

MINUTES
Washington State University Board of Regents
January 26, 2024

The Board of Regents of Washington State University (WSU or University) met pursuant to call in open meeting at 9:01 a.m. on January 26, 2024, at Seattle Children’s Research Institute, Cure Private 01-750 meeting room, Seattle, WA.

Present: Chair Lisa Keohokalole Schauer; Regents Brett Blankenship, Enrique Cerna, Marty Dickinson, Isaac Marroquin, Judi McDonald, Doug Picha, Lura Powell, Jenette Ramos, John Schoettler; President Kirk H. Schulz

I. OPENING

A. Report from the Chair of the Board of Regents. Chair Lisa Keohokalole Schauer called the meeting to order.

Chair Schauer reported on the joint research symposium held with WSU and Seattle Children’s research leadership that was held on January 24, the Regents’ participation in campus and system events since November, and acknowledged the start of Black History Month.

B. Report from the President of the University. President Kirk Schulz provided an update sharing information on WSU’s National Day of Racial Healing, the appointment of new leadership, the status of the labor negotiations with academic student employees, recent legislative visits, recent grants received to support Extension’s outreach, recent media coverage featuring the College of Veterinary Medicine, fundraising highlights and upcoming engagement events, and Cougar athletics.

C. Report from the WSU Global Chancellor. WSU Global Chancellor David Cillay provided an update on the Global campus’s challenges in the online education in the landscape today that include education alternatives, universities partnering with for-profit education providers, increased regulations, and cost-effective ways to increase awareness of the Global campus and its degree offerings; Global campus’s enrollment trends and student demographics; outreach strategies to engage and generate greater affinity with students; and opportunities the include strategic corporate partnerships.

II. CONSENT AGENDA. Chair Schauer reported that there was one item on the Consent Agenda: approval of minutes – November 17, 2023, Board of Regents meeting.

Chair Schauer asked if any Regent wished to remove an item from the consent agenda to be considered separately. Hearing no requests, it was moved and seconded that the consent agenda be approved as submitted. Carried.

III. REPORTS FROM SHARED GOVERNANCE GROUPS. The following representatives from each of the University Shared Governance Groups provided an update on their respective areas:

- WSU Advancement
 - WSU Alumni Association President Lester Barbero
 - Vice President for Advancement and CEO Mike Connell
- Faculty Senate Chair Eric Sheldon
- Associated Students of WSU (ASWSU) Global President Abigail Chandas
- Graduate and Professional Student Association (GPSA) President Ajay Barman
- Administrative and Professional Advisory Council (APAC) Chair Angie Senter

IV. EXECUTIVE AND GOVERNANCE COMMITTEE REPORT. Chair Schauer reported that the committee reviewed and discussed three Action Items and submitted the following for Board consideration:

Proposed Revisions to the Board of Regents Conflict of Interest Policy (BOR1)

It was moved and seconded that the Board of Regents approve proposed revisions to the Board of Regents Conflict of Interest Policy (BOR1). Carried. (Exhibit A)

Proposed Revisions to the Board of Regents Policy on Committee Charters (BOR3)

It was moved and seconded that the Board of Regents approve proposed revisions to the Board of Regents Policy on Committee Charters (BOR3). Carried. (Exhibit B)

2025 Board of Regents meeting Schedule

It was moved and seconded that the Board of Regents approve the schedule for the 2025 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 (resolution #: 240126-703).

<u>2025 Dates</u>	<u>Location</u>
January 23-24, 2025	Seattle
March 6-7, 2025	Tri-Cities
April 17-18, 2025	Spokane
June 5-6, 2025 (Retreat)	Everett
September 18-19, 2025	Pullman
November 13-14, 2025	Seattle

Carried. (Exhibit C)

V. STRATEGIC AND OPERATIONAL EXCELLENCE COMMITTEE REPORT. Committee Chair Regent Schoettler reported that the Strategic and Operational Excellence Committee reviewed and discussed one Information Item, Enrollment Management Overview presented by Vice Provost of Enrollment Management Saichi Oba.

Regent Schoettler further reported that the committee reviewed and discussed two Information Items:

- State of Information Technology at WSU presented by Vice President and Chief Information Officer Tony Opheim,
- WSU System Strategic Plan Update presented by Vice President for Strategy, Planning, and Analysis Chris Hoyt.

Regent Schoettler further reported that the committee reviewed and discussed one Future Action Item:

- WSU Global Campus Strategic Plan presented by Chancellor, Global Campus David Cillay.

Regent Schoettler further reported that the committee reviewed one Action Item and submitted the following for Board consideration:

Regents Distinguished Alumni Award Nomination

Chair Schauer 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 the Board of Regents Bylaw II.12.B.

It was moved and seconded that the Board of Regents approve the recommended candidate as the 2023 recipient of the Regents' Distinguished Alumni Award (Exhibit D). Carried.

VI. ACADEMIC AND STUDENT AFFAIRS COMMITTEE REPORT. Committee Chair Regent Picha reported that the committee reviewed one Future Action Item:

- Establish a Master's of Energy Conscious Construction Degree, WSU Pullman and Global Campuses presented by WSU Provost and Executive President Elizabeth Chilton.

Regent Picha further reported that the committee reviewed one Action Item and submitted the following for Board consideration:

Honorary Doctoral Degree Nominations

Chair Schauer 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 the Board of Regents Bylaw II.12.B.

It was moved and seconded that the Board of Regents Board of Regents confer the two presented candidates for Honorary Doctoral Degrees from Washington State University (Exhibit E). Carried with one abstention by Regent McDonald who recused herself from voting as she served on the faculty committee that selected the nominee.

VII. FINANCE AND COMPLIANCE COMMITTEE REPORT. Committee Chair Regent Ramos reported that the Finance and Administration Committee reviewed and discussed four Information Items:

- Fiscal Year 2023 Annual Financial Report, Trends and Debt Report presented by Executive Vice President for Finance and Administration and CFO Leslie Brunelli and Senior Associate Vice President for Finance and Administration/Deputy CFO Matt Skinner;
- Fiscal Year 2024 Financial Performance Update presented by Brunelli, Skinner, and Assistant Vice President for Business and Planning Chris Jones;
- Athletics Budget Update presented by Brunelli, Athletic Director Pat Chun, and Assistant Vice President for Business and Financial Services Jon Haarlow;
- Athletic Budget Benchmarking presented by Mike Alden of MRJ Advisors.

Regent Ramos further reported that the committee reviewed and discussed eight Future Action Items:

- Proposed Academic Year 2024-2025 Tuition Rates for the Elson S. Floyd College of Medicine presented by Brunelli and Executive Vice President for Health Sciences and WSU Spokane Chancellor Daryll DeWald;
- Proposed Academic Year 2024-2025 Housing and Dining Rate presented by Brunelli, Chilton, and Interim Vice Chancellor for Student Affairs Jenna Hyatt;
- Services and Activities Fee Rate Changes for Academic Year 2024-2025 presented by Brunelli, Chilton, and Hyatt;
- Services and Activities Fees Committee Allocations for Summer of 2024 and Academic Year 2024-2025 presented by Brunelli, Chilton, and Hyatt;
- WSU Pullman, Undergraduate Technology Fee Committee Allocations, Fiscal Year 2025 presented by Brunelli, Chilton, and Opheim;
- Proposed Revisions to WAC 504-04 Practice and Procedures presented by Brunelli and Executive Director for Policy and Governance Danielle Hess;
- Proposed Revisions to WAC 504-36, Health and Safety Regulations presented by Brunelli and Hess;
- WSU Pullman, Voiland College of Engineering and Architecture, Schweitzer Engineering Hall, Design Approval presented by Brunelli, Chilton, Vice President for Facility Services Olivia Yang, and Dean of the Voiland College of Engineering and Architecture Mary Rezac.

