STANDING COMMITTEES

Governance Committee

Approve Revisions to the Bylaws, Standing Orders, and Regent Policies

RECOMMENDED ACTION

It is the recommendation of the Chair of the Board and the Governance Committee that the Board of Regents:

1. Approve the attached changes to *Board of Regents Governance*, Bylaws, Article II – Officers of the Board;

2. Approve the attached changes to Bylaws, Article VI – Student, Faculty, and Alumni Representatives;

3. Approve the attached changes to Standing Orders, Chapter 1, in either of the proposed versions, confirming or revising the monetary thresholds contained therein;

4. Approve the attached changes to Standing Orders, Chapter 4, updating the names of UW Medicine entities in the preamble to the UW Medicine Advisory Board’s governing documents;

5. Approve the attached changes to Standing Orders, Chapter 4, incorporating the provisions of Regent Policy 17, the Divestment Guideline, into the section governing the Advisory Committee on Socially Responsible Investing (ACSRI), and modifying its provisions such that the ACSRI is convened in response to requests to divest approved by the Governance Committee, rather than sitting as a standing committee;

6. Repeal Regent Policy 17, in consequences of the changes noted in Action 5;

7. Approve the relocation of Standing Orders, Chapter 6 – Policy on Assistance for Human Subjects and Chapter 7 – Policy Governing Approval of Investments, to the Regent Policies;

8. Include the Statements of Investment Objectives and Policy for the Invested Funds, Consolidated Endowment Fund, and Deferred and Other Gift Assets, the Debt Management Policy, and the Interest-Rate Swap Policy, among the Regent Policies;

9. Create a new section, “Resolutions and Declarations of the Board of Regents,” to include statements made in response to a particular situation that do not necessarily rise to the level of policy;

10. Renumber *Board of Regents Governance* to reflect these changes; and

11. Approve other changes as it shall choose,

all changes effective immediately.
STANDING COMMITTEES

Governance Committee

Approve Revisions to the Bylaws, Standing Orders, and Regent Policies (continued p. 2)

BACKGROUND

Proposed revisions to Board of Regents Governance are intended to:

1. Bring the Board’s governing documents into alignment with current practice with respect to the duties of the Officers of the Board;

2. Clarify and update the delegations of authority in Standing Orders, Chapter 1, for which an alternative format is also proposed;

3. Add a basis for Administrative Policy Statement 36.2 – Institutional Gift Assessment to the Board’s provisions concerning the acceptance and disposition of gifts in Standing Orders, Chapter 1;

4. Replace references to titles of Officers of the University with references to different offices (e.g. Advancement, Finance), in line with current practice in University policies;

5. Shift policies from the Standing Orders to the Regent Policies;

6. Consider repealing obsolete policies (such as Regent Policy 7), and shifting statements (such as Regent Policy 15) to a new section of Board of Regents Governance to be called Resolutions and Declarations; and

7. Centralize all Board-approved policies, such as the Statements of Investment Objectives and Policy for the Invested Funds etc., and ensure that these are harmonized with the Board’s other governing documents under the rubric of Regent Policies.

REVIEW

All changes have been reviewed by the President and, as appropriate, by responsible offices, including Finance, Facilities, UW Medicine, and UWINCO.

Attachments

1. Board of Regents Governance, Proposed Revisions
2. Board of Regents Governance, Standing Orders, Chapter 1.6 (option 2)
BYLAWS:

Article II—Officers of the Board

These changes bring the provisions into alignment with current practice.

“3. Secretary

The Secretary of the Board, if not a Regent, is an Officer of the Board reporting to the Chair of the Board. The Secretary shall:

A. Serve as primary liaison between and among the Regents and the University, working directly with the Chair of the Board and the President of the University or the President’s designee(s), and as primary point of contact for communications between the Regents and parties outside the University;

B. Plan and execute, in consultation with the Board and Committee Chairs and with the President and the Provost or designee(s), meetings of the Board in compliance with law and policy;

C. Give notice of all meetings of the Board in the manner prescribed by applicable law and these Bylaws;

D. Attend all meetings of the Board, and make and retain custody of complete and permanent minutes and records of all proceedings of the Board;

E. Be custodian of the permanent records of all rules and regulations of the Board;

F. Coordinate, under the direction of the Chair of the Board, the chairs and Regent members of each committee or board, and the relevant unit, the work of the Board’s advisory committees and boards;

G. Advise, in conjunction with the Attorney General’s Office, and the President of the University or the President’s designee, on the Board’s and the University’s governing documents, and provide or obtain substantive research and analysis on matters relating to the Board’s statutory functions;

H. Execute or attest all contracts and other written instruments required to be signed by the Chair of the Board;

I. Maintain custody of the seal of the University and affix it to appropriate documents; and

J. In general, have the authority and perform all duties incident to the office of Secretary and such other authority and duties as prescribed by these Bylaws, the Standing Orders, Regent Policies, and the Board.
If an Assistant Secretary is elected by the Board, the Assistant Secretary shall have the authority and shall perform the duties of the Secretary in the event of the Secretary's absence or incapacity, and shall perform such other duties as may be assigned by the Board.

4. Treasurer

The Chair of the Finance and Asset Management Committee shall perform the statutory functions of the Treasurer of the Board.

