
MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
DIXIE COLLEGE
ST. GEORGE, UTAH

March 12-13, 1998

Board Members Present

Charles E. Johnson, Chair
Aileen H. Clyde, Vice Chair
Kenneth G. Anderton
Pamela J. Atkinson
Andrew Croshaw
Ian M. Cumming (Thursday)
David J. Grant
L. Brent Hoggan
David J. Jordan
Evelyn B. Lee
Victor L. Lund
Paul S. Rogers
Dale O Zabriskie

Board Members Excused

Larzette G. Hale
Karen H. Huntsman
Jay B. Taggart

Office of the Commissioner

Cecelia H. Foxley, Commissioner
Don A. Carpenter, Associate Commissioner, Veterans Education/Proprietary
Schools
Fred R. Hunsaker, Associate Commissioner for Finance and Facilities
Chalmers Gail Norris, Associate Commissioner for Student Financial Aid
Friday)
Michael A. Petersen, Associate Commissioner for Academic Affairs
Joyce Cottrell CPS, Executive Secretary
Harden R. Eyring, Executive Assistant
Linda Fife, Academic Affairs Program Officer
Jerry H. Fullmer, Director of Information Technology
Max S. Lowe, Assistant Community for Applied Technology Education
Norman C. Tarbox, Assistant Commissioner for Finance and Facilities

INSTITUTIONAL REPRESENTATIVES

University of Utah

J. Bernard Machen, President
Jerilyn S. McIntyre, Vice President for Academic Affairs
Thomas G. Nycum, Vice President for Administrative Services
George I. Brown, Utah Education Network
Raymond A. Haeckel, Executive Director, Government and Community
Relations
W. Ralph Hardy, Budget Director
Stephen H. Hess, Executive Director, Media Services & Utah Education
Network
Anne P. Peterson, Editor, *Continuum*

Utah State University

George H. Emert, President
G. Jay Gogue, Provost
C. Blythe Ahlstrom, Assistant Provost
Lee H. Burke, Assistant to the President

Weber State University

Paul H. Thompson, President
David L. Eisler, Provost
Carol J. Berrey, Executive Director of Government Relations/Assistant to the President
Marie L. Kotter, Vice President of Student Services

Southern Utah University

Steven D. Bennion, President
Terry D. Alger, Provost
Sterling R. Church, Vice President for Student Services
Michael D. Richards, Vice President for Planning and Technology
Gregory L. Stauffer, Vice President for Administration/Financial Services

Snow College

Gerald J. Day, President
Richard White, Vice President for Academic Affairs

Dixie College

Robert C. Huddleston, President
Max Rose, Academic Vice President
Stanley J. Plewe, Vice President for Administrative/Information Technology Services
William D. Fowler, Dean of Students
A. Scott Talbot, Executive Director of Business Affairs
V. Gayle Whittle, Assistant Controller

College of Eastern Utah

Grace S. Jones, President
Don C. Larson, Dean of Instruction, San Juan Center
Grady McEvoy, Faculty Senate President

Utah Valley State College

Kerry D. Romesburg, President
Gilbert E. Cook, Vice President for College Relations
Lucille Stoddard, Vice President for Academic Affairs
Ryan Thomas, Vice President for Student Services and Campus Computing
J. D. Davidson, Dean, School of Humanities and Social Sciences
Elaine E. Englehardt, Assistant Vice President for Academic Affairs
James G. Harris, Dean, School of Science and Health
Linda Makin, Associate Director of Budgets
Grant Richards, Department Chair, LEC Student Skills
Douglas E. Warner, Executive Director of Budgets and Management
J. Karl Worthington, Associate Vice President for Academic Affairs
Steven Beck, Student Body President

David Bradford, Board of Trustees
Marianne Heaps, Board of Trustees
Marlon Snow, Board of Trustees
Beth Tolbert, Chair, Board of Trustees

Salt Lake Community College

Frank W. Budd, President
Marjorie Carson, Vice President of Academic Services
Judd D. Morgan, Vice President of Student Services
Richard M. Rhodes, Vice President of Business Services
Rand Johnson, Assistant to the President

Others Present

Representative Jeff Alexander
Thomas C. Anderson, Attorney General's Office
Shannon Bittler, SBE/SBR Joint Liaison Committee
Gary A. Carlson, Governor's Deputy for Education
David R. Colvin, Office of the Legislative Fiscal Analyst
John T. Crandall, George K. Baum & Company
Dan Egan, *Salt Lake Tribune*
Boyd Garriott, Office of the Legislative Fiscal Analyst
Jeff Haney, *Deseret News*
Representative J. Brent Haymond
Gary R. Herbert, Utah County Commission
Nancy Lew, Ballard Spahr Andrews & Ingersoll
Leo L. Memmott, Legislative Fiscal Analyst
Senator Craig A. Peterson
Ryan Van Benthuyzen, *Provo Daily Herald*
Blake Wade, Ballard Spahr Andrews & Ingersoll
Bradley A. Winn, Governor's Office of Planning and Budget

Chair Johnson called the meeting to order at 9:52 a.m. and welcomed everyone to sunny St. George. He excused Regent Larzette Hale, who injured her shoulder in the Oklahoma City airport as she was on her way to Utah to attend this meeting. He also excused Regents Jay Taggart and Karen Huntsman. He noted that Regent Pamela Atkinson, who was present at the meeting, had also sustained injuries during a recent fall.

Chair Johnson noted that the luncheon for Regents and Presidents would not be held in executive session, since there were no qualifying items.

Review of 1998 Legislative Session

Chair Johnson reviewed the Legislative assignments and Regents' promises made during the recently concluded session:

1. Snow College South, 7/1/99. The Sevier Valley Applied Technology Center (SVATC) will be transferred to Snow College in one year. Chair Johnson asked Regent Lee to represent the Regents in the planning and implementation process. President Day will also be directly involved. Chair Johnson asked for other Regents who would like to be involved to contact Regent Lee.

2. State Development Center Land and Possible Lease, 7/1/98. Chair Johnson said we must decide whether or not UVSC should take control over that property and under what conditions. Chair Johnson said Associate Commissioner Hunsaker would be representing the Regents with DFCM staff and UVSC officials and will come back to the next Board of Regents meeting with recommendations.
3. Dixie Center/University Centers. We have verbally promised to look at funding for university centers.
4. Performance Funding Recommendations, due 7/1/98. We have made a commitment to recommend a set of performance indicators to the Legislative Executive Appropriations Committee by July 1, 1998.
5. Graduate Tuition. Legislative intent language requested a report to the Executive Appropriations Committee and the Education Interim Committee during the 1998 Interim Session.
6. Enrollment Funding. The Governor's Office, Regents and Legislative Fiscal Analyst (LFA) should adopt a common method for determining enrollment funding.
7. Faculty Workload. A new faculty activity survey/report will be constructed and reported to Legislative Leadership in Fall Semester, 1998.
8. Total Institutional Personnel. This report will be improved, updated and submitted when requested.
9. Common Data bases. Common data elements and data bases are crucial for accurate and timely USHE information to be submitted to the Legislature.

Chair Johnson referred to Attachment 2 of Tab A and asked President Bennion to explain the status of SUU's PE Building. President Bennion said intent language had been included to assume this building has top priority for full funding during the 1999 Legislative Session. This delay should only put the University four to five months behind their original schedule.

Chair Johnson then requested President Budd to comment. President Budd said SLCC's Jordan Tech Center was funded. The Senate recommended a \$78 million bond, but the House backed the bond down to \$48 million. The College's funding will be \$4 million from ongoing tax funds, leaving \$17.5 million to be bonded. Construction should begin around the first of August. The Jordan School District has just purchased 50 acres for another high school in that area.

Regent Rogers asked for an update of the SUU land purchase. President Bennion said the school district board would be meeting in executive session later this month to discuss this issue. He has met with Superintendent Michael Bennett and will be bringing a proposal back to the Regents and Trustees for their review and approval.

Chair Johnson referred to Attachment 3 of Tab A and pointed out that page 4 showed the percentage of state funding and how higher education's share has continued to diminish. The trend has not been reversed, but the slide has been slowed down a bit. On fiscal note bills, \$2.2 million (out of \$10 million total) went to higher education.

Compensation: The Board's discussion in February focused on the relationship between tuition and compensation increases. Higher Education came up \$272,000 short on the recommended increase of 3.5% for the total compensation package (including benefits). Chair Johnson recommended that the Regents not ask for another tuition increase to cover this shortfall. Regent Zabriskie moved that the tuition increase for 1998-99 be left at 2.7%. The motion was seconded by Regent Atkinson and carried unanimously. Chair Johnson asked the presidents to deal with this shortfall as individual institutions.

Regent Rogers acknowledged the forthcoming retirement of Leo Memmott, Legislative Fiscal Analyst. He asked Mr. Memmott about the origin of coupling faculty salary increases with tuition increases. Mr. Memmott said this was a policy of the Executive Appropriations Committee. All state agencies with dedicated credits (such as Wildlife Resources) are required to comply with the policy of having a proportionate share of compensation increases come from dedicated credits. If the policy were changed, it would require approval of the Executive Appropriations Committee. Regent Atkinson said she had a hard time equating tuition (paid by students who are in school to learn for their future careers) with the pleasure of a hunting license. Mr. Memmott said the formal policy went into place about three years ago, but the practice has been in place for several years.

Brad Winn said Representative Sheryl Allen had put this issue of coupling tuition and compensation on the Education Interim Committee as part of a long list of agenda items. He encouraged the Regents to help the committee make this issue a top priority.

Chair Johnson paid tribute to Mr. Memmott. When he first came to state government in 1991, he worked with Mr. Memmott and learned a great deal from him. He has served this state well for many years. He has agreed to help the Regents with the master planning process. Chair Johnson expressed the Board's deep appreciation to him and requested his continued participation.

President Romesburg said the shortfall [between the 2.7% tuition increase and 3.5% compensation increase] is \$272,000, spread among all nine institutions. UVSC's share is \$83,000. They will not be able to bring their faculty and staff's compensation increase up to 3.5%. President Bennion said SUU faces the same dilemma as UVSC. SUU has a \$67,000 deficit from last year (\$30,000 of which was funded), and a \$30,000 shortfall from 1997. He agreed that students should not be asked to pay for this, but said his employees may also not receive the full 3.5% increase in compensation.

Regent Croshaw said from a student's perspective, tuition and fees come from the same pocket. Although the state differentiates, students do not. He asked that calculation of fees and the relationship of fees and tuition be discussed during the planning session.

Chair Johnson asked Commissioner Foxley to address legislation affecting higher education. The Commissioner referred to Attachments 1 and 4 of Tab A. She briefly reviewed the bills shown on those two attachments. President Romesburg referred to SB138 and asked the Commissioner's staff to do an analysis and clarification of the ramifications of public education and higher education being excluded from converting unused sick leave to retirement.

Intent Language: Intent language made it clear that funds for custom fit training would not be funneled through public education to SLCC and UVSC, but will go directly to these institutions. Business/industry was supportive of this and let the Legislature know they liked working directly with the colleges. President Budd said SLCC has

done custom fit training exclusively since it was funded in 1994. This year there was a change directed by the State Office of Education whereby funding was taken over by the Wasatch Front South (WFS) Consortium. This year has been difficult. SLCC will continue to offer custom fit training "with all gusto." Commissioner Foxley said there is a recognition on the part of both higher education and public education that the educational community needs to work together.

Commissioner Foxley expressed her appreciation to Chair Johnson, who worked side by side with the Regents staff during the Legislative Session. More Regents attended Higher Education Subcommittee meetings this year when their schedules permitted. The Presidents played a key role in higher education's efforts at the Capitol, along with their legislative representatives. We had an exceptional team, and Regents' staff and institutional staff members, coordinated by Associate Commissioner Fred Hunsaker, contributed a great deal. She also expressed her appreciation to the Governor's staff and the Legislative Fiscal Analyst's staff, with whom we were in daily contact throughout the session.

Regent Grant suggested that the Board extend appreciation to Mr. Garff for allowing Chair Johnson to spend so much time on the Board's behalf at the Legislature. The Commissioner said she had done that. Regent Rogers complimented those who were involved in the lobbying process for the funding higher education received.

The Legislature and Building Board put their highest priority for 1999 on construction of SUU's physical education building. The USU Roosevelt Campus was funded for \$2 million, with the contingency that the Community Impact Board get the additional \$2.8 million funding. Chair Johnson pointed out that the USHE had been authorized issues of \$210 million in revenue bonds for higher education projects, including the Olympic Village.

President Day said the Legislature had agreed to hold higher education harmless with enrollment as the system changes to semesters. President Emert called attention to the first page of Attachment 4 and said there is danger to the system if the Legislature earmarks monies from mineral lease funds, as they indicated for SUU. In this case, the peer process is being circumvented by the Legislature. President Bennion agreed, saying mineral lease money comes out of an institution's base budget.

Master Planning

Chair Johnson introduced Natalie Gochnour from the Governor's Office of Planning and Budget (GOPB), who made a presentation on demographic and enrollment projections. Copies of her presentation were provided to the Regents and Presidents. Ms. Gochnour said her role in the Governor's Office is to oversee demographic and economic work. The long-term demographic and economic projections to which she referred in her presentation used the UPED model. All state agencies are asked to use these numbers for consistent planning.

As is commonly known, Utah has the highest fertility rates and the highest survivor rates in the nation. However, in recent years, these figures have held constant. Fertility is a major component of population and enrollment projections. Two-thirds of Utah's population increase comes from children and grandchildren and only one-third from in-migration. Utah's population last year was 2,049,000. It is anticipated that the 3 million mark will be passed by 2016. The projected growth rate slows in 1999 and 2000, due to the anticipated end of construction projects. A spike appears in 2001 and 2002 in conjunction with the Winter Olympics.

Utah's population is increasing at the average rate of 54,000 people per year (more than the entire population of Bountiful). The largest number of new residents is in Salt Lake County and the Mountainland regional area. It is anticipated that Washington County will continue to have the highest percentage increase in the state.

Regent Zabriskie requested data on Utah County as it related to the growth of UVSC. Ms. Gochnour responded that she could not make accurate projections on the growth of UVSC without more data on facilities, admissions standards, etc. To get this information, the Regents' staff, Legislative staff, UVSC staff, and the GOPB staff would have to be involved in the planning process. President Romesburg urged the group to keep in mind the state's potential for doubling its student population in the next 20 years.

Associate Commissioner Carpenter said he had done a quick survey the previous month of Utah's private and proprietary school enrollments, which included Brigham Young University. Of the 148 private or proprietary schools in Utah, 76% of them returned the survey, indicating enrollments of 118,000 students in Utah who are getting their training without taxpayer assistance. Of these 148 schools, 25 offer college credit. No studies have been made of demographics showing who these students were and the institutions' growth rates.

Regent Croshaw said the scenarios Ms. Gochnour discussed did not account for the availability of loans and tuition. It would be helpful to have a sensitivity analysis done, to try to understand how admissions standards and changes in tuition affect enrollment. President Romesburg said this information is not available and is nearly impossible to measure until we price ourselves to the point where a large number of students stop attending. President Bennion pointed out that the Utah System of Higher Education has had 50,000 additional students enroll in the last 10-12 years. This is a 70% increase.

Regent Lee referred to the significant increase in enrollment through distance learning and asked if there were any way of projecting those kinds of enrollments. Commissioner Foxley said this was difficult to project because often new populations are tapped, i.e., students who can't attend on-campus courses because of work or family obligations often enroll in courses offered via technology. President Romesburg said his experience had been that when courses are brought up electronically or through distance learning, new populations are discovered. Distance learning increases access to the system, increasing participation rates. Regent Jordan pointed out the general flattening of enrolments since 1994 which has been offset by the increase in distance education. He asked if the way students are using the facilities is changing significantly enough for us to take note.

Commissioner Foxley introduced Steve Hess, Executive Director of the Utah Education Network, and asked him to comment on the growth of students taking classes via UEN. Mr. Hess responded that approximately 23,000 students enroll in courses via UEN, which offers 500 courses and 83 programs electronically. Associate Commissioner Petersen pointed out that 5% of USU's enrollment and 8% of CEU's enrollment last year were through distance education. A report was included in the November 1997 agenda which included FTE numbers. Regent Lee said our institutions train a tremendous number of students through non-credit courses, particularly at UVSC and SLCC. She asked that this be considered when growth was discussed.

Chair Johnson asked Ms. Gochnour if she would be available to help the Board over the next year in its planning efforts. She expressed her willingness to work with the Regents' staff and Legislative staff to aid in the Board's planning efforts. Chair Johnson thanked Ms. Gochnour for her presentation, after which she was excused to

catch a flight back to Salt Lake City.

Chair Johnson referred to Attachment 1 of Tab B and explained the small group discussion format. Don Carpenter will act as scribe for the first group, with Regent Anderton and President Thompson as co-facilitators. Norm Tarbox will serve as scribe for the second group, co-facilitated by Chair Johnson and President Day. Mike Petersen will be the scribe for the third group, co-facilitated by Vice Chair Clyde and President Bennion. Chair Johnson asked the co-facilitators and scribes to meet after dinner to summarize the discussions in their respective groups in preparation for the meeting Friday morning.

Chair Johnson gave each group three goals to identify: 1) Discrete items (to be handled individually) without much involvement in the ongoing planning process. An example of this is the promises referred to earlier in the meeting. 2) A few large change agents. For example: High school students in the United States perform much more poorly than students in other countries. Public education requests better teachers; higher education requests fewer remedial students. Our responsibility is to work with public education so that we give them better teachers and they give us better prepared students. 3) Additional data needed to allow the system to better answer the following questions: Where are we today? Where do we want to be? How do we get there? Chair Johnson asked the Regents to think about what the end product of this planning process should look like.

Vice Chair Clyde said this would be useful information for the Regents in determining where we are before we launch into a future for which we may not be prepared. Regent Atkinson asked for data to be tracked on transfer students, dropout rates, and why people leave or decrease the number of classes they take. Although there is not presently the money to collect this data, she asked if we would have the money to follow up on getting it for future planning. Chair Johnson responded that help would be requested from the Governor's Office of Planning and Budget, the Legislative Fiscal Analyst's office, institutional presidents and others.

Regent Lund said the Board needs to know what resources would be available to us. Utah's population may double, but our funding probably will not. It is unrealistic to expect to educate every person in Utah who wants to go to college with the present funding parameters. We are undertaking a process to identify what we want, which may be different than what we need and what we can afford. President Romesburg said Don Jones polls have shown that the public may be willing to support increased funding for higher education, but the Legislature may not.

Commissioner Foxley reminded the group that this was an election year. It would be complimentary and helpful to legislative candidates to involve them in this process and to give them information on higher education.

President Romesburg cautioned that we cannot assume that participation rates will remain constant. If the economy goes down, participation rates will increase. The projections from the Governor's Office are quite conservative.

Discussion turned again to distance learning and technology. Vice Chair Clyde said we need to be aware that we need to help students learn, understand how they learn, understand how technology helps us and how fast it changes. We need to pay attention to the traditions of higher education. People need to be able to think and write at least as much as they need to be able to operate e-mail. Technology is a tool. It takes intelligent, balanced people to make sound decisions.

Regent Atkinson said we may not have been doing electronic learning long enough to

know the long-term ramifications. She related the experience of a student who obtained her degree solely through distance learning. She said students need to learn about the world and about many things they may or may not be able to learn through distance learning. President Bennion said he has received much feedback from students who enjoy working with teachers who will interact with them.

Regent Lee agreed that younger students just out of high school need the traditional college setting. However, we need to remember our non-traditional students, also. Perhaps they may be better served by distance education. President Emert agreed that the institutions would continue to need additional buildings for the 18- to 24-year-olds who will continue to enroll in classes on a traditional campus. However, the growth rate at USU for distance learning is twice that of traditional learning. He asked, can each institution be all things to all people? Institutional missions need to be defined and followed.

The meeting recessed for lunch, following which the group broke into their respective groups for the remainder of the afternoon.

The Board reconvened at 8:15 a.m. on Friday morning, March 13. Chair Johnson excused Regent Cumming, who was ill, and President Huddleston, who had left for Canada to pick up his son from an LDS mission. President Huddleston was represented by Vice President Plewe.

Chair Johnson asked the co-facilitators to report on their discussion groups, keeping in mind these three categories: 1) Discrete, one-time policy issues which can be resolved individually; 2) Major projects; and 3) Areas where additional information is needed.

DISCUSSION GROUP #1

Regent Anderton and President Thompson were the co-facilitators for the first group, with Don Carpenter as scribe. Their primary focus was on system and institutional missions, institutional types, and governance. Regent Anderton asked President Machen to make a comment on how he views the system as a newcomer. President Machen said based on his work in North Carolina and Michigan, Utah education gets more value for its dollar than in any system in which he has worked. Regent Anderton agreed that Utah has an excellent system of education, and it is serving our students and our citizens well. He applauded the institutions and thanked them for their excellent work.

Major issues of Group 1 were as follows:

"Big Picture" Issues

1. How do we change the Regent committee/organizational structure to more effectively deal with different institutional types and missions?

We need an approach to allow us to focus exclusively on research universities part of the time, community colleges part of the time, etc. No additional boards were proposed. The committee's idea was to have three subcommittees of approximately five Regents each who would rotate, to consider the needs of each type of institution.

2. The Regents should design a plan/approach that describes the long-range needs of the System, what the gap is between projected needs and resources, and how the shortfall can be reduced. This plan should be taken to the Legislature with: (a) We'll do this. . . . (b) You do this. . . . (c) Here are the consequences if we do neither.

This expresses our need for long-range planning. We need to be willing to tell the Legislature we will do everything we can to become more accountable and more efficient. In return, we need additional funding from them, and we need to clearly indicate the inevitable consequences which will follow if the funding is not provided.

2. Presidents should be asked to give recommendations on how to solve budget problems within their distinctive missions (including revenue and expenditure sides), how to improve the budget process, and how to increase accountability and efficiency.

This issue deals with how little flexibility there is within our present budgetary process. We need to find a way to get tuition off-budget so it is not a dedicated credit. There is more flexibility in some states to meet the needs of the institutions when tuition is not appropriated by the Legislature. The group discussed varying rates of tuition for high-demand programs. They charged the Presidents to come up with ideas and bring them back to the Board. Speaking for all the Presidents, President Machen told the Regents that they would welcome increased accountability.

3. The use of technology should be expanded, including development of a plan for the acquisition of computer hardware. Should hardware be funded by the state, by students, or through vendor partnerships?

- (a) What should be the role of the System, working together, to fund and coordinate IT?**
- (b) Should institutions operate from a common computer platform?**

The group agreed that institutions have high needs for procuring hardware and software, but the development of software should be left to private firms in this industry.

One-Time Projects

1. Regents should focus on the right issues, both scope and level, to allow them to make a meaningful impact on the System. Beginning in April, Regent agendas should focus on the macro issues, leaving appropriate institutional issues to the Trustees. (Implementation of R220 seems to be clearer now for the Trustees, but not necessarily for the Regents.) What issues are the Regents willing to give up today that will allow them to focus on the larger issues that will make a difference?

The group also recommended having planning workshops more frequently.

2. The Commissioner's Office should identify changes that may be needed to allow them to better staff the big picture issues of the Regents. Regent requests to the Commissioner's staff should be prioritized.

The OCHE staff need to let the Regents know what resources are required to meet this need.

3. The Regents should clarify responsibility for Applied Technology Education. Support should be reaffirmed for:

- (a) Applied Technology Education (ATE)**
- (b) Public Education**
- (c) Work of the Joint Liaison Committee**

Chair Johnson asked, keeping in mind the projected growth of the state and the existing institutional structure, how did this group address this? Regent Anderton said the group felt this was part of the long-range plan. Each existing institution should be a center of learning. Rather than expanding existing campuses, we can develop satellite locations and technological learning. In planning in the 1980s, geographical turf was discussed. Perhaps now we should be considering curriculum rather than distance. Technology allows access to more, but it is not inexpensive. President Thompson said service areas made sense in 1986. In a time of distance learning, this is no longer relevant. Regent Zabriskie suggested developing a partnership with the Legislature. We should identify our needs and resources and the gap between what we need and what we get. The committee felt this approach would work with the Legislature. Regent Lund said technology will be a key issue. Some people feel our mission should be changed. Should we be providing education at the closest location to the students, or providing the most cost-effective education to our citizens? Perhaps our models, rather than our mission, should be changed. We must consider the total cost of education in determining the best delivery method.

DISCUSSION GROUP #2

Chair Johnson and President Day co-facilitated this group, with Norm Tarbox as scribe. Their primary discussion was on finance, facilities, and personnel issues. President Day said the group had made an "A" list, a "B" list, and a list of data issues.

"A" List

1.Total new look at higher education funding mechanisms

- **Legislative and Regent control points**
- **Base enrollment funding formula**
- **Possible factors**
 - **Growth**
 - **Quality**
 - **Inflationary costs**

The group felt a fresh look was needed at higher education funding mechanisms, to include an identification of Legislative and Regent control points in funding and application of fiscal resources, how enrollment gets funded, bases on which enrollment might be funded (institutional mission, cost, growth, quality, inflation, performance, etc.). Traditionally, budgeting for higher education has been incremental on the basis of enrollment growth or decline. One suggestion would be to consider all of enrollment (current and projected). One implication would be inflation. We have never been funded for inflation for non-personnel services. Chair Johnson said new funding mechanisms should look at the differences of institutions rather than how they would be viewed in common. President Day said the process would involve the Governor's Office, the Legislative Fiscal Analyst's Office, and other interested constituencies.

President Romesburg pointed out that for many years our emphasis on enrollment funding has meant that if an institution's enrollment remains constant, the only change in the institutional budget would be for salaries. The assumption is that we can always educate our students for the same amount of money, regardless of the impact of inflation. Regent Lund asked if this considered efficiencies. Chair Johnson said the system encourages longevity and discourages change. Accountability and flexibility need greater emphasis.

1. Indicators -- Standard Admissions Testing and Follow-up

- **"Regents Exams"**

President Day asked, is it time for us to take on the issue of more standardized indicators of performance, both on input and output (admissions examinations to establish baseline, etc.)? What about "Regents exams" in areas to demonstrate whether or not we are providing value added. What are the mechanisms that should be put into place to demonstrate the value added by our educational processes? Regent Hoggan said this also would involve an evaluation of how well the public school districts are preparing students for higher education. Regent Atkinson said she believed we should have a much closer relationship with public education. Our responsibilities should be intertwined on most of what we do. This relationship must have a high priority.

Regent Jordan suggested that perhaps a half-step could be used to highlight a Regents exam concept, possibly standardized performance-based testing for concurrent enrollment. Regent Anderton asked what should be tested which is not presently being tested. President Day said we may already have more data on the admissions side than we are using. However, we do not have the measure which shows the changes that have occurred as a result of the educational experience. Regent Croshaw said a Regents exam has a potential benefit to demonstrate value to the students. President Thompson suggested we should be looking at assessment, perhaps discipline-specific exams at graduation, standardized within the system. President Day said the group recognized the costs involved; this is not inexpensive. It would require a significant investment of money and energy.

2. University Centers

- **Who controls funding?**

We need to look again at university centers and their roles, missions, services, successes and failures, and specifically to open the question of whether or not the funding for university centers should go to the providers or to the customers. We must examine the nature of the transaction. President Romesburg said this would be a challenge to the currently existing service area concept. Do service areas continue to make sense?

"B" List

1. Fresh look at tuition

- **Graduate tuition**
- **Community college tuition**
- **Tuition and compensation**
- **Need-based aid**

In examining the issue of tuition, we need to include graduate tuition, community college tuition, how tuition is set, what it pays for, the relationship between tuition and compensation, and bringing tuition within the reach of a broader range of people.

2. Facilities long-term plan

- **New campuses?**
- **Renewal and maintenance funding**
- **Donations and O&M**
- **Design, then build**

This plan needs to include a discussion of new campuses, operation and maintenance (O&M) funds, maintaining our current investment in facilities, the relationship between donated facilities and their O&M, and streamlining construction and operation of new buildings.

Data Needs

We are sometimes criticized for providing inaccurate and incompatible information. We need a common database. What are the data needs of the system which are not being met? Do we have data which addresses duplication of programs and transfer from community colleges to four-year schools? Do we have data which addresses articulation, now that we are preparing to convert to the semester calendar?

DISCUSSION GROUP #3

The third group was facilitated by Vice Chair Clyde and President Bennion, with Mike Petersen as scribe. Their primary focus was on academic affairs, technology, assessment, and other programmatic issues. Vice Chair Clyde said the group had had a good discussion on where we are in higher education.

1. Strengthening the credibility of higher education with the legislature:

A. Providing reliable systemwide data

B. Demonstrating the efficiencies that higher education has made in managing growth, without proportional funding increases. During the 11 years since the last master plan was adopted by the Board (1986), enrollment has grown from 71,000 to 121,000 -- an increase of 50,000 students.

The first and most important thing this group considered was strengthening higher education's credibility with the Legislature. We recognize the basic funding issues but feel there is a lack of understanding of where we really are in higher education. This is reflected in the Legislature and is probably true for the general public.

2. Assessing competencies and learning outcomes, and evaluating the quality of instructional programs

A. A good starting point for suitable outcome measures are the eight measures that are included in question III.8 of the survey: 1) student retention, 2) length of time to graduate, 3) performance of two-year graduates when they transfer to four-year institutions, 4) job offer rates and salary rates, 5) satisfaction rates of students two years and five years after leaving an institution, 6) employers' satisfaction with student skill levels, 7) pass rates on professional exams, 8) ratio of return on investment in education with earnings increases.

B. Performance indicators are important, but higher education quality has subtle but profound effects that we must defend, even though they are not readily measurable.

President Bennion said we may have been giving more attention to access than to quality. Both are important. Not everything can be measured easily. Regent Jordan said he had learned of a disturbing trend related to quality, which is the proportion of adjunct faculty to contract faculty. Several of our institutions are increasingly relying on adjunct teaching. Chair Johnson asked if this was hurting quality. Regent Jordan

said all the presidents in the group sensed they were having too many classes taught by adjunct faculty. President Budd said it was difficult to measure differential quality. SLCC had 900 adjuncts at 10 different sites this fall. The sheer enormity of hiring, monitoring and evaluating this many individuals each quarter is staggering. However, using adjunct faculty is the only way some institutions can meet the FTE level on which their funding is based. Regent Jordan pointed out that adjuncts are less available to students and do less counseling than contract faculty. Regent Atkinson said she had been amazed at the impact of service learning courses on both the students and the community. This is influencing businesses as our students graduate and go into the work force.

Regent Jordan said the secondary charter school bill is now in place. We have already had in place a centennial scholarship program and concurrent enrollment program. Is there merit in establishing a charter high school to allow students to graduate from high school and complete a two-year degree concurrently? As a reward, the centennial scholarship program would finance the final two years of college, basically allowing a student to obtain four years of college education free and completing college in two years rather than four.

3. How important are geographic service areas in the Utah system?

A. They are less defensible with technology-delivered education.

B. Especially with traditionally delivered courses and programs, assignment of service regions has value in: preserving community identification with the local higher education institution, the wise use of resources, and in fostering cooperation and collaboration in the system.

C. How can we better create incentives for cooperation and collaboration within the system?

President Bennion said it is important to know current roles. Changing roles mid-stream is difficult. Regent Atkinson pointed out the impact of technology on service areas. She suggested that the Council of Presidents make some recommendations on this topic.

President Bennion said we need to do more in our planning to identify incentives to increase collaboration. Regent Croshaw asked if the role of the Regents in the Western Governors University was discussed. Vice Chair Clyde said there had not been sufficient time to discuss it at length, but the WGU had been discussed in the general area of distance learning, specifically how WGU relates to the overall education now being planned. There was a diversity in opinions about how it will add value. Regent Jordan said that now, long into the process, the Regents and Presidents still do not feel that they have a good understanding of the role and mission of the WGU.

Chair Johnson said the purpose of this discussion has been to see if there were common threads in the three discussion groups. All three groups did a marvelous job of condensing their discussions into large issues. Now this list needs to be circulated to other constituencies. He pointed out that this is different than the USHE Master Plan of 1986. Regent Atkinson suggested that the Regents meet with the Higher Education Appropriations Subcommittee and Executive Appropriations Committee more often, since there is not sufficient time during the Legislative session for adequate dialogue.

Chair Johnson welcomed Senator Craig Peterson, Representative Jeff Alexander, Representative Brent Haymond, Utah County Commissioner Gary Herbert, UVSC Trustees Steve Beck, David Bradford, Marianne Heaps, Marlon Snow, and Beth Tolbert. Commissioner Foxley invited them to join the Regents at the table. Chair Johnson referred to Agenda Tab F and invited President Romesburg to lead the discussion.

President Romesburg explained that UVSC now has five four-year programs. The college approached the Board in November with a proposal for a sixth program, Integrated Studies. The Program and Planning Committee questioned whether or not the college was stepping outside the bounds of its mission statement. They requested that UVSC review its mission statement. President Romesburg took the matter to the college's Board of Trustees. After extensive discussion, a revised mission statement was prepared, which was included in the agenda materials. He read the current mission statement to the Board, then introduced Beth Tolbert, past Chair of the UVSC Board of Trustees, and invited her to address the issue.

Trustee Tolbert said the trustees studied the college's mission statement at length and concluded that it did not reflect the true mission of UVSC. The trustees unanimously concluded that the mission statement needed to be modified. She read the proposed mission statement to the Board.

President Romesburg explained that, as a state college, UVSC is in an institutional category of its own. It is a two-tiered institution -- a comprehensive community college, with high-demand four-year programs which have restricted enrollments and higher tuition. Students enter UVSC as two-year students and then have to apply to take the upper tier of classes. Tuition for the first two years is the same as at SLCC, and tuition for the four-year programs is the same as at WSU. There is no differentiation in faculty. All faculty teach at a 15-hour load.

More high technology companies are located in Utah Valley now than in the Silicon Valley of California. The Utah County work force consists of 57% with the need for two-year degrees, and 43% requiring or having four-year degrees. President Romesburg said UVSC has no intention of becoming a comprehensive four-year institution on any short-term basis. New programs would be funded with growth money. He invited comments from his guests.

Senator Craig Peterson said Utah is faced with the challenges of change, growth, demand and service. One of the Regents' responsibilities is to deal with change in Utah, and they have been empowered by the Legislature to deal with those changes. The Legislators also have the responsibility of dealing with the changing needs of the state. Senator Peterson challenged the Regents to provide solutions to a complex question. He pledged to work with the Regents, not against them, in this effort.

Representative Jeff Alexander said his daughter was a student at UVSC, having been turned away from BYU with a 3.8 GPA. Utah has been lucky to have BYU, because the taxpayers have not had to pay for the education of the students enrolled there. Now, however, students are being turned away who still want to go to college in Utah County. Utah County has a growing high tech industrial base. Employees need access to baccalaureate degrees to advance in their careers while continuing to provide for their families. The Legislators know there is not enough money to meet all of the needs of the state. We need to figure out how we can be more cost effective and more productive in providing education to our citizens.

Representative Brent Haymond said in 1970 a student had to work 12 hours a week to afford a college education. Now that figure has increased to more than 20 hours a

week. In the next three years, there will be no increases in funding for health and human services. The UVSC model could be the model in other areas as their populations grow. Everyone's goal is to provide for the citizens of Utah, and there is not sufficient money to adequately do that.

Gary Herbert, County Commissioner, said with a 4.1% growth rate, Utah County is the second largest county and fastest growing county in Utah. Last year 12,900 new people moved to Utah County. With 2100 square miles and 23 cities, there is plenty of room to grow. Utah County has the highest birth rate in the nation. In addition, many people are moving to Utah as the result of in-migration, thanks to the state's healthy economic growth rate. Of the people moving to Utah, two-thirds of them have Utah ties and are returning "home" after leaving for various reasons. BYU is not Utah County's university; it is no longer playing a significant role in providing higher education opportunities for the citizens of Utah County.

Commissioner Herbert said growth will continue in Utah County. Enabling UVSC to offer four-year programs has been very cost-effective to Utah County. It is imperative that Utah Valley State College reflect the changing demographics of its local community. We all need to be looking at the changes which will occur in our communities and address those changes now. It is a great challenge to meet the higher education needs with a finite amount of money. Utah County residents need to have UVSC continue to improve and expand, so they can compete successfully in the marketplace.

President Romesburg asked Steve Beck, UVSC Student Body President, to respond to the students' concerns. Trustee Beck expressed his appreciation for the opportunity to speak to the Regents. He also thanked the Utah County legislators who made the effort to attend the meeting. The students conducted a survey of students enrolled in four-year programs at UVSC, which revealed the following:

1. Who are the present baccalaureate degree students at UVSC?

- 80% are full-time students
- 62% are married
- 62% receive financial aid
- 33% are females (who are more likely to be full-time students and to be receiving financial aid than male students)

2. Why did present baccalaureate students decide to attend UVSC?

- 64% cite economic factors
- 61% prefer smaller class size
- 48% want to avoid travel time and the cost of education at another institution
- 46% want to stay in the area to retain their current employment

3. Why offer additional baccalaureate degrees at UVSC?

- Over 40% of Utah County residents would like a four-year degree
- Average jobs require baccalaureate degrees
- Students want to attend a school in the area where they live and work
- Cost of attending another institution is prohibitive

David Bradford, UVSC Trustee, is a Senior Vice President at Novell, the world's second largest computer software company. Novell's top need is for a well educated, skilled work force. In order to be successful in the global market, they need people with four-year degrees. Utah County ships more computer software than any other

county in America except in Redmond, Washington, where Microsoft is located. We need to bring new businesses into the state to attract and retain IT businesses. Trustee Bradford said if UVSC is not allowed to expand its mission, the ability to attract and retain these incoming producing businesses to Utah and to Utah County will be greatly impaired. The business environment is already competitive enough without having to struggle to provide the education needed by its work force.

Chair Johnson explained to the visitors that the Board had been examining its planning process. The Regents realize that growth is an issue. Maintaining quality and shifting resources between institutions are also viable issues. The purpose of this discussion was to determine if there had been a change in course and to determine if UVSC is still on track for getting additional baccalaureate degrees.

Regent Jordan said every Regent was likely convinced that there is, and will continue to be, high growth in Utah County, and there is high demand for four-year programs. The Regents feel the need to clarify their mission -- Do the Legislators want the Regents to structure the system in such a way that it produces the lowest cost product from the perspective of the state taxpayers, or from the perspective of the students? Regent Jordan said he did not believe in the long run that it is cheaper for the system and for the state to build more schools which will evolve into four-year institutions. As schools grow and add more programs and require more facilities, it costs the state more. We need to decide if we are willing to pay more to make education more local.

President Romesburg agreed that adding more students would cost money at any institution. However, the costs are less per student at UVSC than at the other four-year institutions in Utah.

Senator Peterson asked, whom are we trying to serve? The Regents are trying to serve two masters -- the State of Utah and the students desiring an education. There are aggregate costs on both sides. The Legislature spends money well, but it does not invest well. They should be looking at the return on their investment. The state needs to invest in education, which provides the best return for the investment. Representative Alexander agreed that we will have to have more money in Utah to educate our people. It will be hard to spread these dollars. We need to be more productive and cost-effective.

Trustee Snow brought up the issue of the Sevier Valley ATC, which will become the Snow Campus South next year. This issue bespeaks the question of what is in the best interests for that community. The people in Richfield felt they needed the change from public education to higher education. Utah County also has a need which is no longer being met by BYU. He expressed his appreciation to the Regents for their recognition that there is a need for more higher education offerings in Utah County.

Trustee Tolbert brought the discussion back to UVSC's mission statement. The trustees, who are charged with overseeing this institution, studied this mission at length. They feel the current mission is too restricted with the word "selected" included. The Trustees were not able to define "selected." She asked the Regents to strongly consider the modifications to the mission statement which the Trustees suggested. The Trustees do not feel the current mission represents what UVSC is today or wants to become in the future.

Regent Hoggan said he had been persuaded by the eloquence and reasoning of the arguments that four-year degrees need to be offered at UVSC. Extending this argument to its logical conclusion, there would be no limit on the number of baccalaureate offerings to be added. The framework is in place for the Regents to expand baccalaureate degrees at UVSC on a selective basis, as demand and need and resources

are justified. The best approach is to continue to add programs on a selective basis as broadly as possible. He reassured the Utah County delegation that the Regents would do all they could to make the offerings as broad as possible, taking into account all the needs of the state.

Senator Peterson said adding programs to enhance opportunities within the state would help solve the complex issue we are facing. The debate should not focus on extremes, but on reality, and on what is best for higher education needs across the state. He concluded, "You come up with a plan, and I will support it."

Regent Anderton said the need is clear. There are compelling needs in other areas of the state as well. We should be concerned with economics and fairness to the rest of the system. He expressed his concern that higher education's percentage of the state budget continues to decrease every year. Four-year programs are also needed in Washington County, Davis County, and other areas of the state. Resources have to be allocated fairly so that we are investing wisely in education. The question is not what is needed but what we can afford and how we can be fair to all the institutions in the system.

Regent Atkinson asked Trustee Beck how many students had responded to his survey. He replied that 600 students had responded. Regent Atkinson referred to the Nored criteria which addressed faculty and facilities required to support additional upper division programs. She asked if UVSC currently had full-time faculty without full loads in empty classrooms. President Romesburg said additional faculty would be hired with growth money. Regent Atkinson asked, how broad is the need? Have we really examined the need for four-year degree programs in all areas which would be added to the mission statement? Which four-year degree programs should the Regents be supporting to meet the most demand?

President Romesburg responded that any program brought forward would go through the scrutiny of the system, the Program and Planning Committee, and the full Board of Regents, and would be added only as approved by those bodies. The proposed additional wording in the mission statement came from the trustees' analysis and was based on a survey of students.

Regent Lund said the issue of the previous meeting had to do with the facts that were presented at that time and with the role of the Board of Regents. He asked, is our role to provide education where it is needed, or to provide education at the lowest cost to the state? Regent Lund said his wife had been a UVSC trustee and they both agree it is a terrific institution. His own understanding was that the roles of the institutions, which had been clearly identified, were not to be expanded. He asked, is this consistent with the mission given by the Regents and the Legislature to this institution? What is best for the taxpayers may not be the same as what is best for the students.

Regent Lund said the Regents know more educational opportunities need to be offered to the residents of the state at a low cost. We need to know the needs and desires beyond a two-year period of time. He said he had a very clear understanding of the intent of the Legislature and the Regents' role and was very mindful that the Regents' responsibility is to all institutions, not any one of them.

Trustee Beck said when the integrated studies program was presented two months previously, there was a deep concern with the wording and the perception of what people thought "selected" meant. He urged the group to resolve this meaning and come up with a common understanding of the school's mission.

Commissioner Foxley said earlier discussions revealed a concern that UVSC would

become another Weber State University. She referred to Regents' Policy R313 and said removing the words "a few" from 313.5 could easily be done. Referring to the word "selected," she said it is not necessary because all programs which come through the Board of Trustees and to the Board of Regents must be selected and must demonstrate that they meet the needs of the students, the community, and the state as a whole. This is the same for all institutions. President Romesburg said new programs at UVSC would be added with enrollment funding only. He said he was very pleased that the Legislators recognized that will cost money. However, enrollment funding comes a year later. He asked, how do we hire new faculty a year after we have the growth? The college needs seed money to start new programs with enrollment to grow. Not to do so would cause UVSC programs to be at a lesser quality than the other institutions.

Vice Chair Clyde said the group was now getting to the real essence of the Regents' concerns. She expressed public support for UVSC. There had been very serious misperceptions in UVSC's student newspaper of the question and the process of approving new programs. She said she was delighted that the Utah County legislative delegation, trustees and students had communicated clearly in this meeting. She urged the group to work more closely in understanding the process and each other. Regent Clyde said she thought the integrated studies program was a fine one, and she intended to support it when it came before the Program and Planning Committee in April.

Regent Rogers moved that revisions to policy R313 and UVSC's mission statement be made an action item. Vice Chair Clyde seconded the motion, which carried unanimously. Commissioner Foxley explained that policy R313 defines the types and characteristics of state institutions. She asked if the Board's desire was to remove only the word "selected" from paragraphs 5.1 and 5.2.1, or if they wished to remove the phrase "a few selected" as well.

Regent Zabriskie moved that "a few selected" and "selected" be stricken from paragraphs 5.1 and 5.2.1 as shown in Attachment C to Agenda Tab F. Regent Jordan seconded the motion. Regent Hoggan argued in favor of retaining the word "selected."

Regent Lee asked if baccalaureate programs would continue to relate to strong AS, AA or AAS programs. