Governance Committee

Adopt Amendments to the Bylaws of the Board of Regents and Approve Changes to the *Board of Regents Governance, Standing Orders, Chapter 4*

**RECOMMENDED ACTION**

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

1) Adopt the amendments to the Bylaws of the Board of Regents;
2) Approve changes to the *Board of Regents Governance, Standing Orders, Chapter 4, Advisory Committees of the Board of Regents.*

All amendments and changes to be effective on May 14, 2015.

**BACKGROUND**

The Board of Regents amends its Bylaws and Standing Orders as necessary to accommodate changes in the Board’s and the University’s operations and policies.

**HIGHLIGHTS OF THE PROPOSED CHANGES**

*Board of Regents Governance, Bylaws*

- Article IV – Amends responsibilities of the Finance and Asset Management Committee.

*Board of Regents Governance, Standing Orders, Chapter 4, Advisory Committees of the Board of Regents*

- Distinguishes between Senior Vice President for Finance and Facilities and Senior Vice President for Planning and Management reflecting an administrative reorganization.
- Amends the functions of the Audit Advisory Committee.
- Changes administrative support for the Audit Advisory Committee from the University President to the Senior Vice President for Finance and Facilities, and administrative support for the Governmental Affairs Advisory Committee from the University President to the Vice President for External Affairs.

**Attachments**

1) *Board of Regents Governance, Bylaws Article IV, Draft*
2) *Board of Regents Governance, Standing Orders, Chapter 4, Advisory Committees of the Board of Regents, Draft*
Committees of the Board

1. Standing Committees

The standing committees set forth below are established to facilitate the business of the Board and the University. The chair, vice chair, and members of each standing committee shall be recommended by the Governance Committee and approved by the Board. Each standing committee shall consist of at least four members, with at least three voting members. All committee chairs, vice chairs, and a majority of each committee shall be Board members.

The Chair of the Board shall be appointed only to the Governance Committee, but may act as an alternate, including voting, in the event of the absence of any committee member at any regular or special meeting scheduled pursuant to Article III of the Bylaws. The student regent may serve on the Academic and Student Affairs Committee but shall excuse himself or herself from participation or voting on matters relating to the hiring, discipline, or tenure of faculty members and personnel.

Any subject not assigned to a standing committee shall be retained for consideration by the Board itself. Such retained subjects specifically include selection and evaluation of the University President, establishment of operating and capital budgets, requests for appropriation of state funds, and institutional risk management.

Any matter that would typically fall within the responsibility of one standing committee may be directed by the chair of that committee or the Chair of the Board to any other standing or special committee or the Board itself for consideration.

All matters considered by the standing committees requiring action shall be referred to the Board for action except where such authority has been expressly delegated to a committee. Action taken by a committee under such delegated authority shall be promptly reported to the Board.

A majority of the committee's voting members shall constitute a quorum.

Minutes of all standing committee meetings shall be taken, submitted to the Board, kept by the Secretary, and be open to public inspection, following approval, in the office of the Secretary during regular University business hours.

A. Governance Committee

The purpose of the Governance Committee is to ensure the integrity of the Board and enhance Board performance. The committee is responsible for:

1) Establishing and maintaining standards of Board conduct;

2) Identifying the expertise and experience needed by the Board and, as appropriate, communicating this to the Governor;

3) Recommending a slate of officers for Board approval;
4) Recommending for Board approval individual members to act as the Board's representatives on outside boards and committees;

5) Ensuring that Board members have adequate orientation and ongoing education;

6) Assessing the performance of the Board and Board members;

7) Monitoring the activities of governance shared with the faculty;

8) Monitoring compliance with the conflict of interest policy;

9) Periodically reviewing and ensuring compliance with these Bylaws and other Board policies; and

10) Carrying out the statutory functions of an executive committee.

The Governance Committee shall include, and be chaired by, the Chair of the Board.

B. Academic and Student Affairs Committee

The purpose of the Academic and Student Affairs committee is to oversee educational quality and the quality of the academic experience of students and student life at the University. The committee is responsible for monitoring:

1) Learning goals and outcomes;

2) Program quality, institutional and program accreditation, and program review;

3) Access and affordability of educational programs;

4) Student admission, retention, graduation (including the awarding of degrees), and job placement;

5) Public service programs;

6) Matters relating to faculty status, responsibilities, appointment, tenure, retention, promotion, and discipline;

7) Academic planning;

8) The structure of the academic programs;

9) University research;

10) Distance learning and educational outreach;

11) The use of education technology; and

12) Other matters relating to the general welfare of students, including housing and food services, student fees, health services and health insurance, safety, extracurricular activities, sports programs, and policies governing student conduct and discipline and student organizations.

C. Finance and Asset Management Committee

The purpose of the Finance and Asset Management Committee is to oversee the financial, capital, and other assets of the University. The committee is responsible for monitoring:

1) The University’s financial health, including that of auxiliary activities such as medicine, athletics, and housing and food services;
2) Planning, development, maintenance, safety, and protection of all real property and physical assets of the University, including all campuses and stations and the facilities, buildings, and infrastructure thereon;

3) Investment of funds under the University’s control;

4) Policies, practices, plans, and reports for compliance with legal and regulatory requirements;

5) Audit policies, practices, audit plans, and reports;

6) The fundraising efforts of the University, including gifts, grants, bequests, and trusts received by the University;

7) The University’s intellectual properties and technology transfer activities;

8) The long term financing of capital projects and any other borrowings which may be required by the University;

9) Planning and maintenance of information systems;

10) Compensation and benefits of faculty and staff, including collective bargaining policy and agreements; and

11) Major acquisitions of equipment, goods and services, and the rental or leasing of facilities.

2. Special Committees

Special committees may be established by the Board on the recommendation of the Governance Committee and given such powers and duties as the Board may determine. The chair, vice chair, and members of each special committee shall be recommended by the Governance Committee and approved by the Board. All matters considered by a special committee requiring action shall be referred to the Board for action except where such authority has been expressly delegated to a committee.

3. Notice of Meetings of Standing and Special Committees

Meetings of committees of the Board shall be held at such times and places as may be fixed by each committee or its chair. The Secretary of the Board shall give each member of the committee notice of committee meetings in sufficient time and manner to allow attendance at the meetings. Notice of meetings of any committee of the Board at which an action is taken on behalf of the Board pursuant to delegated authority shall be given, when required, in accordance with the applicable law of the state of Washington governing such meetings.

4. Communications to and Appearance Before Standing Committees

Any person who wishes to bring a matter to the attention of a Standing Committee may do so by submitting such communication in writing to the Secretary of the Board of Regents for distribution in accordance with the direction of the committee chair.

The committee chair is authorized to determine whether any public comments will be permitted at a meeting of a Standing Committee and may place reasonable limits on the length of such comments.
5. Advisory Committees

Advisory committees may be established by the Board on the recommendation of the Governance Committee to provide the University with expert advice on such subjects as the Board may specify. The chair, vice chair, and members of each advisory committee shall be recommended by the Governance Committee and approved by the Board. Every advisory committee shall include at least one member of the Board. An advisory committee shall have no delegated authority to act for the Board but shall simply offer their advice to the Board or to such standing or special committee as the Board determines.

BR, October 18, 1985; December 13, 1985; March 15, 1991; October 27, 1995; October 17, 1997; July 17, 1998; January 21, 2000; February 21, 2003; October 14, 2004; March 17, 2005; February 18, 2010; November 14, 2013 [Effective January 1, 2014].
Advisory Committees of the Board of Regents

Advisory committees may be established by the Board of Regents on the recommendation of the Governance Committee of the Board to provide the University with expert advice on such subjects as the Board may specify, in accordance with Article IV, Section 5 of the Board's Bylaws.

Members of all Board-created advisory committees serve at the pleasure of the Board and include appointments made by the Board for specified periods of time according to the organizational documents approved or authorized by the Board.

1. University of Washington Investment Committee (UWINCO)

A. Establishment of the Committee

The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the properties of the University, including its investment programs. The Board has established an Advisory Committee called the University of Washington Investment Committee (UWINCO) and adopted the following Statement of Principles.

B. Statement of Principles

1) Membership and Terms

UWINCO shall consist of no more than ten members to be appointed by the Board, plus the President of the University who shall serve ex-officio. These appointments shall be based on recommendations submitted by the Governance Committee of the Board after consultation with the Chair of UWINCO and the President of the University (or his or her designee).

One or two UWINCO members shall be selected from the Board. The remaining UWINCO members shall be experienced investment professionals of varying backgrounds with close ties to the University. Criteria for non-regent membership on UWINCO shall include investment expertise in such areas as private equity, hedge funds, international markets, real estate and institutional investing; access to desirable managers; strategic focus; and commitment to the University of Washington.

Regent and non-regent members will be asked to make a minimum commitment of three consecutive years, renewable by the Board.

2) Functions

UWINCO shall advise the Board (and/or its appropriate committee) and the University President (and/or his or her designee) on matters relating to the management of the
University’s investment program. This includes, but is not limited to, the following: overall asset allocation, performance goals, new investment strategies, strategy implementation, manager identification, due diligence, and valuation policy.

3) Meetings
Regular meetings of UWINCO shall be held quarterly. Special meetings may be called by the Chair of UWINCO, the University President (or his or her designee) at any time.

4) Indemnification and Compensation
The University shall indemnify UWINCO members to the fullest extent permitted by law, the Standing Orders, and Regent Policies of the Board. UWINCO members shall not be paid for service as committee members.

5) Conflict of Interest
Regent members of UWINCO are governed by conflict of interest rules applicable to regents. Non-regent members shall comply with the following conflict of interest provisions:

a) When a UWINCO member knows that the University is considering a transaction in which he or she has a beneficial interest, the member shall (1) alert the Senior Vice President for Finance and Facilities, hereafter Senior Vice President (or successor official) of his or her potential beneficial interest, and (2) not participate in the formulation or rendering of advice with respect to the transaction.

b) Committee members shall not participate in the formulation or rendering of UWINCO advice where their participation could be influenced by financial or other considerations that would conflict or could reasonably appear to conflict with their UWINCO obligations to only consider the best interest of the University. Where a member is uncertain about the application of this rule to particular circumstances, he or she should consult the Chair of UWINCO and the Senior Vice President for Finance and Facilities who may seek the advice of the Attorney General's Office as appropriate.

c) Committee members may engage in investment transactions with the University if the Chair of UWINCO and the Senior Vice President for Finance and Facilities (who may consult with the Attorney General's Office as he or she deems appropriate) determine that the UWINCO member has not participated in the formulation or rendering of UWINCO advice to the University regarding the transaction.

6) Chair and Vice Chair; Administrative Support
The Chair and Vice Chair of UWINCO shall be recommended by the Governance Committee and approved by the Board. During the absence of the Chair or while he or she is unable to act, the Vice Chair shall perform the duties and exercise the powers of the Chair. The Senior Vice President for Finance and Facilities shall ensure that
UWINCO has appropriate administrative support services, including secretarial assistance and record keeping.

7) Communication
The Chair of the committee and/or the Chief Investment Officer shall provide quarterly reports on the performance of the University's investment program to the Board (and/or its designated committee).

8) Amendments
This Statement of Principles shall be reviewed annually and updated as needed. Amendments, additions, deletions or replacements, may be recommended by UWINCO. Such changes shall be subject to the approval of the President of the University and the Board.

2 University of Washington Advisory Committee on Real Estate (ACRE)

A. Establishment of the Committee
The Board of Regents of the University of Washington is vested by statute with responsibility for the management of the real properties of the University, including its Metropolitan Tract located in downtown Seattle. The Board has established an Advisory Committee on Real Estate (ACRE) and adopted the following Statement of Principles.

B. Statement of Principles

1) Membership and Terms
ACRE shall consist of no more than eight members to be appointed by the Board, plus the President of the University who shall serve ex officio. These appointments shall be based on recommendations submitted by the Governance Committee of the Board after consultation with the Chair of ACRE and the President of the University (or his or her designee).

One or two of the appointed members shall be selected from the Board. The remaining appointed members shall be experienced professionals of varying backgrounds.

There shall be a three-year term limitation for regent and non-regent members of ACRE, renewable by the Board. Members will be asked to make a minimum commitment of three consecutive years, and shall serve at the pleasure of the Board.

2) Functions
ACRE shall advise the Board (and/or its appropriate committee) and the University President (and/or his or her designee) on matters relating to the management of the University’s commercial income producing properties and other significant real estate investments.

3) Meetings
ACRE shall establish a regular meeting schedule. Other meetings may be called by the Chair of ACRE at any time. The Chair of ACRE may invite experts who are not members
of ACRE to attend specific meetings to provide additional guidance, advice, and information.

4) **Indemnification and Compensation**

The University shall indemnify members of ACRE to the fullest extent permitted by law, the Standing Orders, and Regent Policies of the Board. ACRE members will not be paid for service on the committee.

5) **Conflict of Interest**

Regental members of ACRE are governed by conflict of interest rules applicable to regents. Non-regent members shall comply with the following conflict of interest provisions:

a) When a member of ACRE knows that the University is considering a transaction in which he or she has or may have a beneficial interest, the member shall (1) alert the Senior Vice President for Planning and Management (or successor official) of the University of his or her potential beneficial interest and (2) not participate in the formulation or rendering of advice with respect to the transaction.

b) Committee members shall not participate in the formulation or rendering of advice by ACRE where their participation could be influenced by financial or other considerations that would conflict or could reasonably appear to conflict with their obligations to only consider the best interest of the University. Where a member is uncertain about the application of this rule to particular circumstances, he or she should consult the Chair of ACRE and the Senior Vice President for Planning and Management, who may seek the advice of the Attorney General's Office as appropriate.

c) Committee members may engage in transactions with the University if the Chair of ACRE and the Senior Vice President for Planning and Management (who may consult with the Attorney General’s Office as he or she deems appropriate) determine that the member has not participated in the formulation or rendering of advice by ACRE to the University regarding the transaction.

6) **Chair and Vice Chair; Administrative Support**

The Chair and Vice Chair of ACRE shall be recommended by the Governance Committee and approved by the Board. During the absence of the Chair or while he or she is unable to act, the Vice Chair shall perform the duties and exercise the powers of the Chair. The Senior Vice President for Planning and Management shall ensure that ACRE has appropriate administrative support services, including secretarial assistance and record keeping.

7) **Communication**

The Chair of ACRE and/or the Chief Real Estate Officer shall provide quarterly reports to the Board (and/or its designated committee).
8) Amendments

This Statement of Principles shall be reviewed annually and updated as needed. Amendments, additions, deletions or replacements may be recommended by ACRE. Such changes shall be subject to the approval of the President of the University and the Board.

3. Audit Advisory Committee

A. Establishment of the Committee

The Board of Regents of the University of Washington is vested by statute with responsibility for the governance of the University. The Board hereby establishes an Audit Advisory Committee, with the following Statement of Principles.

B. Statement of Principles

1) Membership and Terms

The Audit Advisory Committee shall consist of no more than eight members to be appointed by the Board. The Chair, Vice Chair, and members shall be recommended by the Governance Committee and approved by the Board after consultation with the President of the University and his or her designee(s).

One or two of the appointed members shall be selected from the Board. The remaining appointed members shall be experienced professionals of varying backgrounds.

There shall be a three-year term limitation for regent and non-regent members, renewable by the Board. Members will be asked to make a minimum commitment of three consecutive years, and shall serve at the pleasure of the Board.

2) Functions

The Audit Advisory Committee shall advise the Board or its appropriate standing committee and the University President, or his or her designee, on matters relating to the University's financial practices and standards of conduct. The committee is responsible for reviewing and advising on any external and internal financial audits, policies and practices for compliance with legal and regulatory requirements, and internal controls. The committee may, through its Chair or a majority vote of its members, ask management to address specific issues within the responsibilities of the committee.

3) Meetings

The Audit Advisory Committee shall establish a regular meeting schedule. Other meetings may be called by the Chair of the Audit Advisory Committee at any time. The Chair of the Audit Advisory Committee may invite experts who are not members of the Audit Advisory Committee to attend specific meetings to provide additional guidance, advice, and information.
4) **Indemnification and Compensation**

The University shall indemnify members of the Audit Advisory Committee to the fullest extent permitted by law, the Standing Orders, and Regent Policies of the Board. Audit Advisory Committee members will not be paid for service on the committee.

5) **Conflict of Interest**

Regental members of the Audit Advisory Committee are governed by conflict of interest rules applicable to regents. Non-regent members shall comply with the following conflict of interest provisions:

a) When a member of the Audit Advisory Committee knows that the University is considering a transaction in which he or she has or may have a beneficial interest, the member shall (1) alert the Chair of the Audit Advisory Committee of his or her potential beneficial interest, and (2) not participate in the formulation or rendering of advice with respect to the transaction.

b) Committee members shall not participate in the formulation or rendering of advice by the Audit Advisory Committee where their participation could be influenced by financial or other considerations that would conflict or could reasonably appear to conflict with their obligations to only consider the best interest of the University. Where a member is uncertain about the application of this rule to particular circumstances, he or she should consult the Chair of the Audit Advisory Committee, who may seek the advice of the Attorney General's Office as appropriate.

c) Committee members may engage in transactions with the University if the Chair of the Audit Advisory Committee and the University President (who may consult with the Attorney General's Office as he or she deems appropriate) determine that the member has not participated in the formulation or rendering of advice by the Audit Advisory Committee to the University regarding the transaction.

6) **Chair and Vice Chair; Administrative Support**

The Chair and Vice Chair of the Audit Advisory Committee shall be recommended by the Governance Committee and approved by the Board. During the absence of the Chair or while he or she is unable to act, the Vice Chair shall perform the duties and exercise the powers of the Chair. The University Senior Vice President for Finance and Facilities shall ensure that the Audit Advisory Committee has appropriate administrative support services, including secretarial assistance and record keeping.

7) **Communication**

The Chair of the Audit Advisory Committee shall provide quarterly reports to the Board or its designated standing committee.

8) **Amendments**

Amendments to this Statement of Principles shall be subject to the approval of the Board.
4. Governmental Affairs Advisory Committee

A. Establishment of the Committee

The Board of Regents of the University of Washington is vested by statute with responsibility for the governance of the University. The Board hereby establishes a Governmental Affairs Advisory Committee, with the following Statement of Principles.

B. Statement of Principles

1) Membership and Terms

The Governmental Affairs Advisory Committee shall consist of no more than eight members to be appointed by the Board. The Chair, Vice Chair, and members shall be recommended by the Governance Committee and approved by the Board after consultation with the President of the University and his or her designee(s).

One or two of the appointed members shall be selected from the Board. The remaining appointed members shall be experienced professionals with relevant backgrounds.

There shall be a three-year term limitation for regent and non-regent members, renewable by the Board. Members will be asked to make a minimum commitment of three consecutive years, and shall serve at the pleasure of the Board.

2) Functions

The Governmental Affairs Advisory Committee shall advise the Board or its appropriate standing committee and the University President, or his or her designee, on matters relating to the University’s relationship to federal, state, and local governments and agencies.

3) Meetings

The Governmental Affairs Advisory Committee shall establish a regular meeting schedule. Other meetings may be called by the Chair of the Governmental Affairs Advisory Committee at any time. The Chair may invite experts who are not members of the Governmental Affairs Advisory Committee to attend specific meetings to provide additional guidance, advice, and information.

4) Indemnification and Compensation

The University shall indemnify members of the Governmental Affairs Advisory Committee to the fullest extent permitted by law, the Standing Orders, and Regent Policies of the Board. Governmental Affairs Advisory Committee members will not be paid for service on the committee.

5) Conflict of Interest

Regental members of the Governmental Affairs Advisory Committee are governed by conflict of interest rules applicable to regents. Non-regent members shall comply with the following conflict of interest provisions:
a) When a member of the Governmental Affairs Advisory Committee knows that the University is considering a transaction in which he or she has or may have a beneficial interest, the member shall (1) alert the Chair of the Governmental Affairs Advisory Committee of his or her potential beneficial interest, and (2) not participate in the formulation or rendering of advice with respect to the transaction.

b) Committee members shall not participate in the formulation or rendering of advice by the Governmental Affairs Advisory Committee where their participation could be influenced by financial or other considerations that would conflict or could reasonably appear to conflict with their obligations to only consider the best interest of the University. Where a member is uncertain about the application of this rule to particular circumstances, he or she should consult the Chair of the Governmental Affairs Advisory Committee, who may seek the advice of the Attorney General's Office as appropriate.

c) Committee members may engage in transactions with the University if the Chair of the Governmental Affairs Advisory Committee and the University President (who may consult with the Attorney General's Office as he or she deems appropriate) determine that the member has not participated in the formulation or rendering of advice by the Governmental Affairs Advisory Committee to the University regarding the transaction.

6) Chair and Vice Chair; Administrative Support

The Chair and Vice Chair of the Governmental Affairs Advisory Committee shall be recommended by the Governance Committee and approved by the Board. During the absence of the Chair or while he or she is unable to act, the Vice Chair shall perform the duties and exercise the powers of the Chair. The University Vice President for External Affairs shall ensure that the Governmental Affairs Advisory Committee has appropriate administrative support services, including secretarial assistance and record keeping.

7) Communication

The Chair of the Governmental Affairs Advisory Committee shall provide quarterly reports to the Board or its designated standing committee.

8) Amendments

Amendments to this Statement of Principles shall be subject to the approval of the Board.