The Treasurer of the Board shall:

A. Recommend, develop, and analyze policy and procedures relating to the investment of endowments, gifts, and bequests, other non-appropriated funds, and other funds in excess of immediate needs of the University;

B. Attend meetings of appropriate Board committees; and

C. Report from time to time on matters pertaining to the investment of University funds.

If an Assistant Treasurer is elected by the Board, the Assistant Treasurer shall have the authority and shall perform the duties of the Treasurer in the event of the Treasurer's absence or incapacity, and shall perform such other duties as may be assigned by the Board.”

Article VI—Student, Faculty, and Alumni Representatives

These changes bring the provisions into alignment with current practice.

“1. Designated Representatives

The Associated Students of the University of Washington (ASUW), the Graduate and Professional Student Senate (GPSS), the Associated Students of the University of Washington Bothell (ASUWB), the Associated Students of the University of Washington Tacoma (ASUWT), the Faculty Senate, and the Alumni Association (UWAA) each may annually designate a person to sit as a representative of that organization with the Board of Regents at its public meetings; and, upon invitation from the chair of a standing or special committee or the Chair of the Board, such representative may sit at meetings of standing or special committees of the Board or at any other meetings. In order to ensure continuity, persons other than the representative so designated may not represent those organizations at meetings of the Board. Participation of any of the aforementioned representatives shall be at the expense of the organization which they represent and not an expense obligation of the Board.”
STANDING ORDERS:

Chapter 1—Delegation of Authority

These changes bring update current provisions, incorporating the Board’s feedback and the recommendations of staff. They harmonize provisions here with other Board-approved policies (as at 6.C) and add a Board-level policy basis in Section 9 for the Institutional Gift Assessment (Academic Policy Statement 36.2) The monetary thresholds are provisional. An alternate version of Section 6 is provided as the second attachment to this item.

“1. Authority of the Board

Under state law the Board of Regents has full control of the University and its property of various kinds. Any authority delegated by the Board shall always be subject to the ultimate authority of the Board. In retaining the ultimate authority over the University with which it is charged by law to exercise within constitutional and statutory limitations, the Board shall exercise the right of periodic review of any and all aspects of government of the University, the right to intervene and modify any rule, regulation, or executive order formulated by the President or the faculty, the right to amend or rescind any existing rule, regulation, or executive order, and the right to enact such rules, regulations, and orders as it deems proper for the government of the University.

2. Government of the University

For the purpose of effecting the government of the University under and by the Board of Regents, the President of the University or the President's designee is authorized to act for the Board of Regents in formulating, prescribing and issuing rules, regulations, and executive orders not inconsistent with the Bylaws, Standing Orders, Regent Policies, and other orders of the Board and applicable state law for the immediate government of the University. In carrying out these duties, the President or the President's designee shall consult the University faculty and may delegate in whole or in part the responsibility for formulating such rules, regulations, and executive orders to said faculty. It is not intended that such consultation or delegation shall remove from the President or the President's designee the authority and the responsibility vested in the President by the Board of Regents for such decisions, among others, as those concerning the utilization of available resources, organizational structure, and administrative personnel.

The channel of authority from the Board of Regents to the faculty, staff, and other officers and employees of the University shall be through the President of the University. All faculty, staff, and other officers and employees of the University shall, through appropriate channels, be responsible to the President of the University and through the President to the Board of Regents.

3. Faculty, Classified Staff, and Professional Personnel
The President of the University or the President's designee is authorized to act for the Board of Regents regarding all personnel and employment matters concerning academic personnel, classified staff, and professional personnel except the following: new appointments of the Provost, deans, chancellors, department chairs, directors of academic units, campus deans, associate deans, divisional deans, and vice chancellors; new appointments to the rank of professor, associate professor, and assistant professor (including with tenure, without tenure, research, and clinical dental pathway); new appointments of full-time lecturers, senior lecturers, artist in residence, senior artist in residence, and professor of practice; new appointments of visiting faculty in professorial ranks; appointments to endowed chairs, professorships, and deanships; policy changes in retirement, insurance, and other fringe benefit provisions; and initial collective bargaining agreements with representatives of newly certified bargaining units.

4. Grant and Contract Awards

The President of the University or the President's designee is authorized to act for the Board of Regents regarding all matters concerning grants and contracts for research, development, service, and training.

5. Student Body

The President of the University or the President's designee is authorized to act for the Board of Regents in the management of the student body and other matters incident thereto, including athletics, except the following: the establishment of written standards of student conduct and formal hearing procedures for student discipline.

6. Execution of Instruments, Business Affairs, and Operations

(Option in G-1.2 selected)

The President of the University or the President's designee is authorized to act for the Board of Regents regarding the execution and administration of instruments and the general business and financial affairs of the University which occur in the usual course of business except the following:

A. The naming of University buildings or outdoor areas in recognition of individuals or organizations.

B. The execution of instruments relating to real property, except the Metropolitan Tract, where the anticipated cost or value to the University exceeds $15.5 million. However, when the cost or value to the University exceeds $5 million and is less than $15 million, the President or the President's designee may approve and execute the instruments and report all such actions to the Board of Regents no less often than quarterly.
C. The appointment of external auditors; investment policy; and investment consultant(s); insurance brokers; investment bankers; managers and advisers; and financial custodians.

D. The use of University facilities by individuals or organizations for non-University events that would significantly affect normal campus activities or the surrounding community.

