts and/or certificates issued to a Participant under the Plan, the terms of the Plan control.

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~~8.4.~~ ~~9~~8.5 **Governing Law.** Except as provided under federal law, the provisions of the Plan are governed by and construed in accordance with the laws of the State of Washington.

~~8.5.~~ ~~9~~8.6 **Requests for Information.** Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the Plan should be in writing and directed to the Plan Administrator via WSU Human Resource Services. Requests for information concerning the Fund Sponsor~~(s)~~, the Funding Vehicles, their terms, conditions, and interpretations thereof, claims thereunder, any requests for review of such claims~~,~~ and service of legal process, may be directed in writing to the Fund Sponsor~~(s)~~.

~~9~~8.7 **Mistaken Contributions or Other Plan Failures.**

(a) Mistake of Fact. If any Plan Contribution (or portion of a Plan Contribution) is made to the Plan by a mistake of fact, then within one (1) year after the payment of the Plan Contribution, the Plan Administrator may return the amount of the mistaken contribution ~~WSU contributes to the Plan on condition that its contribution is not due to a mistake of fact. The Fund Sponsor, upon WSU's written request, will return the amount of any WSU contribution~~ (net of any investment loss, but not increased by any investment income or gains) to WSU. Thereafter, the Plan Administrator will determine if any or all of such amount should be refunded to the affected Participant. ~~made due to a mistake of fact; provided, that any such contribution must be returned within one (1) year after the contribution was made.~~

(b) Other Failures. If any ~~WSU or Participant~~Plan C~~c~~ontribution ~~is made to the Plan which~~ exceeds the Plan or Code limits or ~~which~~ is not otherwise in accordance with the Plan terms, or if there are other Plan related failures, ~~the~~ the Plan Administrator will make correction in accordance with the Plan and with the Employee Plans Compliance Resolution System under Rev. Proc. 201~~908~~-19~~50~~ or any other successor or applicable guidance~~eline~~.

SECTION ~~10~~9. AMENDMENT AND TERMINATION

~~9.1.~~ ~~10~~9.1 **Amendment and Termination.** The Board reserves the right at any time to amend or terminate the Plan, in whole or in part, or to discontinue any further Plan Contributions ~~or payments~~ under the Plan. If the Plan is terminated or if Plan Contributions are completely discontinued, the Plan Administrator ~~WSU~~ will notify all Participants. ~~As of the date of complete or partial termination,~~ all ~~Accumulation~~ Accounts will remain nonforfeitable, and all Elective Deferral Elections will become void with respect to Compensation yet to be paid.

~~9.2.~~ ~~10~~9.2 **Distribution Upon Termination of the Plan.** WSU may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Annuity Contract and Custodial Account agreements, all ~~Accumulation~~ Accounts will be distributed, provided WSU and any Related Employer on the date of termination do not make contributions to an alternative Code Section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending twelve (12) months after the distribution of

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all assets from the Plan, except as permitted by Code Section 403(b) and the regulations thereunder.

~~9.3.~~ ~~10~~9.3 **Limitation.** Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the Plan that operates to recapture for WSU any Plan Contributions previously made under this Plan except to the extent permitted by Section 8.7.

WASHINGTON STATE UNIVERSITY

Voluntary Investment ~~Program~~Program~~lan~~ (VIP)

As Amended and Restated
Effective March XX, 2020~~January 1, 2009~~

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SECTION 1. ESTABLISHMENT OF VOLUNTARY INVESTMENT PROGRAM

1.1 Establishment of Program. The Board of Regents of Washington State University established a Washington State University Tax-Deferred Annuity Program as of January 1, 1983, as allowed under State of Washington RCW 28.B.10.480. ~~As of January 1, 2009, the program~~Plan ~~is named the Washington State University Voluntary Investment Program~~Plan (VIP). This plan document sets forth the provisions of the Plan, as amended through March ___, 2020 but with a general retroactive effective date of January 1, 2010 as provided for in Rev. Proc.2013-22. This plan is a governmental plan as defined in Code Section 414(d) and is intended to satisfy the provisions of Code Section 403(b).

SECTION 2. ~~This plan document sets forth the provisions of this Program, as in effect on January 1, 2009. Contributions under this Program are made under section 403(b) of the Internal Revenue Code and are invested, at the direction of the Participant, in one or more of the Funding Vehicles available under the Program.~~

DEFINITIONS

The words and phrases defined in this Article have the following meanings throughout this plan document:

2.1 Account means the account maintained for the benefit of any Participant or Beneficiary under a Funding Vehicle. The Plan Administrator will establish and maintain such separate Accounts for each Participant as may be necessary to properly account for ~~Pre-tax~~Pre-Tax Elective Deferrals versus Roth Elective Deferrals and the Earnings thereon, and otherwise as may be necessary for proper Plan administration.

2.2 Account Balance means the total benefit to which a Participant or a Beneficiary is entitled under all Funding Vehicles, taking into account all VIP Ceontributions made to the Funding Vehicle and all Earnings and expenses allocable to the Account, and any distributions made to the Participant or Beneficiary.

~~1.1. **Accumulation Account** means the separate account established for each Participant with each Fund Sponsor to which VIP Contributions have been made by the Participant. The current value of a Participant's Accumulation Account with a Fund Sponsor includes all VIP Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.~~

2.3 Annuity Contract means a nontransferable group or individual contract described in Code Section 403(b)(1) that is issued by a Fund Sponsor and that includes payment in the form of an annuity.~~a non-transferable contract described in section 403(b)(1) of the Code, that is issued by an insurance company qualified to issue annuities in the State of Washington and that includes payment in the form of an annuity~~

~~**Beneficiary** means either (a) the surviving spouse of the Participant or (b) with the written consent of the Participant's spouse, if any, such person or persons who shall have been~~

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~~designated by the Participant in writing duly executed and filed with the Fund Sponsor(s) or (b) if no such person survives the Participant,. A new designation may be made at any time before the Participant or Beneficiary has started to receive annuity payments under the Program; any such new designation shall be subject to the conditions of this Section 2.3.~~

~~**Beneficiary** means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's Accumulation Account (or remaining Accumulation Account) under the Plan in the event of the Participant's death. If the Participant is married or has a state registered domestic partner under RCW 26.60 et seq. (a "domestic partner"), the Participant's designation of someone other than the spouse or domestic partner as a primary Beneficiary requires the written consent of the spouse or domestic partner. Any such consent must be witnessed by a notary public. Spousal or domestic partner consent will be effective only with respect to that spouse or domestic partner. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that the spouse or domestic partner cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's Accumulation Account (or remaining Accumulation Account) remaining on the Participant's death will be paid in the following order of priority: (i) to the Participant's surviving spouse or state registered domestic partner, and, if none; (ii) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (iii) to the Participant's surviving parents, and, if none; (iv) to the Participant's estate. For purposes of Sections 6.3 and 6.5, a Designated Beneficiary means as described in Treas. Reg. § 1.401(a)(9)-~~

2.4 Beneficiary means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's Account (or remaining Account) under the Plan in the event of the Participant's death. If the Participant is married or remarries, the Participant's designation (including a pre-existing designation in the case of remarriage) of someone other than the spouse as a primary Beneficiary requires the written consent of the spouse. Any such consent must be witnessed by a notary public. Unless the consent expressly provides that the Participant may designate an additional Beneficiary or Beneficiaries without further consent of the spouse, the consent will be effective only with respect to the specific designation to which the consent relates. Spousal consent will be effective only with respect to that spouse. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that there is no spouse or that the spouse cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's Account (or remaining Account remaining on the Participant's death) will be paid in the following order of priority: (a) to the Participant's surviving spouse, and, if none; (b) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (c) to the Participant's surviving parents, and, if none; (d) to the Participant's estate. For purposes of Sections 6.4 and 6.7, a Designated Beneficiary means as described in Treas. Reg. Section1.401(a)(9)-4 and, as applicable and the context requires, an "Eligible Designated Beneficiary" under the Secure Act.

~~4.2.4 **Beneficiary** means the person(s), including one or more trusts or other entities the Participant designates in writing, contingently or successively, to receive the Participant's Account (or remaining Account) under the Plan in the event of the Participant's death. If the Participant is married, remarries or has a state registered domestic partner under RCW 26.60 et seq. (a "domestic partner"), the Participant's designation (including a pre-existing designation in the case of remarriage) of someone other than the spouse or domestic partner as a primary Beneficiary requires the written consent of the spouse or domestic partner. Any such consent must be witnessed by a notary public. Spousal or domestic partner consent will be effective only with respect to that spouse or domestic partner. Such consent will not be required if it is established to the satisfaction of the Plan Administrator that the spouse or domestic partner cannot be located. A Participant's Beneficiary designation must be made on a form provided for this purpose by the Plan Administrator or by a Fund Sponsor and must be on file with the Plan Administrator or Fund Sponsor. If a Participant fails to designate a Beneficiary, the Participant's Account (or remaining Account remaining on the Participant's death) will be paid in the following order of priority: (i) to the Participant's surviving spouse or state registered domestic partner, and, if none; (ii) to the Participant's surviving children and lineal descendants, by right of representation and not per capita, and, if none; (iii) to the Participant's surviving parents, and, if none; (iv) to the Participant's estate. For purposes of Sections 6.3 and 6.5, a Designated Beneficiary means as described in Treas. Reg. Section1.401(a)(9)-4 and, as applicable and the context requires, an "Eligible Designated Beneficiary" under the Secure Act.~~

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2.5 **Board** means the Board of Regents of Washington State University.

2.6 **Code** means the Internal Revenue Code of 1986, as amended.

2.7 **Compensation** means W-2 taxable income and includes Post-Severance Compensation which consists of regular pay.~~.~~

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2.8 **Custodial Account** means the group or individual custodial account or accounts, described in section 403(b)(7) of the Code, ~~established for a Participant to hold assets of the Program~~Plan to hold regulated investment company stock issued by a Fund Sponsor.

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2.9 **Differential Wage Payment** means as defined in Code Section 3401(h).

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2.10~~4~~ **Earnings** means the net income, gain or loss earned by an Account or with respect to a contribution or distribution, as the context requires. A Roth Elective Deferral Account will be credited and charged only with its own Earnings as attributable to Roth Elective Deferrals.

Commented [A1]: Are Roth in-plan conversions permitted?

Commented [A2R1]: Nope.

2.11~~2~~ **Election** means any Participant or Beneficiary written election (including made in electronic form) under the Plan and which is made on/in the form the Plan Administrator or the Fund Sponsor provides for this purpose. An Election must be made in the manner and within the time period the Plan, the Plan Administrator, or the Fund Sponsor prescribe, and as is consistent with Code Section 403(b) or other applicable law.

2.123 Elective Deferral means a Participant's ~~pre tax~~Pre-Tax elective deferrals or Roth elective deferrals (and as the context requires, Age 50 Catch-up Deferrals and Qualified Organization Catch-up Deferrals) which WSU contributes to the Participant's Account at the Participant's Election under a Salary Reduction Agreement ~~Agreement~~, in lieu of the Participant receiving cash compensation.

~~1.2.~~

2.13 Eligible Employee means any E~~e~~mployee of Washington State University, except nonresident aliens who receive no U.S.-source earned income.

2.146 Employee means each individual who is a common law employee of the State of Washington performing services for WSU, including an individual who is appointed or elected. This definition is not applicable unless the Employee's compensation for performing services for WSU is paid by the State of Washington. Further, a person occupying an elective or appointive public office is not an Employee unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of the State of Washington. An individual receiving a Differential Wage Payment from WSU is treated as a WSU Employee.

2.15 Employment Commencement Date means the date on which the Employee first performs Service for WSU. ~~References in the Plan to "hire date" mean the Employment Commencement Date.~~ The Re-Employment Commencement Date means the date on which the Employee first performs Service for WSU after WSU re-hires the Employee.

2.16 Fund Sponsor means an insurance, variable annuity, or investment company that provides Funding Vehicles to Participants under the ~~Program~~Plan.

2.17 Funding Vehicles means the Annuity Contracts and Custodial Accounts available for ~~the purpose of~~ investing contributions under this ~~Program~~Plan and specifically approved by WSU under Section 5.1.

2.18 Includible Compensation means an Employee's compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to Code Section 911 relating to United States citizens or residents living abroad), including Differential Wage Payments, for the most recent period that is a Year of 403(b) Service. Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in the Employee's gross income but for the rules of Code Sections125, 132(f)(4), 402(e)(2), 402(h)(1)(B), 402(k), or 457(b). Includible Compensation does not include any Compensation other than Post-Severance Compensation, paid after Severance of Employment. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in Treas. Reg. Section 1.401(a)(17)-1(d)(4)(ii) with respect to eligible participants in governmental plans, the amount of Includible Compensation of any Participant taken into account in determining contributions will not exceed $285,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B) for periods after 2020.

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2.1921 IRA means an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).

2.202 IRS means the Internal Revenue Service.

~~1.3.~~

~~1.4.~~ **2.21 Participant** means any employee of WSU who participates in the Plan~~rogram~~ in accordance with Section 3.1.

2.22 Plan~~rogram~~ means the Washington State University Voluntary Investment ~~Program~~Program ~~lan~~ as set forth in this document.

2.23 Plan~~rogram~~ Administrator is defined in Section 8.1.

2.24 Plan~~rogram~~ Year means the calendar year~~January 1 through December 31~~.

2.2532 Post-Severance Compensation means Compensation paid after a Participant's Severance from Employment from WSU, to include regular pay, leave cash-outs, or deferred compensation paid within the time period described herein. Any other payment paid after Severance from Employment is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay, parachute payments under Code Section 280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment. Post-Severance Compensation includes regular pay, leave cash-outs, or deferred compensation only to the extent WSU pays such amounts by the later of two and one-half (2 ½) months after Severance from Employment or by the end of the Limitation Year (under Section 4.12(b)(viii)) that includes the date of such Severance from Employment. Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with WSU. Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment. Deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the deferred compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with WSU and only to the extent that the payment is includible in the Participant's gross income.

2.3263 Qualified Military Service means as defined in Code Section 414(u)(5). Notwithstanding any provision in the Plan to the contrary, as to Qualified Military Service, the Plan will credit Service, the Employer will make ~~Plan~~VIP Contributions, and the Plan will provide benefits in accordance with Code Section 414(u).

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~~2.14. **Roth Accumulation Account** means an Accumulation Account established for a Participant who elects to make Roth VIP Contributions in accordance with Section 4.11.~~

2.27 Related Employer means WSU and any other entity which is related to WSU under Code Sections 414(b), (c), (m) or (o). WSU will determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23.~~any entity which is under common control with WSU under section 414(b) or (c) of the Code.~~

2.28 Salary Reduction Agreement (SRA) means ~~is~~ a written ~~n~~ agreement (including made in electronic form) between the Employee and WSU under which the Employee's Compensation is reduced by an amount equal to the Elective Deferrals that the Employee wishes to have made to his or her Account. An SRA shall be subject to such rules and restrictions as may be imposed by the Plan Administrator not inconsistent with Code Section 403(b) and the regulations thereunder.
~~**described in Section 3.1.**~~

2.29 SECURE Act means the Setting Up Every Community for Retirement Enhancement Act of 2019.

2.30~~6~~ Service means any period of time the Employee is in the employ of WSU, including any period the Employee is on an unpaid leave of absence authorized by WSU under a uniform policy applicable to all Employees.

2.31~~7~~ Severance from Employment or "Separation from Service" occurs when an Employee ceases to be employed by WSU or a Related Employer that is eligible to maintain a section 403(b) Plan under Treas. Reg. Section 1.403(b)-2(b)(8), even if the Employee remains employed with another entity that is a Related Employer where either: (a) such Related Employer is not an eligible employer; or (b) the Employee is employed or in a capacity that is not employment with an eligible employer.

2.32 Spouse means the person to whom the Participant is legally married and for this Plan also includes a registered domestic partner under RCW 26.60 et seq or other applicable law.

2.33~~8~~ Taxable Year means the taxable year of a Participant.

~~**2.40 Unbroken** Service **means Service as an Employee without** a Break in Service.~~

2.34~~1~~ USERRA means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

~~1.5.~~

2.35 VIP Contributions means ~~pre-tax~~Pre-Tax -Elective Deferrals and/or Roth Elective Deferral ~~and or Roth Elective Deferrals~~ contributions to the Plan by a~~the~~ Participant ~~as described in Section 4~~.

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Commented [A3]: With our transition to a new system under WorkDay, participants will log onto their TIAA accounts and make their VIP elections there and no longer complete a hard-copy form and submit it to our office. Do we need to modify "written", or would that also include an electronic election?

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Commented [A4]: Contributions don't include Roth contributions?

2.36 **WSU** means Washington State University.

2.37 **Year of 403(b) Service** means for purposes of determining Includible Compensation and for Qualified Organization Catch-up Deferrals, each full year during which an individual is a full-time Employee, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer, determined under Treas. Reg. Section 1.403(b)-4(e). An Employee's number of Years of 403(b) Service equals the aggregate of such years or parts of years. The work period is the Employer's annual work period.

SECTION 3. ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation. All Eligible Employees may begin Plan participation as of their Employment Commencement Date or any later date they may elect by making an Election to enroll, which includes entering into a Salary Reduction Agreement (SRA). Participation will commence effective as of the first (1st) administratively practicable payroll date or payroll period on or following the Plan Administrator's actual receipt of the Election~~their Election. A on their first day of employment as an Eligible Employee or the first of any pay period thereafter following the election. To participate in this ProgramPlan, A~~an Eligible Employee must make their Election in the form/format as provided by the ~~Program~~Plan Administrator. Funding Vehicles selection must be made with the Fund Sponsor(s) as directed by the ~~Programlan~~Plan Administrator. ~~complete the necessary enrollment process for the Fund Sponsor(s) and for the Funding Vehicle(s) selected, as well as a Salary Reduction Agreement (SRA), and return them to WSU Human Resource Services prior to the effective pay period.~~

~~By making an election to participate in the Plan, the employee is entering into a Salary Reduction Agreement (SRA). An SRA is an written agreement between the employee and WSU under which the employee's salary is reduced by an amount equal to the contributions that the employee wishes to have made to the ProgramPlan. An SRA shall be subject to such rules and restrictions as may be imposed by the ProgramPlan Administrator not inconsistent with section 403(b) of the Code and the regulations thereunder.~~

3.2 Revision to SRA. A Participant may elect to stop Elective Deferrals, revise the amount of their Elective Deferrals, or change from ~~pre-tax~~Pre-Tax to Roth Elective Deferrals or vice versa (including any combination thereof) at any time by making an Election on a SRA.

3.3 Termination of Contributions.~~Participation~~. A Participant may not make additional VIP Contributions after: (a) the Participant ceases ~~they cease~~ to be an Eligible Employee; (b) WSU terminates the Plan; or (c) as to a Taxable Year or Limitation Year, the Participant has ~~they have~~ reached the Elective Deferral Limit or the Annual Additions Limit for that Year. ~~will continue to participate in the ProgramlanPlan until (a) he or she ceases to be an Eligible Employee, ,or (b) the ProgramlanPlan is terminated,, or (c) his or her contributions under the Program are terminated, whichever occurs first.~~

SECTION 4. VIP CONTRIBUTIONS

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Commented [A5]: Not a plan document question, but a general question. Elective contributions can only be elected on future earnings and not current earnings. I see "earnings" as when you are earning the money, not when you are being paid the money.

Therefore, our practice has been that if I submit an SRA between the 1st and 15th of a month, I am in a period of current earnings, so the earliest the change could go into effect would be with my 16th – end of month earnings. In this situation the contribution would be taken from paid earnings on the following months 10th paycheck, not on the current month's 25th paycheck.

In recent talks with TIAA, they led me to believe that most employers appear to interpret "earnings" as to when it is paid, not earned. Therefore, in the above example, they would make the election take on the current month's 25th paycheck, as future "pay".

Again, we can talk more after this week is over on this one.

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Commented [A6]: Do we need to clarify that this could be due to reaching the IRS maximum contribution limit? We need to rethink this in the WSRUP as well. Technically, participant status continues until the person's account is fully paid out to them which could be long after they stop contributing. Here, and in the WSRUP, I think we are really saying no new contributions beyond the applicable time.

4.1 VIP Contributions; Other Plans. A Participant's VIP Contributions may consist of any or all of the following Elective Deferrals:

(a) ~~Pre-tax~~Pre-Tax Deferral. ~~Pre-tax~~Pre-Tax Deferral means an Elective Deferral which is not a Roth Deferral.

(b) Roth Deferral. Roth Deferral means an Eelective Deferral which the Participant irrevocably designates as a Roth deferral under Code Section 402A at the time of deferral and which is subject to income tax when made to the Plan. Except as the Plan otherwise provides, a Roth ~~Elective~~ Deferrals ~~is~~are treated as an Elective Deferral for all purposes under the Plan.

(c) Age 50 Catch-up Deferral. Age 50 Catch-up Deferral means an Elective Deferral by a Catch-up Eligible Participant and which exceeds the Annual Additions Limit under Section 4.4(b)_____ or the Elective Deferral Limit under Section 4.4(a)___. A Catch-up Eligible Participant is a Participant who is eligible to make Elective Deferrals and who has attained age 50 or who will attain age 50 before the end of the Taxable Year in which he or she will make an Age 50 Catch-up Deferral. A Participant who dies or who incurs a Separation from Service before attaining age 50 is a Catch-up Eligible Participant in such Taxable Year. A Participant's Age 50 Catch-up Deferrals for a Taxable Year may not exceed the lesser of: (a) 100% of the Participant's Compensation for the Taxable Year when added to the Participant's other Elective Deferrals; or (b) the Catch-up Deferral dollar limit in effect for the Taxable Year ($6,500 for 2020). After the 2020 Taxable Year, the IRS will adjust the Age 50 Catch-up Deferral dollar limit in multiples of $500 under Code Section 414(v)(2)(C). A Participant's Age 50 Catch-up Deferrals are not subject to the Annual Additions Limit under Section 4.4(b)____or to the Elective Deferral Limit under Section 4.4(a)___.

(d) Qualified Organization Catch-up Deferral. A Participant who has completed at least fifteen (15) Years of 403(b) Service with WSU is a Qualified Participant and may elect to make a Qualified Organization Catch-up Deferral. The elective Deferral Limit for a Qualified Participant increases by the lesser of: (i) $3,000; (ii) $15,000 reduced by the Participant's Qualified Organization Catch-up Deferrals for prior Taxable Years; or (iii) the excess of $5,000 multiplied by the Participant's Years of 403(b) Service with WSU over the Participant's deferral contributions made for prior Taxable Years pursuant to Code Sections 401(k), 408(k)(6), 408(p) or 403(b), other than under Code Section 414(v). A Qualified Organization Catch-up Deferral is subject to the Annual Additions Limit under Section___4.4(b) but is not subject to the Elective Deferral Limit under Section 4.4(a)___.

(e) Catch-up Ordering. A Participant who is eligible may elect to contribute both Age 50 Catch-up Deferrals and Qualified Organization Catch-up Deferrals. The Plan Administrator will treat any such amounts as first attributable to Qualified Organization Catch-up Deferrals.

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Commented [A7]: My understanding is we have the option to do the 15 year catch-up, but are not required to do so. Is that correct?

Full disclosure: although not in our prior document, we have historically done about fout 15 year catch-ups.
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~~**(f) Contributions to other Plans.** Contributions to this Program~~Plan ~~(referred to hereafter as "VIP Contributions") are in addition to contributions, if any, which may be made to the Washington State University Retirement Plan (WSURP), or any State of Washington retirement plan. To make VIP Contributions, an Eligible Employee must enter into a Salary Reduction Agreement with WSU as described in Section 3.1. Under the Agreement, the employee's salary is reduced and the amount of the reduction is forwarded to the Funding Vehicles available under this Program~~Plan~~.~~

4.2 Salary Reduction Minimum. A Participant's ~~shall be permitted to make contributions under this Program~~Plan ~~only if the~~ Salary Reduction Agreement must provide~~s~~ for minimum contributions of at least $15.00 per pay period~~;~~, provided, that a Participant is not required to make Elective Deferrals which exceed ~~but this section shall not be construed to require contributions of more than~~ $200 per Taxable Year~~year~~.

4.3 Leave of Absence. During a leave of absence from WSU with pay, VIP Contributions will continue to be made in accordance with the Salary Reduction Agreement. No VIP Contributions will be made during a leave of absence without pay.

4.4 Maximum Contribution. ~~Plan~~ VIP Contributions for a Participant for any calendar year, together with contributions for the Participant under any other plan subject to Code Sections 402(g) or 403(b), shall not exceed the Elective Deferral Limit and the Annual Additions Limit, except as permitted by Code Section 414(v) as to age 50 Catch-up Deferrals~~.[special c ps?]~~.

(a) Annual Elective Deferral Limitation. A Participant's Elective Deferrals for a Taxable Year may not exceed the Elective Deferral Limit. Age 50 Catch-up Deferrals and Qualified Organization Catch-up Deferrals are not subject to the Elective Deferral Limit.

(i) Definition of Elective Deferral Limit. The Elective Deferral Limit is the Code Section 402(g) limitation on each Participant's Elective Deferrals for each Taxable Year. The Elective Deferral Limit is $19,500 in 2020, and in future years is subject to adjustment by the IRS in multiples of $500 under Code Section 402(g)(4). However, in no event shall a Participant's Elective Deferrals exceed the Participant's Compensation for the Taxable Year. If the Participant's Taxable Year is not a calendar year, the Plan Administrator must apply the Code Section 402(g) limitation in effect for the calendar year in which the Participant's Taxable Year begins.

(ii) Definition of Excess Deferral. A Participant's Excess Deferral is the amount of Elective Deferrals for a Taxable Year which exceeds the Elective Deferral Limit.

Commented [A8]: What about contributions made to another ER in the same calendar year, that may have been made before starting employment at WSU? Or if they are a part-time worker for someone else through whom they are making contributions?

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(iii) Suspension after Reaching Limit. If the Plan Administrator determines a Participant's Elective Deferrals to the Plan for a Taxable Year would exceed the Elective Deferral Limit, the Plan Administrator will suspend the Participant's Elective Deferrals, if any, until the following January 1 and will pay to the Participant in cash the portion of the Elective Deferrals which would result in the Participant's Elective Deferrals for the Taxable Year exceeding the Elective Deferral Limit. ~~[ROTH ordering]~~

(iv) Correction. If the Plan Administrator determines a Participant's Elective Deferrals already contributed to the Plan for a Taxable Year exceed the Elective Deferral Limit, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income, no later than April 15 of the following Taxable Year (or if later, the date permitted under Code Sections 7503 or 7508A).

(v) 415 Interaction. If the Plan Administrator distributes the Excess Deferrals by the April 15 deadline under Section 4.4(a)(iv), the Excess Deferrals are not an Annual Addition under Section 4.4(b), and the Plan Administrator may make the distribution irrespective of any other provision under this Plan or under the Code. Elective Deferrals distributed to a Participant as an Excess Amount in accordance with Section 4.4(b) are not taken into account in determining the Participant's Elective Deferral Limit.

(vi) More than One Plan. If a Participant participates in another plan subject to the Code Section 402(g) limitation under which the Participant makes elective deferrals pursuant to a 401(k) Plan, elective deferrals under a SARSEP, elective contributions under a SIMPLE IRA or salary reduction contributions to a 403(b) plan (irrespective of whether WSU maintains the other plan), the Participant may provide to the Plan Administrator a written claim for Excess Deferrals made to the Plan for a Taxable Year. The Participant must submit the claim no later than the March 1 following the close of the particular Taxable Year and the claim must specify the amount of the Participant's Elective Deferrals under this Plan which are Excess Deferrals. The Plan Administrator may require the Participant to provide reasonable evidence of the existence of and the amount of the Participant's Excess Deferrals. If the Plan Administrator receives a timely claim which it approves, the Plan Administrator will distribute the Excess Deferrals as adjusted for Allocable Income the Participant has assigned to this Plan, under this Section 4.4(a)(vi). If a Participant has Excess Deferrals because of making Elective Deferrals to this Plan and other WSU plans (but where the Elective Deferral Limit is not exceeded based on the Participant's Elective Deferrals to any single plan), the Participant for purposes of this Section 4.4(a)(vi) is deemed to have notified the Plan Administrator of this Plan of the Excess Deferrals.

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(vii) Definition of Allocable Income. Allocable Income means Earnings allocable to the Excess Deferrals for and through the end of the Taxable Year in which the Participant made the Excess Deferral. To calculate Allocable Income for the Taxable Year, the Plan Administrator will use a uniform method which reasonably reflects the manner used by the Plan Administrator to allocate Earnings to Participants' Accounts or the "alternative method" under Treas. Reg. Section 1.402(g)-1(e)(5)(iii).

(viii) Roth and Pre-Tax Deferrals. If a Participant who will receive a distribution of Excess Deferrals, in the Taxable Year for which the corrective distribution is made, has contributed both Pre-Tax Deferrals and Roth Deferrals, the Plan Administrator operationally will determine the Elective Deferral Account source(s) from which it will direct the Fund Sponsor to make the corrective distribution. The Plan Administrator also may permit the affected Participant to elect the source(s) from which the Fund Sponsor will make the corrective distribution. However, the amount of a corrective distribution of Excess Deferrals to any Participant from the Pre-Tax Deferral or Roth Deferral sources under this Section 4.4(a)(viii) may not exceed the amount of the Participant's Pre-Tax Deferrals or Roth Deferrals for the Taxable Year of the correction.

(b) Annual Code Section 415 Limit. The amount of Annual Additions which the Plan Administrator may allocate under this Plan to a Participant's Account for a Limitation Year may not exceed the Annual Additions Limit.

(i) Prevention. If the Annual Additions the Plan Administrator otherwise would allocate under the Plan to a Participant's Account for the Limitation Year would exceed the Annual Additions Limit, the Plan Administrator will not allocate the Excess Amount, but instead will take any reasonable, uniform action the Plan Administrator determines necessary to avoid allocation of an Excess Amount including: (1) suspending or limiting a Participant's additional Mandatory Contributions or Elective Deferrals; (2) reducing WSU's future Plan Contribution(s); or (3) suspending or limiting the allocation to a Participant of any Plan Contribution previously made to the Plan (exclusive of Elective Deferrals). If the Plan Administrator allocates to a Participant an Excess Amount, the Plan Administrator must dispose of the Excess Amount in accordance with Section 4.12(b)(ix).

(ii) Aggregation of WSU 403(b) Plans. If Annual Additions are credited to any other WSU Code Section 403(b) Plan in addition to those credited under this Plan for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under the other plan and this Plan may not exceed the Annual Additions Limit.

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(iii) Aggregation where Participant Controls any Employer. If a Participant is in control of any other employer for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan, any other WSU Code Section 403(b) plan, any defined contribution plans maintained by the controlled employers, and any Code Section 403(b) plans of any other employers may not exceed the Annual Additions Limit for the Limitation Year. The Plan Administrator determines "control" under Code Sections 414(b) or 414(c), as modified by Code Section 415(h), in accordance with the rules of Treas. Reg. Section 1.415(f)-1(f). A "defined contribution plan" means a defined contribution plan qualified under Code Sections 401(a) or 403(a), a Code Section 403(b) plan, or a simplified employee pension plan under Code Section 408(k). The Plan Administrator will provide written or electronic notice to Participants that explains the limitation in this Section 4.12(b)(iii) in a manner calculated to be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy this Section. The notice will advise Participants that the application of the limitations in this Section will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code Section 403(b). The notice will be provided annually, beginning no later than the year in which the Employee becomes a Participant.

(iv) Ordering Rules. If a Participant's Annual Additions under this Plan and any other plans aggregated with the Plan under this Section 4.12(b) result in an Excess Amount, such Excess Amount will consist of the Amounts last allocated. If the Plan Administrator allocates an Excess Amount to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will equal the product of: (1) the total Excess Amount allocated as of such date, multiplied by (2) the ratio of (a) the Annual Additions allocated to the Participant as of such date for the Limitation Year under the Plan to (b) the total Annual Additions allocated to the Participant as of such date for the Limitation Year under this Plan and the other aggregated plans.

(v) Definition of Annual Addition. An Annual Addition means the VIP ~~Plan~~ Contributions credited to a Participant's Account under this Plan and employer contributions, elective deferrals, employee contributions, mandatory contributions, allocations under a simplified employee pension plan and forfeitures credited to any other plan aggregated with the Plan under this Section 4.12(b); provided that Age 50 Catch-up Contributions, distributed Excess Deferrals under Section 4.12(a)(v) and certain other amounts described in Treas. Reg. Section 1.415(c)-1(b) are excluded. For purposes of the dollar limitation under Section 4.12(b)(vi), Annual Additions also include amounts allocated to an individual medical account (as defined in Code Section 415(l)(2) included as part of a pension

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or annuity plan maintained by WSU and contributions paid or accrued attributable to post-retirement medical benefits allocated to the separate account of a key-employee (as defined in Code Section 419A(d)(3)) under a WSU welfare benefit fund (as defined in Code Section 419(e)).

(vi) Definition of Annual Additions Limit. The Annual Additions Limit is the lesser of: (i) $57,000 in 2020 and as adjusted in future Limitation Years under Code Section 415(d)), or (ii) 100% of the Participant's Compensation for the Limitation Year.

(vii) Definition of Excess Amount. An Excess Amount is an excess of a Participant's Annual Additions for a Limitation Year over the Annual Additions Limit.

(viii) Definition of Limitation Year. The Limitation Year means the calendar year. However, if the Participant is in control of an employer under Section 4.12(b)(iii), the Limitation Year is the Limitation Year as defined in the defined contribution plan controlled by the Participant.

(ix) Correction of Excess Amount. If a Participant's Account exceeds the Annual Additions Limit for the Limitation Year, then the Plan may correct such excess in accordance with Section 9.7(b). Alternatively, the Plan Administrator may hold the Excess Amount in a separate account. The Excess Amount held in the separate account is includible in the Participant's gross income or the taxable year in which the VIP~~Plan~~ Contributions exceed the Annual Additions Limit. This separate account will be treated as a separate contract to which Code Section 403(c) (or another application provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

~~1.6.~~

4.5 Rollover Contributions and Transfers.

~~(a)~~ (a) Eligible Rollover Contributions. To the extent provided in the Annuity Contracts and Custodial Account agreements, a Participant who is entitled to receive an E~~e~~ligible R~~r~~ollover D~~d~~istribution from another E~~e~~ligible R~~r~~etirement P~~p~~lan may request to have all or a portion of the E~~e~~ligible R~~r~~ollover D~~d~~istribution paid directly or indirectly to the ~~Program~~Plan. Such rollover contributions shall be made in the form of cash only. The Fund Sponsor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code S~~s~~ection 402 ~~of the Code~~ and to confirm that such other plan is an E~~e~~ligible R~~r~~etirement P~~p~~lan. ~~within the meaning of section 402(e)(8)(B) of the Code. However, in no event does the Program~~Plan ~~accept a rollover contribution from a Roth elective deferral account under an applicable~~

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Commented [A11R10]: We do not allow for in-plan Roth conversions. We do accept Roth rollovers, however.

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~~retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.~~

~~Eligible Rollover Distribution. For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code.~~

(i) Eligible Rollover Distribution. An Eligible Rollover Distribution means any distribution of all or any portion of the Participant's Account Balance, except: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; (b) any required minimum distribution under Section 6.3; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200 (treating a Participant's Roth deferral amount as separate plan for purposes of the $200 amount); (f) any corrective distribution of excess amounts under Code Section 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under Code Section 72(p) (h) dividends paid on employer securities described in Code Section 408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under Code Section 409(p); and (k) permissible withdrawals from a EACA described in Code Section 414(w). A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an IRA or (ii) a qualified plan described in Code Sections 401(a) or 403(a), or (iii) a tax-sheltered annuity described in Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) Eligible Retirement Plan. An Eligible Retirement Plan means an IRA, an annuity plan described in Code Section 403(a), a qualified trust described

Commented [A12]: I see you struck this portion, but in 4.5(a)(iv) we do accept the Roth rollover. Would that section now be struck as well based on my response on the previous comment?

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in Code Section 401(a), an arrangement described in Code Section 403(b), or an eligible deferred compensation plan described in Code Section 457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. With regard to a Participant's designated Roth account, an Eligible Retirement Plan is a Roth IRA or another designated Roth account. In the case of a Beneficiary described in Section 6.5(c)(3), an Eligible Retirement Plan is limited to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

(iii) Separate Accounts. The Fund Sponsor shall establish and maintain for the Participant a separate Aaccount for any Eeligible Rrollover Ddistribution paid to the ~~Program~~Plan. No such rollover shall be taken into account in applying the limits of Section 4.4.

(iv) Roth Rollovers. A rollover contribution to the Plan may include Roth elective deferrals made to another plan, as adjusted for earnings in such plan; provided that such amounts must be directly rolled from the other plan to this Plan and the other plan must be a qualified plan under Code Section 401(a), a Code Section 403(b) plan or a government Code 457(b) plan.

~~(b) (b) Plan-to-Plan Transfers to the ProgramPlan.~~

~~(i) At the direction of WSU, for a class of Employees who are participants or beneficiaries in another plan under section 403(b) of the Code, the Plan Administrator may permit a transfer of assets to the ProgramPlan as provided in this Section 4.6(b). Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the ProgramPlan and the participant is an Eemployee or former Eemployee of WSU. The ProgramPlan Administrator and any Fund Sponsor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The ProgramPlan Administrator or any Fund Sponsor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. Section §1.403(b)-10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies Code Ssection 403(b), of the Code.~~

~~(ii) The amount so transferred shall be credited to the Participant's Accumulation Account, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to the Participant or Beneficiary immediately before the transfer.~~

~~(iii)To the extent provided in the Annuity Contract and Custodial Account agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as a VIP Contribution, except that (1) the Annuity Contract or Custodial Account which holds any amount transferred to the ProgramPlan must provide that, to the extent any~~

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Commented [A13]: This seems to be limited to a group of EEs. Could a single EE transfer in from another 403(b)? Also, are transfers OUT of the VIP permitted?

Commented [A14R13]: I think this was addressing a situation that occurred in 2007. We had another 403b vendor, Lincoln National. We stopped offering that plan, and those participates were able to do the plan-to-plan transfer. I will provide a copy of the letter we provided to participants at that time.

A transfer is different than a rollover, but how do we make it clear that an individual could rollover into this plan, but the transfer is something different.

Also, currently transfers OUT are not permitted for active participants. When they are no longer eligible participants, they could roll out of the plan, but again, I don't think that would be a transfer.

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~~amount transferred is subject to any distribution restrictions required under Code Ssection 403(b) of the Code, the Annuity Contract or Custodial Account agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed by the transferor plan and (2) the transferred amount is not subject to the limitations of Section 4.4.shall not be considered a VIP Contribution in determining the maximum deferral under Section 4.4.~~

4.6 Vesting of Contributions. Each contract and certificate issued in accordance with the provisions of the ~~Program~~Plan is the property of the Participant. Amounts attributable to VIP Contributions are immediately vested and shall be nonforfeitable~~, subject to Section 10.5~~. However, VIP Contributions based on a ~~good faith~~ mistake of fact shall be returned to WSU if WSU so requests as provided in Section 8~~10~~.5~~6~~(a).

4.7 Account Statement. At least once a year the Fund Sponsor(s) will send each Participant a report summarizing the status of his or her ~~Accumulation~~ Account. A Participant may obtain similar reports or illustrations upon ~~termination of employment~~ Separation from Service or at any other time by writing directly to the Fund Sponsor(s).

~~1.7.~~ **4.8 No Reversion.** Under no circumstances will any VIP Contributions revert to, be paid to, or inure to the benefit of, directly or indirectly, the WSU, except as provided in the second sentence of Section 10.5~~4.7~~.

~~**Protection of Persons Who Serve in a Uniformed Service**. An Eligible Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional VIP Contributions upon resumption of employment with WSU or any Related Employer equal to the maximum VIP Contributions that the Employee could have elected during that period if the Employee's employment had continued (at the same level of Compensation) without the interruption or leave, reduced by the VIP Contributions, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent otherwise provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).~~

~~**Roth Elective Deferrals**. As of January 1, 2010, the ProgramPlan will accept Roth VIP Contributions made by Participants. A Participant's Roth VIP Contributions will be allocated to an Accumulation Account maintained for such Roth VIP Contributions as described in Section 4.11(a). Unless specifically stated otherwise, Roth VIP Contributions will be treated as VIP Contributions for all purposes under the ProgramPlan.~~

~~(a) Contributions and withdrawals of Roth VIP Contributions will be credited and debited to the Roth Accumulation Account maintained for each Participant. The ProgramPlan will maintain a record of the amount of Roth VIP Contributions in each Participant's Roth Accumulation Account. Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Accumulation Account and the Participant's other Accumulation Accounts under the ProgramPlan. No contributions other than~~

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Commented [A16]: Addressed as an amendment since January 1, 2010. Adding to document. I covered these provisions elsewhere except the part of (d) which refers to the $1,000 mandatory distribution. As we discussed, the WSURP and VIP do not have mandatory distributions of small balances as to terminated participants. I also did not include (e) because again the plans do not impose the Code permitted $500 minimum on the amount which must be rolled where a participant elects to keep some of the distribution and roll the rest.

Commented [A17R16]: OK – sounds good.

~~Roth VIP Contributions and properly attributable earnings will be credited to each Participant's Roth Accumulation Account.~~

4.9 ~~10~~Military Service. This Section 4.9~~10~~ applies to an Employee who: (1) has completed Qualified Military Service under USERRA; (2) the Employer has rehired under USERRA; and (3) is a Participant entitled to make-up contributions under Code Section 414(u). This Section 4.9~~6(b)~~ also applies to an Employee who dies or becomes disabled while performing Qualified Military Service.

(a~~i~~) Compensation. For purposes of this Section 4.9~~10~~, the Plan Administrator will determine an affected Participant's Compensation as follows. A Participant during his or her period of Qualified Military Service is deemed to receive Compensation equal to that which the Participant would have received had he or she remained employed by WSU, based on the Participant's rate of pay that would have been in effect for the Participant during the period of Qualified Military Service. If the Compensation during such period would have been uncertain, the Plan Administrator will use the Participant's actual average Compensation for the twelve (12) month period immediately preceding the period of Qualified Military Service, or if less, for the period of employment.

(b~~ii~~) Elective Deferrals. During a Participant's period of Qualified Military Service, the Plan Administrator must allow a Participant to make up Elective Deferrals ~~or Mandatory Contributions~~ to his or her Account. The Participant may make up the maximum amount of Elective Deferrals ~~or Mandatory Contributions~~ which he or she under the Plan terms would have been able to contribute during the period of Qualified Military Service (less any such amounts the Participant actually contributed during such period) and the Participant must be permitted to contribute any lesser amount as the Plan would have permitted. The Participant must make up any contribution under this Section 4.9~~5~~(b)~~(iii)~~ commencing on his or her Re-Employment Commencement Date and not later than five (5) years following the Re-employment Commencement Date (or if less, a period equal to three (3) times the length of the Participant's Qualified Military Service triggering such make-up contribution).

(c~~iii~~) Limitations. Contributions under this Section 4.9~~10~~ are Annual Additions under Section 4.4~~12~~(b) and are subject to the Elective Deferral Limit under Section 4.4~~12~~(a) in the year to which such contributions are allocated, but not in the year in which such contributions are made.

(d~~iv~~) Differential Wage Payments. The Plan is not treated as failing to meet the requirements of any provision described in this Section 4.9~~10~~ by reason of any contribution or benefit which is based on a Differential Wage Payment. The preceding sentence applies only if all Employees performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms

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(taking into account Code Sections 410(b)(3), (4), and (5)). The Plan Administrator operationally may determine, for purposes of any provision described in this Section 4.9~~10~~, whether to take into account any Elective Deferrals, attributable to Differential Wage Payments.

(e~~v~~) No Earnings. A Participant ~~receiving~~ making any make-up contribution under this Section 4.~~6(b)~~9 is not entitled to an allocation of any Earnings on any such contribution prior to the time that WSU ~~actually makes the contribution (or~~ timely deposits the Participant's own make-up Elective Deferrals ~~or Mandatory Contributions)~~ to the Plan.

(~~vi~~f) HEART Act Death Benefits. If a Participant dies while performing Qualified Military Service, the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death.

4.10 Contribution Transmission. WSU will transmit to the Fund Sponsors all VIP Contributions as soon as is administratively practicable and within any time period required under applicable law.

SECTION 5. FUND SPONSORS AND ~~/~~FUNDING VEHICLES

~~1.8.~~ **5.1 The Fund Sponsors and ~~/~~Funding Vehicles**. VIP Contributions are invested in one or more of the Funding Vehicles made available to Participants ~~through the Fund Sponsors~~ under this ~~Program~~Plan and in accordance with any applicable law restricting investments by Participants not residing in the United States. A Participant or Beneficiary may allocate VIP Contributions among Funding Vehicles in any whole number percentages totaling one hundred percent (100%). Participants and Beneficiaries are solely responsible for the investment of their Account. If a Participant or Beneficiary fails to direct the investments of his or her Account, the Account will be invested in a Funding Vehicle selected by WSU for such non-directing Participants and Beneficiaries. ~~The Fund Sponsors that are available to Participants as of the date of this document are:~~

~~Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF): 730 Third Avenue, New York, NY 10017~~

WSU's~~The Institution's~~ current choice~~selection~~ of Fund Sponsor(s) and Funding Vehicles is not intended to limit future additions or deletions by WSU of Fund Sponsors and Funding Vehicles. The ~~Program~~Plan Administrator shall maintain a list of all Fund Sponsors under the ~~Program~~Plan. Such list is hereby incorporated as part of the ~~Program~~Plan. The ~~Each~~ Fund Sponsor(s) and WSU shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Fund Sponsor that ~~which~~ is not eligible to receive contributions under the ~~Program~~Plan (including a Fund Sponsor that~~which~~ has ceased to be a Fund Sponsor eligible to receive contributions under the ~~Program~~Plan), WSU~~the Employer~~ shall keep the Fund Sponsor informed of the name and contact information of the ~~Program~~Plan Administrator in order to coordinate information necessary to

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satisfy section 403(b) of the Code or other requirements of applicable law. In the event the Plan terms and the Funding Vehicles are in conflict, the Plan terms are controlling; provided that as to the timing or form of any Plan distribution, such timing or form must be permitted under the Funding Vehicle as well as under the Plan.

5.2 Allocation of Contributions. A Participant may allocate VIP Contributions among Funding Vehicles in any whole number percentages that equal 100 percent.

5.3 Funding Vehicle Exchange. A Participant may exchange all or a part of his or her Account between Funding Vehicles offered by a Plan Sponsor, subject to Fund Sponsor and/or Funding Vehicle contractual requirements, and to Code Section 403(b) and the regulations thereunder. However, effective on and following the execution of this Plan, an investment exchange to an investment with a Fund Sponsor that is not eligible to receive VIP Contributions under Section 5.1 is not permitted.

~~1.9. **5.3Fund Transfers**. Subject to a Funding Vehicle's rules for transfers and in accordance with the provisions of the Code governing the deferral of income tax with respect to Accumulation Accounts, a Participant may specify that a part or all of his or her Accumulation Account in one Funding Vehicle be transferred to another Funding Vehicle. However, an investment transfer that includes an investment with a Fund Sponsor that is not eligible to receive VIP Contributions (referred to below as an exchange) is not permitted unless the conditions in paragraphs (a) through (c) of this Section 5.3 are satisfied.~~

~~(a) (a)The Participant or Beneficiary must have an Accumulation Account immediately after the exchange that is at least equal to the Accumulation Account of that Participant or Beneficiary immediately before the exchange (taking into account the Accumulation Account of that Participant or Beneficiary with both Fund Sponsors immediately before the exchange).~~

~~(b) (b)The Annuity Contract or Custodial Account agreement with the receiving Fund Sponsor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.~~

~~(c) (c)WSU enters into an agreement with the receiving Fund Sponsor for the other contract or custodial account under which the Employer and the Fund Sponsor will from time to time in the future provide each other with information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made through WSU, to satisfy Code Ssection 403(b) of the Code or other requirements, including WSU providing information as to whether the Participant's employment with WSU is continuing, notifying the Fund Sponsor when the Participant has had a Sseverance from Eemployment, and providing information on loans outstanding.~~

5.4 Third Party Trading. The Participant, or his or her Beneficiary in the event of the Participant's death, is responsible for directing all funds invested under this Plan, and cannot assign that responsibility to another party, except that a Participant or Beneficiary may assign that responsibility to a third party that has been given a power of attorney and directions may be given

Commented [A18]: This section not in WSURP. Add?

Commented [A19R18]: It would make sense to add, however, I am not married to that if we don't want to as well.

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Commented [A20]: This differs from WSURP which says exchange with ineligible fund sponsor cannot be done, period. Is this difference intended?

Commented [A21R20]: I interpret the first section to be within one Fund Sponsor you are able to transfer funds from one vehicle to another.

As to the remainder of this section, we have not practiced transferring funds between two Fund Sponsors, except as was identified in 4.5(b). I wish I could clearly say what occurred in 2007, but I was with a different part of HR then, and don't have direct knowledge. Do you think this is a stand-alone section, or was in incorporated in connection with 4.5(b)? I will look for old documentation to see if I can find anything.

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by the legal representative of a Participant or Beneficiary who is under a legal disability. Any investment direction under this section 5.4 must be given in accordance with applicable law and any reasonable Plan Administrator or Fund Sponsor requirements.

SECTION 6. BENEFITS

6.1 Benefits in General. The Participant is entitled to receive benefits under any of the Funding Vehicles at any time and in any form offered by the Fund Sponsors, not inconsistent with Code Ssection 403(b) ~~of the Code~~ and the regulations thereunder, and subject to the written consent of the Participant's spouse or state registered domestic partner under RCW 26.60 et seq ("domestic partner"), if any, in accordance with Section 6.5. However, distributions may be paid only after a Participant attains age 59 1/2, severs from employment with WSU and all Related Employers, dies or becomes disabled, or in the case of hardship. Hardship distributions are subject to the rules and restrictions set forth in Section 6.3. Distributions to a Participant made prior to attaining age 59 1/2 may be subject to early withdrawal penalties under the ~~Internal Revenue~~ Code.

6.2 Death Benefits. On the death of a Participant, the entire value of the Participant's ~~each Accumulation~~ Account (or of the remaining Account) is payable to the Participant's Beneficiary or Beneficiaries. The Beneficiary may make an Election as to the time and form of payment under any payment option available under the Funding Vehicles, provided such payment options are consistent with Code Sections 403(b), 401(a)(9) and the regulations thereunder. A Beneficiary will make such Elections directly to the Fund Sponsor(s).~~named by the Participant under one of the options offered by the Fund Sponsor.~~ However, to the extent such Account has previously been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. All death benefits are further subject to the required minimum distribution requirements of Section 6.4.

~~The designation of a Beneficiary other than the Participant's spouse, if any, requires the written consent of the spouse in accordance with Section 6.5.~~

6.3 Hardship Distributions. Hardship distributions under Section 6.1 shall be approved only if the Plan~~rogram~~ Administrator determines that the Participant has an immediate and heavy financial need and the distribution is necessary to satisfy the need. In such cases, there shall be paid to such Participant out of his or her ~~Accumulation~~ Account only such portion of the amount requested as is necessary to prevent or alleviate the hardship. The ~~Programlan~~Plan Administrator's determination shall be final and binding. No amount attributable to income credited after December 31, 1988 on VIP Contributions shall be available for distribution on account of hardship.

The following are deemed to be immediate and heavy financial needs of the Participant: (a) medical expenses described in Code section 213(d) incurred by the Participant or his or her spouse, ~~or~~ dependents, or primary beneficiary; (b) purchase (excluding mortgage payments) of a principal residence for the Participant; (c) payment of tuition, room and board for the next 12 months of post-secondary education for the Participant, his or her spouse, his or her children, ~~or~~ his or her dependents, or primary beneficiary; (d) the payment of amounts necessary to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage

Commented [A22]: Should this also refer to registered domestic partners under laws of other states? Ditto the WSURP.

Commented [A23R22]: Yes, it/they should.

Commented [A24]: The WSURP requires spousal consent only if the participant wants to take a lump sum distribution of all or part of the account. So this restriction would apply to a partial distribution at age 59 ½ while still working at WSU or to any distribution of the entire account in one payment.

The VIP requires spousal consent to ALL distributions (including annuities and installments).

Why are these different?

Commented [A25R24]: I don't know why they are different, and think they should probably be the same, with the only exception being that the VIP will allow for an in service distribution once someone is 59 ½ I'm going to connect with TIAA to see if they have any thoughts on this issue that I may not taking into consideration.

Commented [A26]: Code Definition of beneficiary already covers this.

of his or her principal residence; (e) burial or funeral expenses for the Participant's deceased parent, spouse, children, ~~or~~ dependents or primary beneficiary; ~~or~~ (f) expenses for the repair of damage to the Participant's principal residence described in section 165 of the Code; or (g) expenses and losses (including loss of income) incurred by a Participant on account of a disaster declared by FEMA, provided the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual disaster assistance. For purposes of this Section 6.3, a "primary beneficiary" is an individual who is a named beneficiary under the Plan (whether by Participant designation or application of the Plan terms) and who has an unconditional right, on the Participant's death, to all or a portion of the Participant's Account.

Hardship distributions will be deemed to be necessary to satisfy an immediate and heavy financial need of the Participant only to the extent that~~if all of the following are satisfied~~: (a) the distribution does not exceed the amount of the applicable need under the second paragraph of Section 6.3 ~~increased by~~ including any amounts necessary to pay any federal, state or local taxes or penalties reasonable expected to result ~~resulting~~ from the distribution; (b) the Participant has reasonably obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under the ~~Programlan~~Plan and any other plan maintained by WSU or any Related Employer.; ~~(c) the Participant's VIP Contributions under the Program~~Plan ~~and his or her elective and employee contributions under any other deferred compensation plan maintained by WSU or any Related Employer are suspended for six (6) months after receipt of the hardship distribution.~~ To obtain a hardship distribution after 2019, a Participant must represent in writing that he or she has insufficient cash or liquid assets reasonably available to satisfy the need and the Plan Administrator must not have actual knowledge to the contrary.

6.4 Minimum Distribution Requirements.

(a) Applicable Law. All distributions under this Plan will be made in accordance with Code Sections 403(b)(10) and 401(a)(9), as each is amended and in effect from time to time, and regulations thereunder. Notwithstanding anything to the contrary in this Section 7.3, required minimum distributions are subject to changes made under the SECURE Act and any regulations or other binding guidance issued thereunder.

(b) Lifetime Required Minimum Distributions. Participants who attained age 70½ prior to January 1, 2020, must receive distribution or commence distribution of his or her Account no later than April 1 following the calendar year in which the Participant attains age 70½ or, if later, April 1 following the calendar year in which the Participant Separates from Service. For Participants who attain age 70½ in 2020 or later, required minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 72, or, if later, by April 1 following the calendar year in which the Participant Separates from Service. The annual lifetime minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-2 and 1.401(a)(9)-5. The entire Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and Designated Beneficiary.

Commented [A27]: Can add as a new event: expenses and losses (including loss of income) participant incurs on account of a FEMA declared disaster where the P's principal residence or employment is in the disaster area.

Commented [A28R27]: OK – let's add.

Commented [A29]: You can eliminate the requirement to first exhaust loans, or not.

Commented [A30R29]: Yeah – I saw that was not an absolute requirement, but could still be used. The way it is written, does this give me the option to say if the loan option on your TIAA VIP will meet the need, you need to pursue that. If it will not, we won't require you seek another load and could pursue the hardship?

Notwithstanding the above, the Account for each Participant as of December 31, 1986, will be distributed in accordance with Treas. Reg. Section 1.403(b)-6(e)(6).

(c) Death Required Minimum Distributions. The annual death minimum distribution amount will be calculated in accordance with Treas. Reg. §§1.401(a)(9)-3 and 1.401(a)(9)-5.

(i) Death Before the Required Beginning Date. If the Participant dies prior to January 1. 2020 and before benefit payments are required to begin under Section 6.3(b), any benefits payable to a Designated Beneficiary will be paid, as the Designated Beneficiary elects: (a) by December 31 of the calendar year which contains the fifth (5th) anniversary of the Participant's death; or (b) beginning no later than December 31 of the calendar year following the calendar year of the Participant's death, over a period not exceeding the life expectancy of the Designated Beneficiary. If the Designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70½.

If the Participant dies in 2020 or later and before benefit payments are required to begin under Section 6.3(b), any benefits payable to (or for the benefit of) a Designated Beneficiary will be paid, as the Designated Beneficiary elects: (c) by the end of the tenth (10th) full calendar year after the Participant's death; or (d)beginning no later than the end of the first (1st) full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the Designated Beneficiary is the surviving spouse, the spouse may Elect to defer commencement of payments until the date the Participant would have attained age 72. Special rules apply as to payments to other (non-spouse) Designated Beneficiaries. If the Beneficiary is not a Designated Beneficiary, or if a Designated Beneficiary fails to make a payment Election, payment will be made within five (5) years as described in Section 6.3(c)(i)(a).

(ii) Death After the Required Beginning Date. Upon the Participant's death after the time benefits are required to begin under Section 6.3(b), any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. Minimum distributions will be calculated based on the longer life expectancy of the Participant or his or her Designated Beneficiary. If there is no Designated Beneficiary, the minimum distributions will be based on the Participant's remaining life expectancy.

(d) Separate Treatment of Contracts and Accounts. In applying the foregoing minimum distribution rules, each Annuity Contract or Custodial Account shall be treated as an IRA and distribution shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e).

~~1.10.~~

~~(a) All distributions under this Program will be made in accordance with Code sections 403(b)(10) and 401(a)(9), as each is amended and in effect from time to time, and regulations thereunder. The entire Accumulation Account of each Participant will be distributed over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and a designated Beneficiary. As of December 20, 2019, for Participants who reached 70 ½ in 2019 or earlier, the mMinimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2, or, if later, April 1 following the calendar year in which the Participant retires from the WSU. For Participants who reach age 70 ½ in 2020 or later, minimum distributions must begin no later than April 1 of the calendar year following the calendar year in which the Participant attains age 72, or, if later, April 1 following the calendar year in which the Participant retires from the WSU. Notwithstanding the above, the Accumulation Account of each Participant as of December 31, 1986 will be distributed in accordance with IRS Regulation 1.403(b)-6(e)(6). The Participant (or Beneficiary, after the Participant's death) may elect whether to use the permissive recalculation rule for life expectancies under Code section 401(a)(9)(D). Upon the Participant's death after the time benefits are required to begin hereunder, any remaining benefits will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.**

~~Prior to January 1, 2020, iIf the Participant dies before benefit payments are required to begin under the preceding paragraph, any benefits payable to (or for the benefit of) a designated Beneficiary will be paid by the end of the fifth full calendar year after the Participant's death, or will be paid beginning no later than the end of the first full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70 1/2.~~

~~As of January 1, 2020, if the Participant dies before benefit payments are required to begin under the preceding paragraph, any benefits payable to (or for the benefit of) a designated Beneficiary will be paid by the end of the tenth full calendar year after the Participant's death, or will be paid beginning no later than the end of the first full calendar year after the Participant's death over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 72.~~

~~(b)~~

~~(c) In applying the foregoing rules, each Annuity Contract or Custodial Account shall be treated as an individual retirement account (IRA) and distribution shall be made in accordance with the provisions of section 1.408-8 of the IRS regulations, except as provided in section 1.403(b)-6(e) of the Regulations.~~

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6.5 Application for Benefits; Spousal Consent. Procedures for receipt of benefits are initiated by writing directly to the Fund Sponsor~~(s)~~. Benefits will be payable by the Fund Sponsor~~(s)~~ upon receipt of a satisfactorily completed application for benefits and supporting documents. The necessary forms will be provided to the Participant, the surviving spouse ~~or domestic partner~~, or the Beneficiary by the Fund Sponsor~~(s)~~. Any ~~In any case in which Section 6.1 or 6.2~~ require~~d~~s ~~the~~ consent of the Participant's spouse ~~or domestic partner, the consent~~ must be in writing, must acknowledge the effect of the ~~e~~Election or action to which the consent applies, and must be witnessed by a notary public or a ~~Program~~Plan representative. Unless the consent expressly provides that the Participant may make further ~~e~~Elections without further consent of the spouse ~~or domestic partner~~, the consent will be effective only with respect to the specific ~~e~~Election ~~or form of benefit, or Beneficiary, or both,~~ to which the consent relates. Spousal ~~or domestic partner~~ consent will be effective only with respect to that spouse ~~or domestic partner~~. Spousal ~~or domestic partner~~ consent will not be required if it is established to the satisfaction of the ~~Program~~Plan Administrator ~~representative that there~~ that there is no spouse ~~or domestic partner~~, or that the spouse ~~or domestic partner~~ cannot be located.

~~1.11.~~ **6.6 Loans.** Subject to the Code and terms of the Funding Vehicles, Plan loans are available to Participants before the commencement of benefit payments. Plan loans are subject to the spousal consent requirements of Section 6.5.

(a) Information Coordination Concerning Loans. Each Fund Sponsor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the ~~Program~~Plan, the ~~Program~~Plan Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in (b) below, including the collection of information from Fund Sponsors, and transmission of information requested by any Fund Sponsor, concerning the outstanding balance of any loans made to a Participant under the ~~Program~~Plan or any other plan of WSU or any Related Employer. The ~~Program~~Plan Administrator shall also take such steps as may be appropriate to collect information from Fund Sponsors, and transmission of information to any Fund Sponsor, concerning any failure by a Participant to repay timely any loans made to a Participant under the ~~Program~~Plan or any other plan of WSU or any Related Employer.

(b) Maximum Loan Amount. No loan to a Participant under the ~~Program~~Plan may exceed the lesser of:

$50,000, reduced by the ~~greater~~ excess of (i) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is made ~~the outstanding balance on any loan from the Program~~Plan ~~to the Participant on the date the loan is made or~~ over (ii) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made ~~the highest outstanding balance on loans from the Program~~Plan ~~to the Participant during the one-year period ending on the day before the date the loan is approved by the Program~~Plan

Commented [A31]: Payback via payroll withholding?

Loan treated as directed investment of borrower's account so no one else is at risk if default? Account balance pledged as collateral?

Spousal consent required?

Commented [A32R31]: WSU is not part of the loan repayment and currently the people work directly with TIAA, and it is n ot a payroll withholding.

I am feeling uninformed of the process. I will check with TIAA. Is this needed in the plan document, or just curiosity questions?

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~~Administrator (not taking into account any payments made during such one-year period);~~ or

one half of the present value of the Participant's ~~Accumulation~~ Account.~~s (as of the valuation date immediately preceding the date on which such loan is approved by the Program~~Plan ~~Administrator).~~

For purposes of this Section 6.6(b), any loan from any other plan maintained by WSU and any Related Employer shall be treated as if it were a loan made from the ~~Program~~Plan.~~, and the Participant's vested interest under any such other plan shall be considered an Accumulation Account under this Program~~Plan~~; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.~~

(c) Loan Terms. All Plan loans will require level amortization of principal and interest with quarterly (or more frequent) payments and over a payment term not exceeding five (5) years except where the loan is for the acquisition of the Participant's principal residence where a longer term may be available. Loan repayment will be by means of payroll deduction, AC or other means acceptable to the Plan Administrator and the Fund Sponsors. Plan loans will be treated as a directed investment of the borrower's Account as and when consistent with Fund Sponsor requirements.~~-~~

6.7 Direct Rollover of Eligible Rollover Distributions.

(a) Direct Rollover. A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p)(1)(B)) who is entitled to an Eligible Rollover Distribution from the Plan may make an Election to have any portion of that distribution paid directly to an Eligible Retirement Plan specified by the Participant or Beneficiary in a Direct Rollover. In the case of a distribution to a Designated Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a Direct Rollover is payable only to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

(b) Rollover and Tax Notice. Each Fund Sponsor within a reasonable time period (and within any period prescribed by applicable law) before making an initial Eligible Rollover Distribution, will provide an explanation to the Participant of his or her right to elect a Direct Rollover and the income tax withholding consequences of not electing a Direct Rollover.

(c) Election. A Participant (including for this purpose, a former Employee) may elect, at the time and in the manner prescribed by the Fund Sponsor, to

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Commented [A33]: If home purchase loans are permitted we will add to this.

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have any portion of his or her Eligible Rollover Distribution from the Plan paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover. For purposes of this Section 6.7~~5~~, a Participant includes as to their respective interests: (1) a Participant's surviving spouse, (2) the Participant's spouse or former spouse who is an alternate payee under a QDRO, or (3) any other Beneficiary of a deceased Participant who is a Designated Beneficiary under Treas. Reg. Section 1.401(a)(9)-4.

(d) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the distribution of an Eligible Rollover Distribution, the Plan must provide a written notice (including a summary notice as permitted under applicable IRS guidance) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice"). A recipient of an Eligible Rollover Distribution (whether he/she elects a Direct Rollover or elects to receive the distribution), also may elect to receive distribution at any administratively practicable time which is earlier than 30 days following receipt of the rollover notice. The provisions of this Section 6.7~~5~~(d) do not apply to distributions to a Beneficiary described in Section 6.7~~5~~(c)(3).

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(e) Default Rollover. The Fund Sponsor, in the case of a Participant who does not respond timely to the rollover notice, may make a Direct Rollover of the Participant's Account in lieu of distributing the Participant's Account.

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(f) Definitions. The following definitions apply to this Section 6.7~~5~~:

(i) Direct Rollover. A Direct Rollover means a payment by the Plan to the Eligible Retirement Plan the distributee specifies in his or her Direct Rollover election or in the case of an automatic rollover, to the IRA that the Plan designates.

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(ii) Eligible Retirement Plan. An Eligible Retirement Plan means as defined in Section 4.5(a)(ii).~~an IRA, an annuity plan described in Code Section 403(a), a qualified trust described in Code Section 401(a), an arrangement described in Code Section 403(b), or an eligible deferred compensation plan described in Code Section 457(b) sponsored by a governmental employer which accepts the Participant's or alternate payee's Eligible Rollover Distribution. In the case of a Beneficiary described in Section 6.5(c)(3), an Eligible Retirement Plan is limited to an IRA that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).~~

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(iii) Eligible Rollover Distribution. An Eligible Rollover Distribution means as defined in Section 4.5(a)(i).

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SECTION ~~any distribution of all or any portion of the Participant's Account Balance, except: (a) any distribution which is one of a series of substantially equal~~

~~periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten (10) years or more; *(b) any* required minimum distribution *under Section 6.3*; (c) the portion of any distribution which is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); (d) any hardship distribution; (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than $200; (f) any corrective distribution *of excess amounts under* Code Section 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto; (g) any loans that are treated as deemed distributions under Code Section 72(p) (h) dividends paid on employer securities described in Code Section 408(k); (i) the costs of life insurance coverage (P.S. 58 costs); (j) prohibited allocations treated as deemed distributions under Code Section 409(p); and (k) permissible withdrawals from a EACA described in Code Section 414(w). A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an IRAor (ii) a qualified plan described in Code Sections 401(a) or 403(a), or (iii) a tax sheltered annuity described in Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.~~

~~1.12.~~

~~(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Program may elect to have any portion of that distribution paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).~~

~~(b) Each Fund Sponsor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.~~

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~~**SECTION 2. GENERAL PROVISIONS AND LIMITATIONS REGARDING BENEFITS**~~

~~2.1. **Non-Alienation of Retirement Rights or Benefits**. To the fullest extent permitted by law, no benefit under the ProgramPlan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No person will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the ProgramPlan, or any part thereof, and any attempt to do so will be void and of no effect. This ProgramPlan will, however, comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this ProgramPlan to the extent that it is treated as a qualified domestic relations order under Code section 414(p). Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the ProgramPlan. WSU shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.~~

7. ADMINISTRATION

7.1 ~~Program~~Plan Administrator. WSU is the ~~Program~~Plan Administrator, and has designated the WSU Human Resource Services to be responsible for the day to day administration of the ~~Program~~Plan.

7.2 Authority of the ~~Program~~Plan Administrator. The ~~Program~~Plan Administrator has all the powers and authority conferred upon it herein and further shall have final authority to determine, in its discretion, all questions concerning eligibility and contributions under the ~~Program~~Plan, to interpret all terms of the ~~Program~~Plan, including any uncertain terms, to adopt Plan policies and procedures, and to decide any disputes arising under and all questions concerning administration of the Plan~~rogram~~. Any determination made by the ~~Program~~Plan Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, ~~WSU~~ the Plan Administrator will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

7.3 Delegation of Authority. The ~~Program~~Plan Administrator may delegate any power or powers to one or more other employees of WSU, or to any agent or independent contractor of WSU. Any such delegation shall be in writing, and may be obtained from the ~~Program~~Plan Administrator.

~~**SECTION 3.** **SECTION 8. AMENDMENT AND TERMINATION**~~

~~3.1. **Amendment and Termination**. While it is expected that this ProgramPlan will continue indefinitely, WSU reserves the right at any time to amend or terminate the ProgramPlan, or to discontinue any further VIP Contributions under the ProgramPlan, by resolution of its Board of Regents. If the ProgramPlan is terminated or if contributions are discontinued, WSU will notify all Participants, all Accumulation Accounts will remain nonforfeitable, and all agreements for~~

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~~salary reduction that have been entered into will become void with respect to salary amounts yet to be earned.~~

~~3.2. **Distribution Upon Termination of the ProgramPlan.** WSU may provide that, in connection with a termination of the ProgramPlan and subject to any restrictions contained in the Annuity Contracts and Custodial Account agreements, all Accumulation Accounts will be distributed, provided that WSU and any Related Employer on the date of termination do not make contributions to an alternative Code section 403(b) contract that is not part of the ProgramPlan during the period beginning on the date of ProgramPlan lantermination and ending 12 months after the distribution of all assets from the ProgramPlan, except as permitted by IRS regulations.~~

~~3.3. **Limitation.** Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the ProgramPlan that operates to recapture for WSU any contributions previously made under this ProgramPlan except to the extent permitted by Sections 4.7 and 10.5.~~

MISCELLANEOUS

8.1 Non-Alienation of Retirement Rights or Benefits. Except as otherwise provided in this Section 8, t~~T~~o the fullest extent permitted by law, no benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. No Participant or Beneficiary will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her Account or benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. The Plan Administrator will comply with any judgment, decree or order (including a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child or other dependent of a Participant and made pursuant to the domestic relations law of any state. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator may pay from a Participant's Account an amount the Plan Administrator determines is lawfully demanded under a levy issued by the IRS with respect to a Participant or Beneficiary, or is sought to be collected by the U.S. Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

~~**SECTION 4.**~~

8.2 ~~Program~~Plan Does Not Affect Employment. Nothing ~~contained~~ in this ~~Program~~Plan ~~may be construed as~~ is a commitment or agreement by WSU or by any Employee ~~on the part of any person~~ to continue his or her employment with WSU, or by WSU to rehire a retired Participant, and nothing ~~contained~~ in this ~~Program~~Plan ~~may be construed as~~ is a commitment on the part of WSU to continue ~~the employment or~~ the rate of compensation of any ~~person~~ Employee for any period. All Eemployees ~~of WSU~~ will remain subject to discharge to the same extent as if the ~~Program~~Plan had never been put into effect.

8.3 Claims of Other Persons. ~~No provisions in this ProgramPlan will be construed~~ The Plan does not give ~~as giving~~ any Participant, Beneficiary or any other person, firm, or ~~corporation~~ entity of any type, any legal or equitable right against WSU or against its past present or future officers, employees, or ~~regents~~Board members, except for the rights that are specifically provided for in this ~~Program~~Plan or created in accordance with the terms and provisions of this ~~Program~~Plan.

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8.4 Contracts and Certificates. In the event there is any inconsistency or ambiguity between the terms of the ~~Program~~Plan and the terms of the contracts between the Fund Sponsors and WSU and/or the Participants and any certificates issued to a Participant under the ~~Program~~Plan, the terms of the ~~Program~~Plan control.

8.5 Requests for Information. Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the ~~Program~~Plan should be in writing and directed to the Plan Administrator via WSU Human Resource Services. ~~of this Program~~Plan. Requests for information concerning the Fund Sponsor~~(s, the) and their~~ Funding Vehicle~~(s)~~, their terms, conditions and interpretations thereof, claims thereunder, any requests for review of such claims and service of legal process, may be directed in writing to the Fund Sponsor~~(s)~~.

8.6 Mistaken Contributions or other Plan Failures.

(a) Mistake of Fact. If any VIP C~~c~~ontribution (or any portion of a contribution) is made to the ~~Program~~Plan by a ~~good faith~~ mistake of fact, then within one (1) year after the payment of the Plan C~~c~~ontribution~~, and upon receipt in good order of a proper request approved by the ProgramPlan AdministratorWSU Human Resource Services Office~~, the Plan Administrator may return the amount of the mistaken contribution (net of any investment loss, but not increased by any investment income or gains)~~adjusted for any income or loss in value, if any, allocable thereto)~~ to WSU. Thereafter, the Plan Administrator will determine if any or all of such amount should be refunded to the affected Participant. ~~shall be returned directly to the Participant or, to the extent required or permitted by the ProgramPlan Administrator,WSU Human Resource Services Office, to WSU.~~

(b) Other Failures. If any VIP ~~c~~Contribution exceeds the Plan or Code limits or is otherwise not in accordance with the Plan terms, or if there are other Plan related failures, the Plan Administrator will make correction in accordance with the Plan and with the Employee Plans Compliance Resolution System under Rev. Proc. 2019-19 or any other successor or applicable guidance.

8.7 Governing Law. Except as provided under federal law, the provisions of the ~~Program~~Plan are governed by and construed in accordance with the laws of the State of Washington.

SECTION 9. AMENDMENT AND TERMINATION

9.1 Amendment and Termination. The Board reserves the right at any time to amend or terminate the Plan, in whole or in part, or to discontinue any further VIP Contributions under the Plan. If the Plan is terminated or if VIP C~~c~~ontributions are discontinued, the Plan

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Administrator will notify all Participants, all Accounts will remain nonforfeitable, and all Salary Reduction Agreements that have been entered into will become void with respect to Compensation ~~salary amounts~~ yet to be paid.

9.2 Distribution Upon Termination of the Plan. WSU may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Annuity Contracts and Custodial Account agreements, all Accounts will be distributed, provided that WSU and any Related Employer on the date of termination do not make contributions to an alternative Code Section 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending twelve (12) months after the distribution of all assets from the Plan, except as permitted by Code Section 403(b) and the regulations thereunder.

9.3 Limitation. Notwithstanding the provisions of Section 9.1, the Board shall not make any amendment to the Plan that operates to recapture for WSU any contributions previously made under this Plan except to the extent permitted by Section 8.6.

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