Regent Ramos further reported that the committee reviewed three Action Items and submitted the following for Board consideration:

Proposed Academic Year 2024-2025 Tuition Rates

It was moved and seconded by the Board of Regents to set tuition rates for the academic year 2024-25 as proposed. Carried. (Exhibit F)

WSU Foundation Investment Policy Proposed Amendments

It was moved and seconded that the Board of Regents approve the proposed amendments to the Investment Policy Statement. Carried. (Exhibit G)

Ratification of Residency Agreements

Chair Schauer 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 the Board of Regents Bylaw II.12.B.

It was moved and seconded that the Board of Regents approve and ratify the current master agreements for medical residencies and delegate to the President or designee authority to approve agreements executed pursuant to the master agreements (resolutions #: 240126-700, 240126-701, 240126-702). Carried. (Exhibit H)

VIII. OTHER BUSINESS. Chair Schauer reported the Regents met in Executive Session on Thursday, January 25, with legal counsel to discuss pending litigation involving the university and the performance of a public employee. As a result of those discussions, Chair Schauer reported the Board had an Action Item and moved that the Board of Regents adopt resolution #240126-704, delegating authority to the President or designee to sign and take any other steps needed to finalize the Pac-12 settlement agreement. Carried.

IX. PUBLIC COMMENT PERIOD. The following comments were made to the Board:

- WSU faculty Williams Engels, WSU divestment from fossil fuels;
- WSU student Ryan Culp, WSU divestment from fossil fuels and creation of sustainability task force.

X. ADJOURNMENT. The meeting was adjourned at 11:12 a.m.

Approved by the Board of Regents at its meeting held on March 8, 2024.

Chair, Board of Regents

Secretary, Board of Regents

Washington State University
Board of Regents Policy Manual

Board of Regents Policy #1

Revision Approved by the Board of Regents, ~~August 24, 2016~~ <Date TBD>

Draft #1

Board of Regents Conflict of Interest Policy

Contents

1.0 Policy and Purpose

2.0 Definition of Conflict of Interest

3.0 Requirements and Procedures

4.0 Assistance

1.0 Policy and Purpose

The members of the Board of Regents, as well as all Washington State University faculty and staff, hold positions of public trust and should adhere to the highest ethical standards in carrying out their duties to the University. These standards include maintaining objectivity and independent judgment to ensure all actions are taken in the best interests of the University, and avoiding activities that could impair the public's trust in the institution.

Purpose

This policy protects the interests of the University by providing guidance to the Regents in recognizing and handling conflicts of interest and meeting their obligations under the Washington State Ethics in Public Service Act (Ethics Act). The Ethics Act prohibits state officers and employees from having an interest, financial or otherwise, direct or indirect, or engaging in a business or transaction or professional activity, or incurring an obligation of any nature, that is in conflict with the state officer's or employee's duties. ([RCW 42.52.020: University Ethics Policy \(EP45\)](#)) In addition to these statutory obligations, members of the Board of Regents have fiduciary responsibilities to the University, which require them to avoid actual, potential, or apparent conflicts of interest and exercise their authority solely on the basis of promoting the best interests of the institution and the public good.

2.0 Definition of Conflict of Interest

A conflict of interest is a personal interest, financial, familial, professional, or otherwise, that might impair or reasonably appear to an objective, outside observer to impair a Regent's independent, unbiased judgment in the discharge of ~~his or her~~ their responsibilities to the University.

For purposes of this policy, the Student Regent ~~shall is not be~~ deemed to have a conflict of interest for purposes of participation in or voting on matters of general interest to Washington State University students. Likewise, the Faculty Regent is not deemed to have a conflict of interest for purposes of participation in or voting on matters of general interest to Washington State University faculty.

Board of Regents Policy #1

Revision Approved by the Board of Regents, ~~August 24, 2016~~ <Date TBD>

Draft #1

Board of Regents Conflict of Interest Policy

3.0 Requirements and Procedures

The following requirements and procedures apply:

- Each Regent ~~will file~~ annually files a personal financial affairs disclosure, as required by the *Washington Public Disclosure Act*, RCW Chapter [42.17A.700](#).
- Within thirty days of appointment to the Board of Regents, and each year annually, each Regent ~~will sign~~ s a statement certifying they have read, understand, and will comply with this Conflict of Interest Policy and that they have filed the required annual personal financial affairs disclosure with the Public Disclosure Commission. The completed statements are retained in the Office of the President for the applicable retention period.
- **For financial transactions involving the University:** If the Board of Regents is called upon to consider a transaction in which a Regent owns a beneficial interest, as defined in [RCW 42.52.010](#), the Regent ~~shall disclose~~ s the precise nature of his or her interest to the Chair of the Board of Regents and ~~shall refrain~~ s from participating in the Board's consideration of the transaction. ([RCW 42.52.030](#))
- **For building contracts, improvements, or building supplies:** No Regent ~~shall may~~ have a financial interest, either directly or indirectly, in any contract for any building or improvement at the University, or for furnishing supplies for any building or improvement. ([RCW 28B.30.140](#))
- **For certain personnel matters:** The Student Regent is prohibited from participating in or voting on matters related to the hiring, discipline, or tenure of faculty members and personnel. The Faculty Regent is prohibited from participating in or voting on matters related to the hiring, discipline, or tenure of specific faculty members. (RCW 28B.30.100(5))
- **For other matters:** All Regents ~~should are to~~ be sensitive to matters that could involve an actual, apparent, or potential conflict of interest. If a Regent becomes aware of any personal, financial, familial, or professional relationship that could give rise to a conflict of interest with respect to a particular matter, the Regent ~~shall is to~~ promptly disclose the relationship to the Chair of the Board of Regents (or Vice Chair, if the Chair is unavailable or is the Regent with the possible conflict). In turn, legal counsel may be consulted. The Chair (or Vice Chair, if applicable) makes the final decision regarding whether a conflict of interest exists. A recess may be taken if needed to address an issue arising during a Regents meeting.
- **Recusal:** Regents should err on the side of caution and ~~shall~~ recuse themselves from participating in, influencing, or voting on matters when a conflict of interest exists. The Regent's recusal (or the decision not to recuse and the basis for that decision) ~~shall be is~~ be is noted on the record. In the event of recusal, the Regent's presence ~~will is~~ not be counted when determining whether there is a quorum for action on that matter.

Board of Regents Policy #1

Revision Approved by the Board of Regents, ~~August 24, 2016~~ <Date TBD>

Draft #1

Board of Regents Conflict of Interest Policy

3.0 Requirements and Procedures (cont.)

- **Exception:** Except when prohibited by law, in the event that a conflict of interest arises but recusal would, in the judgment of the Chair (or Vice Chair, if applicable) cause significant harm to the institution, the Chair (or Vice Chair, if applicable), after consultation with legal counsel, may authorize limited participation under carefully defined conditions. An explanation of the conflict, the justification for allowing participation, and the conditions of participation ~~shall be~~ are noted on the record.

4.0 Assistance

Questions ~~or complaints~~ regarding this policy, or concerns about possible conflicts of interest, should be directed to the Chair of the Board of Regents, the University's ~~Chief Audit Executive~~ Ethics Compliance Advisor, or the Senior Assistant Attorney General. ~~'s Office.~~

Board of Regents Policy #3
Revision Approved by the Board of Regents, ~~June 6, 2022~~ <Date TBD> **Draft #1**

Board of Regents Policy on Committee Charters

Contents

1.0 Policy and Purpose

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2.2.a Purpose and Authority

2.2.b Composition

2.2.c Responsibilities

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2.3.a Purpose and Authority

2.3.b Composition

2.3.c Responsibilities

2.4 Strategic and Operational Excellence Committee

2.4.a Purpose and Authority

2.4.b Composition

2.4.c Responsibilities

1.0 Policy and Purpose

Board of Regents (BOR) standing committees assist it in focusing and organizing its work around institutional issues and responsibilities that align with the BOR's governance role. Committee charters delineate committee structure and responsibilities and help advance the productivity of the BOR.

BOR committees include an Executive and Governance Committee and three committees of the whole:

- The Academic and Student Affairs Committee, ~~which encompasses Academic Affairs, Research, and Student Life;~~
- The Finance and Administration Committee, ~~which encompasses Finance, Compliance, Audit, Infrastructure, and Athletics;~~
- The Strategic and Operational Excellence Committee, ~~which encompasses Inclusion, Diversity, Equity, and Access, Planning, Governmental Affairs, Advancement, Corporate Engagement, and WSU Extension.~~

Board of Regents Policy #3
Revision Approved by the Board of Regents, ~~June 6, 2022~~ <Date TBD> **Draft #1**

Board of Regents Policy on Committee Charters

2.0 BOR Standing Committee Charters

2.1 Executive and Governance Committee

2.1.a Purpose and Authority

The Executive and Governance Committee has a broad mandate ~~from the BOR~~ to work with the BOR chair and the WSU president to help the BOR function effectively and efficiently in service to WSU and to the public. ~~it serves~~. It is vested with ~~the~~ authority to act on behalf of the BOR on emergency matters that cannot or should not be delayed until the BOR's next regularly scheduled meeting or until a special meeting of the full BOR is called, such action taking place at a meeting conducted in accordance with the requirements of Washington law.

Three members of the Executive and Governance Committee ~~shall~~ constitute a quorum for the conduct of business of the committee. If three members of the committee are not available, the BOR chair may designate any member of the BOR to temporarily fill the role as a member of the committee.

2.1.b Composition

The Executive and Governance Committee ~~shall~~ consists of the BOR chair, the BOR vice chair, and the immediate past BOR chair. The WSU president ~~shall~~ serves as an ex officio (non-voting) member of the committee, except when the committee is considering matters of the president's hiring, evaluation, or compensation. Committee membership ~~shall~~ changes concurrently with the schedule for BOR elections as outlined in Article I, Section 3, of the Board of Regents Bylaws.

2.1.c Responsibilities

The committee's responsibilities include:

- Monitoring the president's performance and overseeing presidential assessment and compensation, including annual and comprehensive performance evaluations in accordance with [BOR Policy #6](#);
- Monitoring, reviewing, advocating for, and implementing best practices in higher education governance;
- Ensuring that a substantive, comprehensive orientation program is provided to all new BOR members;
- Regularly reviewing and updating BOR policies and bylaws;

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Revision Approved by the Board of Regents, ~~June 6, 2022~~ <Date TBD> **Draft #1**

Board of Regents Policy on Committee Charters

2.1 Executive and Governance Committee (cont.)

2.1.c Responsibilities (cont.)

- Encouraging ~~that~~ all BOR members to continue to learn about the institution and their responsibilities, including timely completion of any mandatory training and participation in regular in-service education opportunities;
- Overseeing the timing and process of periodic BOR self assessment;
- Ensuring the BOR adheres to its policies, bylaws, applicable state and federal laws, and principles that advance inclusion, diversity, equity, and access;
- Serving as a sounding board for the WSU president;
- Acting on behalf of the BOR in emergency matters.

2.2 Academic and Student Affairs Committee ~~(Academic Affairs, Research, and Student Life)~~

2.2.a Purpose

This committee facilitates the BOR's responsibilities for teaching, research, and other academic matters, as well as matters relating to student affairs, student life, and education and activities outside the classroom.

2.2.b Composition

This is a committee of the whole. The BOR chair ~~shall~~s appoints a chairperson, as provided in the Board of Regents Bylaws. Additionally, the WSU president ~~shall~~s appoints one ex officio primary liaison from among the officers of WSU and may appoint other ex officio members. The primary liaison, in consultation with the committee chairperson, the Office of the President, and other appropriate WSU officials, ~~shall be is~~ responsible for development of the committee agenda.

2.2.c Responsibilities

This committee ~~shall~~s considers matters, makes s recommendations, and provides s governance oversight in the following areas:

- Academic policy and programs, including accreditation; curriculum; instruction; educational technology; online education; student advising; research; public service; admission requirements; the establishment and discontinuation of educational and research departments, colleges, and units; and the establishment and discontinuation of degree programs;

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Board of Regents Policy on Committee Charters

2.2 Academic and Student Affairs Committee (cont.)

2.2.c Responsibilities (cont.)

- Research, scholarship, and creativity statewide, nationally, and internationally, including economic development activities;
- Intellectual property, technology transfer, and commercialization activities;
- Enrollment management and planning, including enrollment levels for each campus and system-wide; admissions; financial aid; student retention; and graduation rates;
- Inclusion, diversity, equity, and access, in all matters pertaining to academics, research, faculty affairs, and student life;
- Faculty affairs, including matters relating to recruitment, retention, promotion, composition of the faculty, and other policies and matters that impact faculty;
- Student affairs and student life, including policies, practices, and procedures that impact students; housing and dining services; health and safety; student organizations; career services; student support programs; education abroad; recreation, civic engagement and leadership; and extracurricular and cocurricular activities.

2.3 Finance and Administration Committee (~~Finance, Compliance, Audit, Infrastructure, and Athletics~~)

2.3.a Purpose

This committee facilitates the BOR's responsibilities for the financial and administrative operations of WSU, including fiscal and compliance matters related to intercollegiate athletics. The committee also is responsible for physical and information technology infrastructure, as well as other infrastructure matters.

2.3.b Composition

This is a committee of the whole. The BOR chair ~~shall~~s appoints a chairperson, as provided in the Board of Regents Bylaws. Additionally, the WSU president ~~shall~~s appoints one ex officio primary liaison from among the officers of the WSU and may appoint other ex officio members. The primary liaison, in consultation with the committee chairperson, the Office of the President, and other appropriate WSU officials, ~~shall be~~is responsible for development of the committee agenda.

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Board of Regents Policy on Committee Charters

2.3 Finance and Administration Committee (cont.)

2.3.c Responsibilities

This committee ~~shall~~s considers matters, makess recommendations, and providess governance oversight on the following:

- Investments, including:
 - Reviewing and approving changes to the Investment Policy Statement for the Washington State University Foundation Consolidated Endowment Fund (Fund) Investment Policy, as it relates to the WSU endowed assets;
 - Reviewing and recommending BOR-appointed members to the WSU Foundation Investment Committee; ~~-(Committee);~~
 - Annually reviewing the operational performance of the Fund and the actions of the WSU Foundation, its Governors, and the WSU Foundation Investment Committee;
- Borrowing and debt management, including the financing of capital projects;
- Operating and capital budget endorsement, including overseeing annual and long-range operating and capital budgets; and reviewing, providing recommendations, and approving all requests for appropriation of state funds;
- Student fees and tuition;
- Audit, including meeting a minimum of two times per year with WSU's chief audit executive to discuss the effectiveness of WSU's internal controls, significant status updates on corrective action plans, the audit plan, and internal audit activity; review of the audit charter, as needed; this committee or the committee chairperson ~~shall~~meets at least once per year with the internal auditor in the absence of WSU officers;
- Finance, including oversight of the financial health of WSU and the integrity of its financial statements; sufficient opportunity for the independent external auditor to meet with the committee or the committee chairperson ~~shall~~at least annually is to be provided;
- Compliance, including meeting a minimum of two times per year with WSU's chief compliance officer to receive updates, reports on the status of corrective action plans, presentations and/or recommendations on compliance issues, including discrimination, harassment, and Title IX issues, and reports regarding any significant noncompliance issues; in addition, the committee will review the compliance charter as needed; sufficient opportunity for the chief compliance officer to meet with the committee ~~shall~~is to be provided; this committee or the committee chairperson ~~shall~~meets at a minimum of once per year with the chief compliance officer in the absence of WSU officers;

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Board of Regents Policy on Committee Charters

2.3 Finance and Administration Committee (cont.)

2.3.c Responsibilities (cont.)

- Investigation of any matter brought to the committee's attention with full access to all records, facilities, and personnel of WSU and the authority to engage other individuals, including professionals external to WSU 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;
- Risk management, including meeting a minimum of once per year with WSU's chief risk officer to discuss significant enterprise and operational risks and WSU's risk management plan;
- Campus safety and security;
- WSU trust lands;
- Classified and administrative professional employees, including matters relating to recruitment, retention, promotion, policies, collective bargaining, and other matters that impact employees;
- Real property, including ownership, management, leasing, acquisition, and disposition;
- Inclusion, diversity, equity, and access (IDEA) as they relate to matters within the purview of this committee, including ensuring that IDEA principles are being considered and followed in all areas of WSU administrative operations;
- Physical facilities, including:
 - Long-range physical planning, including capital and campus master plans;
 - Capital-asset preservation and renewal, including monitoring deferred maintenance and overseeing the repairs, replacements, modernization, and renovations of buildings and infrastructure systems;
 - Major capital projects;
 - Research infrastructure, including major research facilities, core instrumentation laboratories, and other capabilities;
 - Plant operations and maintenance;
 - Facilities-related policies and procedures (e.g., bidding processes, safety, sustainability, and ADA compliance);
- Information technology, including the needs of, and coordination among, the various campuses in information technology areas, research computing, telephone services, and other technologies;
- Athletics, including budget, policies, compliance, Pac-12 and NCAA, and matters pertaining to student athletes.

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Board of Regents Policy on Committee Charters

2.4 **Strategic and Operational Excellence Committee** ~~(Inclusion, Diversity, Equity, and Access, Planning, Governmental Affairs, Advancement, Corporate Engagement, and Extension)~~

2.4.a **Purpose**

This committee facilitates the BOR's engagement in strategic planning and analysis, institutional advancement, development, marketing and communications, alumni relations, corporate engagement, and governmental relations. It also considers matters pertaining to the efficiency and effectiveness of system-wide operations and has broad oversight of WSU's activities and progress in the areas of inclusion, diversity, equity, and access system-wide.

2.4.b **Composition**

This is a committee of the whole. The BOR chair ~~shall appoints~~ a chairperson, as provided in the Board of Regents Bylaws. Additionally, the WSU President ~~shall appoints~~ one ex officio primary liaison from among the officers of WSU and may appoint other ex officio members. The primary liaison, in consultation with the committee chairperson, the Office of the President, and other appropriate WSU officials, ~~shall be is~~ responsible for development of the committee agenda.

2.4.c **Responsibilities**

This committee ~~shall considers~~ matters, ~~makes~~ recommendations, and ~~provides~~ governance oversight on the following:

- ~~Inclusion, diversity, equity, and access~~ (IDEA), including high-level coordination between and among BOR committees in this area, coordination and review of WSU's IDEA efforts system-wide, and receiving presentations and information from WSU's diversity and equity experts and/or the Executive Director for Tribal Relations no less than once per year regarding progress and challenges;
- Strategic and organizational planning and analysis, including development and approval of the strategic plan for each campus and the WSU system, ~~'s strategic plan~~, oversight of ~~its~~ implementation, and monitoring overall performance, including review of meaningful performance metrics;
- Advancement, development, and fundraising, including supporting the WSU Foundation in achieving its goals and aligning fundraising efforts and the institution's strategic priorities;

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Board of Regents Policy on Committee Charters

2.4 Strategic and Operational Excellence Committee (cont.)

2.4.c Responsibilities (cont.)

- Alumni relations, including working with the WSU Alumni Association to support programs and activities that encourage alumni involvement with, and support of, WSU;
- Government affairs, including the institution's public policy agendas and long- and ~~short range~~ short-range planning and engagement efforts aimed toward advancing WSU's strategic priorities to all local, state, and federal leaders, constituencies, and agencies, including the Washington Legislature and the general public.
- Marketing and communications, including strategic public relations, marketing, and communications efforts;
- Corporate engagement, including major sponsorships and relationships that advance WSU objectives; and
- WSU Extension and all of its operations statewide.

Exhibit C

BOARD OF REGENTS

2025 Board of Regents Meeting Schedule

Resolution # 240126-703

BE IT RESOLVED that the Board of Regents of Washington State University hereby adopts the following schedule of meeting dates for 2025:

<u>2025 Dates</u>	<u>Location</u>
January 23-24, 2025	Seattle
March 6-7, 2025	Tri-Cities
April 17-18, 2025	Spokane
June 5-6, 2025 (Retreat)	Everett
September 18-19, 2025	Pullman
November 13-14, 2025	Seattle

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 26th day of January, 2024.

Chair of the Board of Regents

Secretary of the Board of Regents

To: Washington State University Board of Regents

From: Rafael Pruneda
Chair, Regents' Distinguished Alumni Award Committee

Re: Recommendations for 2023 RDAA Recipient

Date: January 8, 2023

Members of the Regents' Distinguished Alumni Award Committee met recently to review nominations for the Regents' Distinguished Alumni Award (RDAA). Membership of the RDAA committee for 2023-2024 includes a representative from the Faculty Senate, WSU Foundation Advocate, WSUAA Board of Director representative, Past President of the WSU Alumni Association, student representative, the Executive Director of the Alumni Association, and the Vice President of Advancement. The primary functions of this committee are to accept and screen nominations, and to recommend nominees to you for consideration and possible recommendation to the Board of Regents.

With the approval of President Schulz, the committee respectfully recommends one candidate for your consideration.

Candidate J

- First-generation college student
- Graduated summa cum laude in 2000 in Business Administration
- Earn her MBA from Columbia Business School in 2004
- Worked as an anchor and field reporter at KNDU (Tri-Cities) and KPTV (Portland, OR)
- She started testing and creating cosmetics in collaboration with plastic surgeons and dermatologists after struggling with makeup products due to rosacea, hyperpigmentation, and sparse eyebrows. She and her husband launched her cosmetics line, Innovation Technology (IT) Cosmetics, in 2008; she served as CEO.
- In 2010, she met a QVC buyer at a trade show in New York who tried her product and promised a meeting. She secured a 10-minute segment during which she wiped off her own makeup and then reapplied it to illustrate the effectiveness of IT Cosmetics concealers. All products sold out by the end of the segment. IT Cosmetics ultimately became the largest beauty brand on QVC's network.
- IT Cosmetics was acquired by L'Oréal for \$1.2 billion in 2016. J remained with the company upon the acquisition and was the first ever female CEO of a L'Oréal brand.
- August 2019, J announced on Instagram that she would be leaving L'Oréal and turned her attention to speaking engagements, investing in other businesses, and promoting her own books.

- Author of *Believe It: How to Go from Underestimated to Unstoppable* (2021) and *Worthy: How to Believe You Are Enough and Transform Your Life* (to be released in 2024).
- J as included on the Forbes' list of "America's Richest Self-Made Women" since 2017.

On behalf of the RDAA committee, I am pleased to recommend this exceptional nominee for the Regents' Distinguished Alumni Award. For your reference, please find attached information regarding the nomination and award criteria.

Lastly, the committee discussed the chance that, in any given year, the pool of candidates would not accurately reflect the ideals pursued for the RDAA, the RDAA Committee recommends that the award not be given out that year in agreement with the Board of Regents.

Should you have questions or concerns, please do not hesitate to ask Mariah Maki or myself.

Attachments

cc: Tracy Jordahl
Mariah Maki

REGENTS DISTINGUISHED ALUMNUI AWARD



COVER SHEET

NOMINEE JAMIE KERN LIMA

WSU UNDERGRAD CLASS YEAR(S) 2000

DEGREE(S) / MAJOR(S) BUSINESS

WSU GRADUATE CLASS YEAR(S) N/A

DEGREE(S) / MAJOR(S) N/A

RECEIVED ALUMNI ACHIEVEMENT AWARD: NO

DATE NOMINATED FOR RDAA: 12/2023

EXPIRATION OF NOMINATION: 12/2026

Professional Biography – Jamie Kern Lima

Jamie was a first-generation college student at WSU. Her family was initially skeptical that college was the right choice for her, as she was already working by the time she graduated high school. Jamie decided, however, that a college education was a good investment in her future. While attending WSU, she worked as a server at Denny's and a bagger at Safeway. She graduated summa cum laude in 2000.

Jamie went on to earn her MBA from Columbia Business School in 2004 and worked as an anchor and field reporter at KNDU (Tri-Cities) and KPTV (Portland, OR). She started testing and creating cosmetics in collaboration with plastic surgeons and dermatologists after struggling with makeup products due to rosacea, hyperpigmentation, and sparse eyebrows. She and her husband Paulo launched her cosmetics line, Innovation Technology (IT) Cosmetics, in 2008; she served as CEO. The business was headquartered in New Jersey.

The business struggled at first as beauty retailers initially rejected Jamie's products. Then, in 2010, she met a QVC buyer at a trade show in New York who tried her product and promised to get Jamie a meeting. She secured a 10-minute segment during which she wiped off her own makeup and then reapplied it to illustrate the effectiveness of IT Cosmetics concealers. All products sold out by the end of the segment. IT Cosmetics ultimately became the largest beauty brand on QVC's network.

By 2015, the company had more than \$182 million in net sales. IT Cosmetics was acquired by L'Oréal for \$1.2 billion in 2016. Jamie remained with the company upon the acquisition and was the first ever female CEO of a L'Oréal brand.

In August 2019, Jamie announced on Instagram that she and Paulo would be leaving L'Oréal and she has since turned her attention to speaking engagements, investing in other businesses, and promoting her own books, *Believe It: How to Go from Underestimated to Unstoppable* (2021) and *Worthy: How to Believe You Are Enough and Transform Your Life* (to be released in 2024).

Jamie has been included on the Forbes' list of "America's Richest Self-Made Women" since 2017.



MEMORANDUM

TO: Washington State University Board of Regents

From: Dr. Erica Weintraub Austin, Director, and Professor
Edward R. Murrow Center for Media and Health Promotion Research

2023 Committee Chair, Honorary Doctoral Degree Committee

Date: January 25, 2024

RE: Recommendations for Honorary Doctoral Degree

Members of the [Honorary Doctoral Degree Committee](#) met recently to review four nominations for Honorary Doctoral Degrees. After careful deliberation, the committee was pleased to present two outstanding candidates to President Kirk Schulz and the Faculty Senate Steering Committee for recommendation to the Board of Regents.

With the unanimous approval of President Schulz and the entire Faculty Senate Steering Committee, it is my honor to present to the WSU Board of Regents for consideration as recipients of an Honorary Doctoral Degree:

- Carla Olman Peperzak, Holocaust rescuer and member of the Dutch Resistance during World War II
- Patricia Whitefoot, Director, Indian Education – Yakima Wellness Coalition, Confederated Tribes, and Bands of the Yakima Nation

The Honorary Doctoral Degree is an award of the highest esteem to be awarded to individuals who have made a profound and enduring contribution to their field of scholarship and improved quality of life to society at large. Recipients are individuals of great integrity whose contribution will enhance the intellectual climate of Washington State University.

The selection committee has determined these individuals have made tremendous contributions of significant impact locally, nationally, and globally. Their lives missions continue to inspire our students at Washington State University and exemplify WSU's mission and Strategic Plan as a Land Grant University.

I respectfully present the supporting materials for these two outstanding nominations for your consideration and conferring of Honorary Doctoral Degrees from Washington State University in 2024.

Respectfully,
Dr. Erica Weintraub Austin

Attachments

Exhibit F

ACTION ITEM #1

Academic Year 2024-2025 Tuition Rates (Leslie Brunelli)

January 26, 2024

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Academic Year 2024-25 Tuition Rates

PROPOSED: That the WSU Board of Regents set tuition rates for academic year 2024-25.

SUBMITTED BY: Leslie Brunelli, Executive Vice President, Finance and Administration/CFO

SUPPORTING
INFORMATION:

State law authorizes the governing boards of the four-year higher education institutions to establish tuition rates. However, resident undergraduate rates are capped and may increase by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years (RCW 28B.15.067 (1)). The maximum increase permissible for AY 2024-25 is 3.0 percent. Tuition rates for all student categories except resident undergraduates may increase or decrease without limit.

WSU proposes a tuition increase of 3.0 percent for the 2024-25 academic year for resident and non-resident undergraduate and graduate students. Proposals for professional and self-sustaining programs include a 2.6 percent increase in the self-sustaining Applied Economics program in the College of Agriculture, Human, and Natural Resource Sciences. Tuition for the Elson S. Floyd College of Medicine will be brought forward to the Board of Regents for approval in March 2024.

University leadership presented the proposals to the Student Government Council (SGC) in October 2023 to gain student feedback on the recommended rates. The SGC provided the attached letter in response to the proposed increases in undergraduate and graduate rates (Attachment A). The Applied Economics program is a one-year program and current students will not be impacted by the rate increase. If adopted, the new rates will be advertised as students are recruited for AY 2024-25.

The current full-time annual tuition rates for 2023-24 are shown in the following table along with proposed changes for academic year 2024-2025.

Tuition Rates	Current	Proposed	Change	%Change
Undergraduate Resident	\$10,976	\$11,305	\$329	3.0%
Undergraduate Non-Resident	\$27,052	\$27,864	\$812	3.0%
Undergraduate Resident Global Campus	\$10,976	\$11,305	\$329	3.0%
Undergraduate Non-Resident Global Campus	\$12,280	\$12,648	\$368	3.0%
Graduate Resident	\$12,675	\$13,055	\$380	3.0%
Graduate Non-Resident	\$27,842	\$28,677	\$835	3.0%
Graduate Resident Global Campus	\$12,675	\$13,055	\$380	3.0%
Graduate Non-Resident Global Campus	\$12,675	\$13,055	\$380	3.0%
Master of Nursing Resident	\$17,752	\$17,752	\$0	0.0%
Master of Nursing Non-Resident	\$33,224	\$33,224	\$0	0.0%
PharmD Resident*	\$24,878	\$25,724	\$0	0.0%
PharmD Non-Resident	\$30,104	\$30,104	\$0	0.0%
DVM Resident	\$26,774	\$26,774	\$0	0.0%
DVM Non-Resident	\$62,378	\$62,378	\$0	0.0%
DVM 4th Year Resident	\$38,376	\$38,376	\$0	0.0%
DVM 4th Year Non-Resident	\$73,980	\$73,980	\$0	0.0%
ESF College of Medicine Resident	\$40,891	\$42,118	\$1,227	3.0%
Masters in Athletic Training – Resident	\$13,074	\$13,074	\$0	0.0%
Masters in Athletic Training – Non-Resident	\$26,506	\$26,506	\$0	0.0%

**College of Pharmacy and Pharmaceutical Sciences is no longer requesting an increase to the Resident – Doctor of Pharmacy Degree Program.*

The Applied Economics degree program is a self-sustaining program and as such charges a per credit hour tuition rate. The current per credit rates for 2023-2024 are shown below, along with the proposed rates for academic year 2024-2025.

Tuition Rates	Current	Proposed	Change	%Change
Applied Economics	\$650	\$667	\$17	2.6%

ATTACHMENT: Attachment A – Student Government Resolution 2023.01

Exhibit G

**Washington State University Foundation
Consolidated Endowment Fund**

**Investment Policy Statement and Spending Policy
(~~October 2021~~ 2023)**

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1. Purpose and Background

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

BACKGROUND:

Washington State University Foundation (WSU Foundation) was established as a Washington nonprofit corporation in 1979. It is recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The WSU Foundation's mission is to promote, accept, and maximize private support for programs, initiatives, and properties of Washington State University (University), and prudently manage, invest, and steward the assets entrusted to it by the University and its alumni, friends, and donors. WSU Foundation is a separate and independent entity from the University and is neither a state agency nor its functional equivalent.

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

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

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

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

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

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

COMPOSITION/APPOINTMENT/REPORTING:

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

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

2. Allocation of Responsibilities

This section describes and delineates the responsibilities of the key parties to the Fund's investment process. The Directors and the Regents, as the governing boards for the WSU Foundation and the University, respectively, have a responsibility to set investment and spending policy with respect to the endowed assets of each entity in the Fund, and to review

and approve any changes thereto. Management and investment of the Fund may be delegated to the extent that the WSU Foundation and/or the University may prudently delegate under the circumstances. In delegating, the Directors and the Regents shall act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.

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

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

2.1.1 Directors WSU Foundation

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

- a. Approve the Investment Committee Charter, annually.
- b. Approve the Investment Policy Statement, and changes to the Investment Policy Statement as it relates to the WSU Foundation endowed assets.
- c. Assess Fund performance against annual goals.
- d. Review and approve final Directors-appointed candidates for open positions on the Committee, as recommended by the Committee, including additional *ex officio* members, Committee Chair, and Committee Vice Chair.
- e. Annually review the operational performance of the Committee and its members.
- f. Review member de-selection recommendations as submitted by the Committee Chair, approve de-selection recommendations of Directors-appointed members, and forward de-selection recommendations of Regents-appointed members to Regents for approval. De-selection does not include normal end-of-term roll-off of members.
- g. Maintain “best in class” operations by periodically assessing Committee performance and evaluating changes in: the roles and responsibilities of Committee and staff; the structure and composition of the Committee; the characteristics and qualifications of Committee Chair and members; and the Committee support model.
- h. Address problems with Committee operations as they arise.
- i. Identify a group of higher education institutions where the WSU Foundation can benchmark its results with endowments similar in size.

2.1.2 Regents WSU

The Regents' responsibilities are to:

- a. Approve the Investment Policy Statement and changes to the Investment Policy Statement as it relates to University endowed assets.

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

2.2 WSU Foundation Investment Committee

2.2.1 Duties

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

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

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

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

2.3 Chair of the Committee

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

The Chair is responsible for the following duties:

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

2.4 WSU Foundation CFO

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

- a. Assist the Committee in maintaining relevant policies and procedures.
- b. Coordinate contract reviews and execution.
- c. Day-to-day relationship management of investment program service providers.

- d. Act as liaison between the Committee and investment program service providers.
- e. Execute asset allocation and rebalance upon consultation with the investment consultant and Chair, as needed.
- f. Provide direction letters to the investment managers, bank custodian, and consultant.
- g. Determine liquidity needs and communicate same to appropriate service providers.
- h. Provide reports to internal and external constituencies as required.
- i. Develop meeting agendas and collaborate with Committee Chair and appropriate service providers, as needed.
- j. Provide orientation to new Committee members.

2.5 Custodian Bank

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

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

2.6 Investment Managers

The manner in which the Funds' investment objectives are to be accomplished and the account ability of the investment managers in seeking to achieve the investment objectives shall be consistent with the fiduciary provisions of RCW 24.03A, Washington Nonprofit Corporation Act, and RCW 24.55, ~~and the~~ Prudent Management of Institutional Funds Act, and other pertinent state and federal laws, regulations, and rulings that relate to the investment process.

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

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

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

2.7 Investment Consultant

The Investment Consultant is responsible for the following:

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

3. Investment Objectives

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

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

3.1 Total Fund Return Objectives

The Fund has multiple investment return objectives:

- a. The long-term total rate of return should equal or exceed the endowment spending rate (5.5% as of the date of adoption of this Investment Policy Statement, consisting of 4.0% for donor restricted purposes and 1.5% for WSU Foundation management fee) plus the increase in the Consumer Price Index. It is recognized that in order to achieve this objective over extended periods, endowments have had to exceed the objective substantially during some periods, such as the 1980s, in order to compensate for shortfalls during other periods, such as the 1970s and 2000s.
- b. The Fund is expected to produce a rate of return that at least matches that of the benchmarks, which are set out in Appendix B. Investment policy and benchmarks in Appendix B are subject to change with approval by the Directors upon consultation with the Committee, its Investment Consultant and ~~S~~staff. Risk (as measured by standard deviation of quarterly returns) should not exceed that of the Policy Portfolio without a corresponding increase in performance above the Policy Portfolio.

3.2 Investment Strategy Objectives

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

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

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

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

portfolio asset allocation. Most importantly, the level of overall portfolio risk taken should be consistent with the overall return objectives of the Foundation.

3.3 Domestic Equities

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

3.4 International Equities

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

3.5 Alternative Assets - Private Equity

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

3.6 Alternative Assets - Hedge Funds

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

3.7 Alternative Assets - Real Assets

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

3.8 Inflation Protected Fixed Income

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

3.9 Fixed Income

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

4. Policy Guidelines

4.1 Spending Policy/Rebalancing/Cash Flow Management

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

4.2 Spending Policy

Funds flow from the Fund to the University for the purposes specified in the donor agreements or governing gift instruments and to the WSU Foundation for operating support (Spending Policy). The ~~Fund s~~Spending ~~p~~Policy is intended to balance the competing goals of providing a stable payout stream each year ~~with~~ while maintaining the purchasing power of the Fund assets. The Spending pPolicy takes into consideration the following factors:

- Duration and preservation of the Fund;
 - Purposes of the University and the Fund;
 - Possible effect of inflation or deflation;
 - Expected return from income and appreciation of investments;
 - Other University resources; and
 - The ~~Fund~~ Investment Policy Statement.
- a. Withdrawals shall be made from the Fund only pursuant to ~~theis s~~Spending ~~p~~Policy and in consideration of the factors listed in Section ~~24.2~~ of ~~theis s~~Spending ~~p~~Policy

regarding appropriation of Fund assets for expenditure or accumulation of Fund assets.

- b. The ~~s~~Spending ~~p~~Policy is for the Fund to distribute 5.5% per year. Individual accounts shall receive ~~4.0%~~ pursuant to the terms in the gift use agreement or gift instrument, with 1.5% for Management and Advancement fees, from all funds in the pool.
- c. Distributions are computed quarterly based on the average market value for the thirty-six (36) months preceding and including the quarter ended prior to the distribution date, adjusted for new gifts on the first day of the distribution quarter, hereinafter referred to as the “distribution calculation.”
- d. Distribution calculations shall begin when the fund reaches the established minimum endowment level or target balance specified in the gift instrument.
- e. Distributions from the Fund will be computed quarterly based on the average market value for the thirty-six (36) months preceding and including the quarter ended prior to the distribution date. (For example, the September 30, 2009, distribution was based on monthly market values for the period July 31, 2006, through June 30, 2009).
- f. No distributions will be made from an individual endowment fund to a program, until it has reached the established minimum endowment level or the target balance specified in the gift instrument and at least one (1) full quarter investment history after reaching that threshold balance.
- g. Distribution of the 1.5% Management and Advancement fee for administration cost shall only be waived pursuant to the terms in the gift use ~~d~~ agreement or at the discretion of the University President and WSU Foundation CEO.
- h. Fund distributions will include cash-basis expenses for scholarships, instructions, professorships, capital, operating, and administrative costs of the WSU Foundation and University. Investment-related expenses (e.g., investment manager and investment consultant fees, custody charges, etc.) will be charged against the Fund’s investment return, and are not considered a part of the 5.5% annual distribution.
- i. In addition to annual reviews, if the Fund’s real return (nominal return minus CPI) falls below 5.5% over the previous three-year (3-year) rolling time period, the Investment Committee should review and make a recommendation to the Directors and Regents in the next reporting cycle for purposes of determining whether to revise the rate.
- j. Market downturns present a particular challenge in balancing the goals of a stable payout stream and maintaining purchasing power. In a market downturn, individual endowment funds may have a market value that is less than the corpus (principal) of the fund; such a fund is defined to be “underwater” for purposes of this policy. A distribution from an underwater fund results in a reduction of principal. The decision to distribute or not distribute from an underwater fund depends initially on the donor’s expressed written instructions. If the donor

specifies that the principal (corpus) may not be invaded, or places other restrictions on spending, then distributions from that fund shall be made in accordance with the donor's restrictions. For all other funds, distributions shall be made consistent with the prudence principles herein and as stated in RCW 24.55 (UPMIFA), with an emphasis on the duration of the fund. All determinations herein shall be made based on fund values on the end date of the distribution calculation period, e.g., the value of the given fund on the quarter ended prior to the distribution date.

~~k. No~~ Distributions shall be made shall be made to from any individual endowment fund whose having a market value is of 30% or more below the total amounts contributed to the fund.

4.3 Rebalancing/Cash Flow Management

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

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

4.4 Usage of Derivatives

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

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

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

4.5 Proxy Voting

The Committee acknowledges its responsibility for seeing that the proxy voting rights for securities held by the Fund are exercised in a prudent manner and in the best interests of the Fund beneficiaries. The Committee may delegate their proxy voting rights to the

investment managers of the Fund, or to another qualified agent that acknowledges that it will function as a fiduciary with respect to exercising proxy voting rights. Any such third party shall provide a complete listing, no less frequently than annually, of the issues for which proxies were voted and how the votes were cast. Proxy voting responsibilities have been delegated by the Committee to the investment managers.

4.6 Securities Lending

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

4.7 Cougar Investment Fund

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

4.8 Conflicts of Interest

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

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

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

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

5. Monitoring of Objectives

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

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

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

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

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

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

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

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

6. Communications and Reporting

6.1 Chair of the Committee

Annually, the Chair will:

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

6.2 WSU Foundation Staff

Promptly after adoption or approval, ~~S~~staff will:

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

6.3 Investment Managers

Immediately, each investment manager will report, in writing:

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

Quarterly, each investment manager will:

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

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

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

6.4 Investment Consultant

On a quarterly basis:

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

On an annual basis:

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

7. Evaluation and Review

7.1 Evaluation

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

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

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

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

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

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

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

7.3 Authorities & Limitations

~~10-13-23: Resolution 10-13-23-06-XX, Approval of Updated Revised Investment Policy Statement and Spending Policy~~

~~10-21-21: Resolution 10-21-2021-03, Approval of Revised Investment Policy Statement. Updates the Committee Charter.~~

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

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

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

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

APPENDIX A

ASSET CLASS	MINIMUM	TARGET	MAXIMUM
Growth Assets	40%	55%	66%
U.S. Equity	14%	18%	22%
International Equity	14%	17%	20%
Private Equity	16%	20%	24%
Risk Reduction Assets	21%	26%	31%
Cash	0%	2%	4%
Short Duration Fixed Income	2%	4%	6%
U.S. / Global Fixed Income	3%	5%	7%
Hedge Funds	12%	15%	18%
Inflation Protected Assets	15%	19%	23%
U.S. TIPS	2%	4%	6%
Real Assets	12%	15%	18%
Total		100%	

APPENDIX B

ASSET CLASS

BENCHMARK

Growth Assets

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

Risk Reduction Assets

Cash	90 Day U.S. Treasury Bill
Short Duration Fixed Income	Bloomberg Barclays Capital U.S. Aggregate 1-3 Years Government/Credit Bond Index
U.S. / Global Fixed Income	Bloomberg Barclays Capital U.S. Aggregate Bond Index
Hedge Funds	Hedge Fund Research, Inc. HFRI Fund of Funds Composite Index

Inflation Protected Assets

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

Conflicts of Interest
Statement & Certification

Introduction

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

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

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

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

Duty to the WSU Foundation

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

Identifying a Conflict of Interest

A conflict of interest may arise whenever a Director or Committee Member or a member of his/her family: (1) has an existing or potential interest which impairs or might appear to impair his/her independent judgment in the discharge of responsibilities to the WSU Foundation; (2) may receive

APPENDIX C

a material benefit from knowledge of information which is confidential to the WSU Foundation; (3) knowingly misrepresents, withholds, or falsifies relevant information used for decision-making purposes or to derive personal benefits; or (4) solicits benefits in exchange for using influence as a Director or Committee Member.

Potential Conflicts of Interest

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

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

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

Confidentiality Policy

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

Definitions

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

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

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

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a

APPENDIX C

financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

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

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

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

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

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

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

APPENDIX C

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

Definitions

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

Disclosure

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

Approval of Conflicting Interest Transactions

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

**WASHINGTON STATE UNIVERSITY
FOUNDATION
INVESTMENT COMMITTEE CHARTER**
Last Revision Date: September 30, 2022

PURPOSE :

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

ESTABLISHMENT :

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

“Accept, hold, administer, invest, and disburse gifted funds of any kind or character, in accordance with the terms of such gifts, and distribute all current use funds to the University, and distribute the spending rate from endowed funds in accordance with the then applicable Washington State University Foundation Consolidated Endowment Fund-Investment Policy Statement and Spending Policy (Investment Policy Statement).”

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

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

APPENDIX D

COMPOSITION:

1. The Committee shall be comprised of at least seven (7) but not more than eleven (11) appointed members (voting) and select ex-officio members (non-voting). The University Executive VP for Finance and Administration and CFO or designee, the WSU Foundation Chief Executive Officer, the WSU Foundation Chief Financial Officer, a member of the Audit Committee designated by the Audit Committee Chair, and a member of the Finance Committee designated by the Finance Committee Chair shall serve the Committee as ex-officio, nonvoting members. The term of office or appointment for ex-officio members shall be concurrent with occupancy of office or term of appointment qualifying the individual to serve as a Committee member.
2. The Regents shall appoint two (2) voting members, one of whom must be a member of the Regents, the other a Regent or a volunteer with investment expertise and experience, selected upon consultation with the Committee, subject to notice to the Board of Directors. These members serve a one-year (1-year) renewable term upon appointment by the Regents.
3. The Chair/~~President~~ of the Board of Directors and the Committee Chair shall jointly nominate the members of the Committee, with all nominated candidates having investment and financial backgrounds and some having investment management expertise, subject to approval by the Board of Directors or the Executive Committee, with notice given to the Regents. These members serve a four-year (4-year) term, renewable upon appointment by the Chair/~~President~~ of the Board of Directors and Committee Chair.

COMMITTEE CHAIR:

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

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

STAFF:

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

APPENDIX D

QUORUM/VOTING :

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

MEETINGS :

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

EXECUTIVE SESSION :

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

CONSULTANTS :

- 1. The Investment Committee will select qualified external investment managers to manage the Institutional Funds.**
- 2. The Investment Committee will establish and regularly review manager structure guidelines for the Institutional Funds.**
- 3. The Investment Committee will select other service providers it deems appropriate to carry out its function, including, but not limited to, independent investment consultants.**
- 4. The Investment Committee may communicate directly with the investment managers and investment consultants, at its discretion.**

APPENDIX D

RESPONSIBILITIES:

Investment Management and Investment Policy Oversight:

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

Reporting:

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

Risk Management:

1. **The Investment Committee will exercise reasonable care and prudence in complying with applicable state and federal laws, regulations, and rulings that relate to the investment of assets under management of the WSU Foundation, including, but not limited to, the Uniform Prudent Management of Institutional Funds Act Chapter 24.55 RCW).**

APPENDIX D

2. **The Investment Committee will establish and comply with policies addressing issues that may result in perceived or actual conflicts of interest (including but not limited to relationships with investment managers or other firms involved with the Institutional Funds and receipt by committee members of gifts or entertainment.**

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

Charter and Policy Review:

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

AUTHORITIES & LIMITATIONS:

- 9-30-2022: Resolution 9-30-2022-03 updates to committee charter
- 10-01-2021: Resolution 10-21-2021-02 updates the committee charter.**
- 10-01-2020: Resolution 10-01-20-5 updates the committee charter.**
- 9-26-2013: Resolution 9-26-13-03 updates the committee charter.**
- 10-20-2011: Resolution 10-20-11-03 updates the committee charter.**
- 10-8-2004: Resolution 10-8-04-5 authorizes creation of the Investment Committee.**
- 10-6-2004: Creation of an Investment Committee is contemplated by the Restated Bylaws of Washington State University Foundation (Bylaws effective 10/6/04).**

APPENDIX D

BOARD OF REGENTS

Approval and Delegation of Authority

Master Affiliation Agreement with Providence Health and Services

d/b/a Providence Regional Medical Center Everett

Resolution #240126-700

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 (Board); and

WHEREAS, the Board, by virtue of RCW 28B.10.528, has the authority to delegate by resolution to the President of WSU, or their designee, any of the powers and duties vested in or imposed upon the Board by law; and

WHEREAS, the Board has delegated broad authority to the President or designee to act in matters relating to the general business and financial affairs of WSU;

NOW, THEREFORE, IT IS RESOLVED that the Board approves and ratifies the Master Affiliation Agreement (MAA) between Washington State University, through its Elson S. Floyd College of Medicine, and Providence Health and Services d/b/a Providence Regional Medical Center Everett, such MAA having an effective date of March 20, 2020, and the Board delegates to the President or designee the authority without limit to approve and execute all financial services and other agreements executed in furtherance of and in accordance with such MAA for the initial term of the agreement, as well as any extensions of that term.

Signed the 26th day of January, 2024.

Chair, Board of Regents

Secretary, Board of Regents

BOARD OF REGENTS

Approval and Delegation of Authority

Master Affiliation Agreement with Pullman Regional Hospital

Resolution #240126-701

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 (Board); and

WHEREAS, the Board, by virtue of RCW 28B.10.528, has the authority to delegate by resolution to the President of WSU, or their designee, any of the powers and duties vested in or imposed upon the Board by law; and

WHEREAS, the Board has delegated broad authority to the President or designee to act in matters relating to the general business and financial affairs of WSU;

NOW, THEREFORE, IT IS RESOLVED that the Board approves and ratifies the Master Affiliation Agreement (MAA) between Washington State University, through its Elson S. Floyd College of Medicine, and Pullman Regional Hospital, such MAA having an effective date of May 4, 2020, and the Board delegates to the President or designee the authority without limit to approve and execute all financial services and other agreements executed in furtherance of and in accordance with such MAA for the initial term of the agreement, as well as any extensions of that term.

Signed the 26th day of January, 2024.

Chair, Board of Regents

Secretary, Board of Regents

BOARD OF REGENTS

Approval and Delegation of Authority

Master Affiliation Agreement with Providence Health and Services

d/b/a Providence Sacred Heart Medical Center & Children's Hospital

Resolution #240126-702

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 (Board); and

WHEREAS, the Board, by virtue of RCW 28B.10.528, has the authority to delegate by resolution to the President of WSU, or their designee, any of the powers and duties vested in or imposed upon the Board by law; and

WHEREAS, the Board has delegated broad authority to the President or designee to act in matters relating to the general business and financial affairs of WSU;

NOW, THEREFORE, IT IS RESOLVED that the Board approves and ratifies the Master Affiliation Agreement (MAA) between Washington State University, through its Elson S. Floyd College of Medicine, and Providence Health and Services d/b/a Providence Sacred Heart Medical Center & Children's Hospital, such MAA having an effective date of March 15, 2023, and the Board delegates to the President or designee the authority without limit to approve and execute all financial services and other agreements executed in furtherance of and in accordance with such MAA for the initial term of the agreement, as well as any extensions of that term.

Signed the 26th day of January, 2024.

Chair, Board of Regents

Secretary, Board of Regents