E. Any instrument, prior to its execution, that the President, the Executive Vice President for Finance and Administration, or any Regent deems appropriate for regental consideration.

F. When a capital project budget is anticipated to exceed $15.5 million, approval of that capital project budget, appointment of project architects, award of construction contracts, and single increases to the capital project budget where the increase is greater than 10% of the approved project budget. However, when the anticipated capital project budget exceeds $5 million and is less than $15 million, the President or the President's designee may approve and execute all instruments related to the capital project and report all such actions to the Board of Regents no less often than quarterly.

G. The execution of any other instruments, including but not limited to instruments related to acquisitions of goods and services, where the anticipated cost or value to the University exceeds $15.5 million. However, when the cost or value to the University exceeds $5 million and is less than $15 million, the President or the President's designee may approve and execute the instruments and report all such actions to the Board of Regents no less often than quarterly. When the ultimate aggregate cost to the University is not known in advance for instruments relating to the acquisition of goods or services on a continuing or intermittent basis (e.g., rental, service, or supply contracts where the use is likely to be isolated or likely to be used by a single unit such as a school, college, non-Seattle campus, or department), the amounts set forth in this paragraph shall be calculated on a per month basis calculated on the basis of a twelve-month period, based on historic usage if appropriate.

H. The limits and reporting requirements specified in Subsections 6.B, 6.F, and 6.G, do not apply to the following:

1) The procurement of utility services, including easements;
2) Subcontracts for collaborative research entered into in furtherance of sponsored research programs;
3) The procurement of goods and services made by participating in contracts entered into by group purchasing organizations, including organizations for nonprofit cooperative hospitals, and those awarded by agencies of the state of Washington;
4) The procurement of equipment and furnishings that are included in capital project budgets that have been authorized by the Board of Regents;

5) The procurement of goods and services for sponsored research programs when the source of the goods or services is directed by the sponsor, or the sponsor retains title to the goods acquired, and, contracts which include as a primary purpose or secondary effect of approved sponsored projects the acquisition or renovation of equipment or vessels;

6) Contracted pricing agreements executed for campus-wide use, by which there is no commitment to buy, by which there is no exclusive use extended to a single vendor, and by which individual items such as consumable office or lab supplies are commodities well below the direct-buy limit and where prior approval thresholds are unlikely to be realized or isolated to a specific unit;

7) The settlement of claims or lawsuits brought against the University;

8) The procurement of property or casualty insurance, self-insurance, or any combination thereof;

9) Leases of real property and modifications thereto of up to 20 years when the University is the landlord, and leases, capital improvements and other management actions in the usual course of business on the Metropolitan Tract, provided lease terms do not exceed 20 years and capital expenditures are funded from portfolio revenue;

10) Deferred gift assets;

11) Real property acquired through gift or devise;

12) Actions necessary to protect the University's interests and operations in response to an emergency situation;

13) Actions and execution of documents necessary to establish legal entities, controlled by the University, through which the University can conduct itself in foreign countries;

14) The selection of depositories; and

15) Purchases of information technology services, when the initial contract and funding plan have been approved by the Board of Regents, provided that these purchases are included in the quarterly report of actions taken under delegated authority; and

16) The execution of all time-critical instruments and business affairs requiring action between scheduled Board of Regents meetings, provided, that the President of the University or the President’s designee secures approval of the chair or vice-chair of the appropriate standing committee and submits a report of any
actions taken pursuant to this delegation to the Board of Regents at its next regularly scheduled meeting.

7. Commencement of Legal Action

The President of the University or the President's designee is authorized to act for the Board of Regents regarding all legal action necessary to protect the interests of the University: provided, that no litigation shall be instituted against a public entity or official or in exercise of the power of eminent domain without consultation with the Chair of the Board of Regents or, in the absence of the Chair, the Vice Chair of the Board of Regents.

8. Gift Evaluation and Acceptance

The Board of Regents of the University of Washington authorizes the President, or the President's designee, to accept all current and deferred gifts to the University, including gifts to establish quasi-endowed or permanently endowed funds.

A. Not included in this delegation are the following:
   1) Gifts to the University of Washington Foundation, which shall continue to be accepted by the University of Washington Foundation in accordance with the terms and conditions of the Agreement for Services between the University and the Foundation dated October 18, 1988 (as may be amended from time to time);
   2) Gifts that create obligations on the part of the University for expenditures or costs for which there is no established funding source;
   3) A gift requiring naming of a permanent University building; and
   4) Any other gift that the University President, the Vice President for University Advancement Office, or any regent deems appropriate for regental consideration.

B. Concurrence Required in Certain Gift Transactions

1) The following types of gifts shall be accepted only upon the recommendation of the Vice President for University Advancement Office and the concurrence of the Treasurer of the Board of Regents, or their designee:
   a) Current gifts of non-traditional investment assets, charitable lead trusts where the University is to act as trustee, bargain sale gifts of property, and partial interest gifts.
   b) Deferred gifts, if the University is to act as trustee or custodian of the deferred gift.
2) Gifts of real estate, interests in real estate, or gifts of debt instruments secured by real estate shall be accepted only with the
concurrency of the University’s Chief Real Estate Officer, the University Advancement Office, and, in legal matters pertaining to the evaluation and administration of gift real property, the Office of the Attorney General, or a Special Assistant Attorney General appointed thereby. The Chief Real Estate Officer shall determine in each such case whether a hazardous waste inquiry or other due diligence is required, and the scope and extent of such inquiry. The Real Estate Office, in consultation with the University Advancement Office, shall establish further policies and procedures regarding evaluation of gifts of real estate, as may be necessary or desirable from time to time. The Chief Real Estate Officer shall, when appropriate, engage the Attorney General, or a Special Assistant Attorney General appointed thereby, in legal matters pertaining to the evaluation and administration of gift real property.

3) Gift credit for discounted purchases shall be awarded only upon the recommendation of the dean or director of the recipient unit and the Assistant Vice President for Corporate and Foundation Relations University Advancement Office, and the concurrence of the Executive Vice President for Finance and Administration University President or the President’s designee.

4) Any gift with unusual terms or conditions affecting an academic program shall be accepted only with the concurrence of the Provost, or the Provost's designee, to the proposed terms or conditions.

C. Use of Legal Counsel

The University President shall, when appropriate, engage the Attorney General, or a Special Assistant Attorney General appointed thereby, in legal matters pertaining to the University Advancement Program. The Vice President for University Advancement or the Vice President's designee University Advancement Office shall assist the University President in evaluating technical considerations regarding gift acceptance, and shall advise the Treasury staff of potential fiduciary concerns affecting the administration of charitable trusts and life income gifts.

All written agreements substantially shall follow the format of the specimen gift agreements approved by the Office of the Attorney General. Because the University does not provide legal advice to prospective donors, all prospective donors shall be urged to seek their own legal counsel in matters relating to their gift planning, taxes, and estate planning.
D. Negotiation of Planned Gifts

The Vice President for University Advancement and the Vice President's
designees charged with securing deferred gifts are University
Advancement Office is authorized to negotiate with prospective donors
regarding the terms of lead trusts, partial interest gifts, bargain sale gifts,
gifts of non-traditional investment assets, and deferred gifts benefiting the
University, following program guidelines and prototype agreements
approved by the Office of the Attorney General. Where appropriate, they
shall consult with the Treasurer of the Board of Regents and the Chief
Real Estate Officer Office in negotiating such gifts.

9. Disposition of Gifts

The proceeds of any gift, devise, bequest, or contribution received by the
University shall be administered in accordance with the intention of the donor and
any directions of the Board of Regents in accepting the gift. The President of the
University or the President's designee is authorized to act for the Board of
Regents regarding:

A. The disposition of gifts; and
B. The expenditure of the accumulated and current income of the Walker-
Ames Fund in accordance with the terms of the resolution and
memorandum of agreement adopted by the Board on August 29, 1931:
provided, that a plan for such expenditures has been first approved by
the Chair and the Vice Chair of the Board.

The Board authorizes the application of an institutional gift assessment upon
receipt to current-use gifts to provide sustainable funding for University
Advancement and other institutional priorities that advance the University’s
mission. Proceeds shall be at the disposal of the President and the Provost. All
changes to the thresholds at which the assessment is levied and beyond which it is
not levied, as well as the rate of the assessment, must be approved by the Board.”

Chapter 4—Advisory Committees and Boards of the Board of Regents

These changes update UW Medicine entity names in the preamble to the UW Medicine Advisory
Board section, and update reporting provisions concerning audited financial results to reflect
current plans. Changes to the provisions governing the Advisory Committee on Socially
Responsible Investing reflect the incorporation of the Divestment Guideline, Regent Policy 17,
into the Standing Orders, with the exception of provisions governing the number of committee
members and the frequency of committee meetings. The committee would now meet when
convened in response to proposals vetted by the Governance Committee.

“1. Advisory Committees and Boards

…
E. UW Medicine Advisory Board

The Board of Regents is vested by statute with the authority to establish, operate, and maintain a school of medicine and with the authority to operate, maintain, control, and supervise a hospital to be used as a patient care and teaching resource for the health sciences professional schools. The University has operated a licensed hospital on its campus since 1959 that has been formally designated the University of Washington Medical Center (UWMC). The University has also contracted with the Trustees of Harborview Medical Center (HMC), acting on behalf of King County, to provide for hospital management and medical services in conjunction with teaching and research activities at HMC since January 1970. In 1992, the University established an operating unit known at that time as the UW Academic Medical Center that included the UW School of Medicine, UWMC, HMC, and the Association of University Physicians d/b/a University of Washington Physicians (a nonprofit professional practice plan).

Since 1992, the trademarked name of the operating unit has been changed to UW Medicine and four additional organizations have been added to the operating unit. These organizations include Airlift Northwest, UW Physicians Network d/b/a UW Neighborhood Clinics (a nonprofit organization that operates ambulatory clinics), Northwest Hospital & Medical Center (NWH) and Valley Medical Center (VMC). Thus, as an operating unit of the University, UW Medicine includes responsibility for the UW School of Medicine, four hospitals (UWMC, HMC, NWH, and VMC, and NWH, a second campus of UWMC effective January 1, 2020), Airlift Northwest (ALNW), University of Washington Physicians (UWP), and UW Neighborhood Clinics (UWNC), and UW Medicine central operations and assets. In addition, UW Medicine has operating responsibility for the University's membership in UW Medicine Choice Care, Children's University Medical Group (CUMG), and the Seattle Cancer Care Alliance (SCCA) and its partnership with RCCH Healthcare Partners (RCCH), the PNWCIN LLC d/b/a Embright, and RCCH-UW Medicine Healthcare Holdings, LLC. The authority of the boards of NWH, VMC, UWNC, UWP, ALNW, CUMG, and SCCA the above referenced entities is described in the respective governing documents.

The University Hospital Board created to govern the University Hospital in 1976 became the UW Medicine Board in 2000, adding advisory responsibilities for all the organizations that comprise UW Medicine to its governance responsibilities for UWMC. In July 2018 the Board of Regents decided to dissolve the existing UW Medicine Board and to reestablish a UWMC Board to govern UWMC that is directly responsible
to the Board of Regents in all respects required by law and by the accreditation standards of the Joint Commission. Simultaneously, the Board of Regents decided to establish a new UW Medicine Advisory Board to advise it on UW Medicine-wide strategy.

The Board of Regents has delegated to the University President the administration of the University in accordance with its bylaws, standing orders, and policies. The University President has delegated to the Chief Executive Officer, UW Medicine, Executive Vice President for Medical Affairs, and Dean of the UW School of Medicine (CEO) chief executive responsibility for overseeing, planning, and coordinating the resources of the organizations referred to as UW Medicine; negotiating, executing, and maintaining extramural affiliation and operating agreements involving UW Medicine; and in general administering all aspects of the operating unit known as UW Medicine.

The Board of Regents hereby establishes a UW Medicine Advisory Board (UWMAB) charged with advising the Board of Regents on all aspects relating to UW Medicine in accordance with the following principles. The role of the UWMAB shall not create a partnership or other separate legal entity of the organizations referred to as UW Medicine. The organizations of UW Medicine that are separate legal entities shall retain that status. Contracts among the organizations that comprise UW Medicine are not superseded or amended by creation of the UWMAB and the formation of the UWMAB does not create joint and several liability among them.

3) Reports to the Board of Regents

Communications from UW Medicine and from the UWMAB shall be structured as follows, with any additional reports as requested by the Board of Regents by policy, or by circumstance:

a) On behalf of UW Medicine the CEO shall make the following regular reports:

i) Monthly Report of the CEO

The CEO shall provide a report to the full Board of Regents every month. The Board encourages the CEO to make a forward-looking report accompanied with a one- or two-page set of key indicators of UW Medicine's performance.

ii) Annual Patient Safety and Quality Report

Each year, the CEO and the Chief Health System Officer or other designee, and others as designated, including the Chair of the UW
Medicine Patient Safety and Quality Committee should one exist, shall appear before the Board of Regents to report on patient safety and quality.

iii) Annual Financial Report

Each year, the CEO and Chief Financial Officer or other designee, and others as designated, including the Chair of the UW Medicine Finance and Audit Committee should one exist, shall appear before the Board of Regents to report on the financial condition of UW Medicine and to present audited financial results at the same time and in conjunction with the annual presentation of the University’s audited financial results.

iv) Annual Compliance Report

Each year, the CEO Medicine and the Chief Compliance Officer or other designee, and others as designated, including the Chair of the UW Medicine Compliance Committee should one exist, shall appear before the Board of Regents to report on UW Medicine compliance programs.

b) Quarterly UWMAB Report

On behalf of the UWMAB, the Chair or his or her designee shall provide quarterly reports to the Board of Regents.

…

G. Advisory Committee on Socially Responsible Investing

The Board of Regents is vested by statute with responsibility for the governance of the University. The Board of Regents is vested by statute with responsibility to manage the investment portfolios of the University of Washington. Decisions regarding the investment portfolios are geared towards maximizing the resources of the University in support of its primary teaching and research mission. The Board is ever mindful of the endowment as a fund established through private gifts which support donor-specified programs today and in the future.

Ethical considerations have led the Board, from time to time, to engage the University in shareholder activism or divestment. Such occurrences are rare. Divestment means the sale of specific companies and/or market sectors from the investment portfolio for financial, ethical, or political reasons. The process involves ongoing portfolio screening and monitoring to ensure compliance. The fiduciary duty of the Board ensures a strong presumption against divestment. Divestment is considered only after all options to address the ethical concern have been reviewed and found unsatisfactory.
In making any determination, the Regents recognize the need for a clear process that allows for University community input, evaluation and articulated criteria to inform the Board in their decision making. No process or set of criteria, however, can be expected to address all situations that might arise. The Board reserves the right to interpret these provisions as broadly or narrowly as it sees fit, consistent with the policies of the University and applicable external laws and regulations.

The Board hereby establishes the Advisory Committee on Socially Responsible Investing (ACSRI) with the following principles to receive and to evaluate proposals for divestment.

1) ACSRI Responsibilities

An ACSRI advises is convened to advise the Board or its appropriate standing committee on the social and ethical aspects of issues related to socially responsible investing, including:

- Proposals to divest submitted by members of the University community which meet the criteria specified in the Divestment Guideline.
- Shareholder engagement (letter writing campaigns, proxy voting, sponsorship of shareholder resolutions, etc.).
- Other matters, as requested by the Board.

The evaluation will be conducted in a timeframe that is appropriate to the issue being evaluated and is not limited by the academic year.

Upon request by the Board, the ACSRI will review prior approved Board actions related to socially responsible investing for their continuing appropriateness.

2) Membership and Terms

The ACSRI will consist of no more than 12 eight voting members with consideration given to tri-campus representation. Member selection will be made in the following numbers and from the following groups:

- Three Two faculty members;
- Three Two students;
- Three Two members closely affiliated with the University, such as staff, alumni, or donors; and
- Three Two members external to the University.

Two ex officio, non-voting senior staff members from the Board Office and the Office of the President will serve on ACSRI: a senior staff member from the Office of the Executive Vice President for Finance &
Administration who will provide management and administrative support to ACSRI and a senior staff member from the Office of the President, providing contextual guidance and management and administrative support.

The ACSRI Chair and members will be recommended by the Governance Committee and approved by the Board after consultation with the University President or his or her designee. The personnel convened to evaluate a proposal or proposals to divest shall sit until the evaluation is complete. Committee members sit at the Board’s pleasure, and may be removed at any time.

Except students who are graduating at the end of the academic year, all voting members will be appointed for two-year terms, renewable by the Board. During the ACSRI start-up phase, and at other times of high turnover, appointment terms of one, two, or three years may be made to ensure continuity. There is no term limit on ex officio members.

Voting members unable to participate fully during their term will be replaced by the Board prior to the expiration of their terms using the appointment process described above.

3) Meetings

ACSRI meetings will be held during the academic year (from October through May) with regularly scheduled working meetings in October, December, February, April, and May. Additional meetings may be scheduled—or regularly scheduled meetings cancelled—at the call of the ACSRI Chair and shall be convened by the Board Office, when the Governance Committee deems a proposal worthy of consideration. ACSRI meetings are open only to ACSRI members and invited guests.

In the first scheduled meeting of the fiscal year, the ACSRI will develop a working plan based upon ongoing proposal review work from the prior year plus outstanding new proposals. Proposals submitted during the fiscal year will be added to the ACSRI agenda as the schedule permits or deferred for consideration to the next fiscal year.

The ACSRI Chair may create subcommittees and appoint subcommittee chairs. The subcommittee chairs will provide regular updates to the ACSRI Chair and to the ACSRI.

In addition to the working meetings, the ACSRI will hold an annual open forum to provide the University community the opportunity to meet ACSRI members, voice their opinions, and ask questions about socially responsible investing at the University and other related issues. The
ACSRI Chair will moderate these meetings and all ACSRI members will be asked to attend.

4) Criteria for Evaluating Proposals to Divest

The Board will only consider recommendations to divest its endowment of direct holdings in publicly held companies if they have been vetted by the ACSRI and which meet the following criteria:

A. The actions or inactions of the company or companies are deemed “morally reprehensible,” and:
   1) The divestiture will likely have a meaningful impact toward correcting the specified social harm and will not result in disproportionate, offsetting societal consequences; or
   2) The company contributes to harm so grave that it would be inconsistent with the goals and principles of the University.

B. Divestment is seen to be more viable and appropriate than ongoing shareholder engagement.

C. The requested action is not likely to impair the University’s capacity to carry out its educational mission (for example, by causing deep divisions within the University community).

D. There is a broad and continuing base of support within the University community including students, faculty, alumni, and staff who believe that action is warranted. Evidence of support may include the following:
   1) Endorsement from the Associated Students of the University of Washington (ASUW);
   2) Endorsement from the Graduate and Professional Student Senate (GPSS);
   3) Endorsement from the Faculty Senate;
   4) Endorsements from the Associated Students of the University of Washington, Bothell and the Associated Students of the University of Washington, Tacoma;
   5) General petitions signed by students, faculty, alumni, and staff of the University; and
   6) Endorsements from Registered Student Organizations (RSOs).

E. A specific company or list of companies based on measurable industry criteria may be targeted for divestiture. If the divestiture is implemented, the University will appoint a third-party provider to identify targeted companies, and conduct ongoing monitoring and research on the targeted companies.

For activities believed to cause social harm but not on the level of moral reprehensibility, The Board may consider avenues other than divestiture.
such as shareholder engagement. In such instances, the criteria provided here in Sections 4.C and 4.D must be met. Educational initiatives, sustainability initiatives, or targeted research may also be pursued but those activities are outside the scope of this guideline.

5) Procedure and Voting

Sponsors of a divestment proposal will submit a request for review by the Advisory Committee on Socially Responsible Investing (ACSRI) to the Board Office.

The Governance Committee, on the advice of the Board Office and the Office of the President, will review the proposal to ensure that it meets the criteria specified in Section 4 for consideration. If the proposal is judged to meet the criteria in Section 4, the ACSRI will be convened.

The sponsors will present their proposal to the ACSRI for review and answer questions. The ACSRI may decide to bring in experts to provide additional information and education to committee members. The ACSRI will focus solely on the social and ethical aspects of the proposal.

A two-thirds vote (eight six voting members) is required to move a recommendation forward to the Board. If there are insufficient members present to meet the quorum when the vote is taken, votes may be taken by email to the ACSRI Chair. All recommendations and reports shall include a summary of minority viewpoints of ACSRI members.

The ACSRI may:

A. Deny the proposal;
B. Recommend that the Board consider the divestment proposal; or
C. Recommend that the Board consider shareholder engagement.

Sponsors may elect to resubmit the proposal (revised or not) for future consideration.

6) Recommendations to the Board

Recommendations for Board consideration from the ACSRI will be submitted to the Office of the Board of Regents and to the Office of the President of the Executive Vice President for Finance & Administration.

The ACSRI Chair and other ACSRI members as appropriate, along with the sponsors of the original divestment proposal, will be available at the Board meeting to present information proposals to the Board and answer questions.
To satisfy its fiduciary duty, the Board will request that the Finance Office provide an in-depth analysis of the financial impact of the recommended divestment on the endowment. The UWINCO Board may be asked to provide its perspective on the financial impact on the endowment.

The divestment proposal will initially be reviewed by the Board, or its appropriate subcommittee, as an information item. The sponsors of the proposal will be available to present information and answer questions.

If the Board is prepared to act, it will request that the sponsors work with the Finance Office to prepare an action item for an upcoming meeting of the Board. If a divestment action is approved by the Board, then the Statements of Investment Policy and Objectives for the Consolidated Endowment Fund and Invested Funds will be amended. The Finance Office will prepare a divestment implementation timeline.

7) 6) Reporting

Requests for action submitted to ACSRI will be posted on the ACSRI website. Final disposition of each request submitted will also be published on the website.

Decisions of the ACSRI to deny a divestment proposal will be communicated to the Office of the Board of Regents and to the Office of the President.

The ACSRI Chair will submit an annual report to the Board which summarizes ACSRI activities during the academic year. This report will be posted on the ACSRI website.

8) 7) Staff Support

The Board Office and the Office of the President will:

A. Manage the ACSRI member selection process;

B. The Office of the Executive Vice President for Finance & Administration will provide administrative support to the ACSRI including scheduling meetings, managing member communication, and maintaining the ACSRI website;

C. The Office of the Executive Vice President for Finance & Administration will work with the ACSRI Chair to develop ACSRI agendas, conduct research including the identification of outside experts, maintain meeting minutes, and provide other management support as requested.”

Chapter 6—Policy on Assistance for Human Subjects: Relocate as Regent Policy 40

Chapter 7—Policy Governing Approval of Investments: Relocate as Regent Policy 75
REGENT POLICIES:

Regent Policy 7—Transportation Policy: Rescind

This is unchanged from 1986. If it is felt necessary, a Board-level statement might relate sustainability goals to principles for determining future parking and transit fees, in line with the 2018 Campus Master Plan.

Regent Policy 12—Customs and Protocols of the Board of Regents

“1. The University is part of the executive branch of state government. Regents are fiduciaries to the University and hold it in trust for the long-term benefit of the public.

2. The Board of Regents is a deliberative body, whose members represent the interests of the public and the entire University, not any of its separate parts.

3. The authority of the Board is collective and does not rest with individual members (except to the extent otherwise specified by the Board).

4. When interacting with various internal and external constituents, individual Regents should make it clear that they are not speaking for the University or the Board (unless they have been specifically granted permission to do so).

5. Other than the conduct of their normal duties, individual Regents should not involve themselves in the internal governance mechanisms of the University without the blessing of the Board, its Chair, or a specific request of the President.

6. The President may ask individual Regents to perform special tasks for the benefit of the University, in addition to their normal duties, which are undertaken under the President's guidance and authority.

7. The Board is responsible for setting university policy in accordance with relevant statutes. The development and administration of policy is delegated to the President, who is held accountable for the same.

8. The ordinary path of communication between Regents and the administration is through the Chair and the Secretary of the Board. Regents should direct requests for information to the Secretary, and requests for attention to a matter to the Chair, who shall communicate to the President, reporting back to the requesting Regent. To request information, a Regent should direct inquiries to the President, Provost, or any senior officer designated by them. Requests for attention to a matter should be directed to the President or the Provost, as appropriate, who will exercise their judgment thereon and report back to the requesting Regent and/or the Board.
9. The President serves under the Board’s direction. The Board supports the President’s leadership. The Board reviews the President's performance and the Chair is responsible for providing input to the President in that regard.

10. The agendas of the Finance and Asset Management Committee, Governance Committee, and full Board are managed by the Board Office under the direction of the Board Chair and the Committee Chairs, in consultation with the President and the President’s designee(s). The agenda of the Academic and Student Affairs Committee is managed by the Office of the Provost, under the direction of the Committee Chair. The agendas and workloads of the Board are managed by the Board Chair and Committee Chairs, in consultation with the President and his/her designees. A Regent requesting the inclusion of an item on an agenda may direct such a request to any of the Chairs, the Secretary, or the President, his/her or designees, or any of the "Chairs."

11. The Chair of the Board is the Board's spokesperson, unless specifically determined otherwise.

12. The Board seeks to model the behavior it expects from all University constituents. This includes, but is not limited to the following:
   - Civility in its meetings and discourse,
   - Mutual respect for the views of other Regents,
   - Respect for presenters and University representatives,
   - Appreciation of the positional power of the Regents and the concept of leadership as a form of service,
   - Transparency in all matters before the Board,
   - Integrity in all of its dealings.”

Regent Policy 15—Declaration of Concern for the Sustainability of Washington Public Higher Education: Relocate to Declarations and Resolutions of the Board

This is a political intervention dating from 2020. Move to a new section of Board of Regents Governance called “Declarations and Resolutions of the Board,” which will be arranged chronologically.

Regent Policy 17—University of Washington Divestment Guideline: Rescind

This has been integrated into Standing Orders, Chapter 4.
Add Five New Regent Policies:

Centralize general, Board-approved policies. Creating the category of Regent Policies in 2010 was a move in this direction. These policies escaped notice, but are vital to the operation of the University.

2. Interest-Rate Swap Policy (approved 2004)

Renumber All Regent Policies:

This numbering will permit the addition of new policies as needed by subject area. Policies 70 to 74 are currently available on the UW Treasury website. Policy 40 is currently Chapter 6 of the Standing Orders. Policy 75 is currently Chapter 7 of the Standing Orders.

15 Role and Mission of the University
24 Statement of Ethical Principles
1042 Customs and Protocols of the Board of Regents
1143 Policy Regarding Regent Conflicts of Interest
20 Tenure of the Faculty Statement of Policy
30 Reserved Power to Amend Rules and Regulations
31 Revocation of Degrees
324 Policy on Admission
334 Statement on Diversity
3410 Policy on Financial Aid, Including Scholarships, Grants, and Fellowships, to Promote Student Diversity at the University of Washington
40 Policy on Assistance for Human Subjects
506 Facilities and Spaces Naming Policy
7 Transportation Policy
519 Endowment and Program Naming Policy
DECLARATIONS AND RESOLUTIONS OF THE BOARD: Create Category

Declaration of Concern for the Sustainability of Washington Public Higher Education (June 7, 2012)
STANDING ORDERS:

Chapter 1.6—Delegation of Authority (OPTION 2):

“…6. Execution of Instruments, Business Affairs, and Operations

The Board of Regents is the University’s governing board. The following instruments require the Board’s approval:

A. The naming of University buildings or outdoor areas in recognition of individuals or organizations.
B. The appointment of external auditors; investment policy; and investment consultant(s).
C. The use of University facilities by individuals or organizations for non-University events that would significantly affect normal campus activities or the surrounding community.
D. Any instrument, prior to its execution, that the President or any Regent deems appropriate for regental consideration.
E. The execution of any instruments where the anticipated cost or value to the University exceeds $15 million, including but not limited to instruments relating to real property (with the exception of the Metropolitan Tract), capital project budgets, single increases to approved capital project budgets when the increase is greater than 10 percent of the approved project budget, and acquisitions of goods and services. However, when the cost or value to the University exceeds $5 million and is less than $15 million, the President or the President's designee may approve and execute the instruments and report all such actions to the Board of Regents no less often than quarterly. When the ultimate aggregate cost to the University is not known in advance for instruments relating to the acquisition of goods or services on a continuing or intermittent basis (e.g. rental, service, or supply contracts where the use is likely to be isolated or likely to be used by a single unit such as a school, college, non-Seattle campus, or department), the amounts set forth in this paragraph shall be calculated on a per month basis calculated on the basis of a twelve-month period, based on historic usage if appropriate.

The President, as chief executive officer of the University, or the President's designee is authorized to act for the Board of Regents regarding the execution and administration of instruments and the general business and financial affairs of the University which occur in the usual course of business within the following limits:

A. The President or designee is authorized to execute the following regardless of cost or value, without reporting them to the Board unless otherwise specified below:
   1. The procurement of utility services, including easements;
2. Subcontracts for collaborative research entered into in furtherance of sponsored research programs;
3. The procurement of goods and services made by participating in contracts entered into by group purchasing organizations, including organizations for nonprofit cooperative hospitals, and those awarded by agencies of the state of Washington;
4. The procurement of equipment and furnishings that are included in capital project budgets that have been authorized by the Board of Regents;
5. The procurement of goods and services for sponsored research programs when the source of the goods or services is directed by the sponsor, or the sponsor retains title to the goods acquired, and, contracts which include as a primary purpose or secondary effect of approved sponsored projects the acquisition or renovation of equipment or vessels;
6. Contracted pricing agreements executed for campus-wide use, by which there is no commitment to buy, by which there is no exclusive use extended to a single vendor, and by which individual items such as consumable office or lab supplies are commodities well below the direct-buy limit and where prior approval thresholds are unlikely to be realized or isolated to a specific unit;
7. The settlement of claims or lawsuits brought against the University;
8. The procurement of property or casualty insurance, self-insurance, or any combination thereof;
9. Leases of real property and modifications thereto of up to 20 years when the University is the landlord, and leases, capital improvements and other management actions in the usual course of business on the Metropolitan Tract, provided lease terms do not exceed 20 years and capital expenditures are funded from portfolio revenue;
10. Deferred gift assets;
11. Real property acquired through gift or devise;
12. Actions necessary to protect the University's interests and operations in response to an emergency situation;
13. Actions and execution of documents necessary to establish legal entities, controlled by the University, through which the University can conduct itself in foreign countries;
14. The selection of depositories;
15. Purchases of information technology services, when the initial contract and funding plan have been approved by the Board of Regents, provided that these purchases are included in the quarterly report of actions taken under delegated authority; and
16. The execution of all time-critical instruments and business affairs requiring action between scheduled Board of Regents meetings,
provided, that the President of the University or the President's
designee secures approval of the chair or vice chair of the appropriate
standing committee and submits a report of any actions taken pursuant
to this delegation to the Board of Regents at its next regularly
scheduled meeting.

B. The President is authorized to execute all other transactions up to a value
or cost of $15 million, subject to reporting requirements as described
above.”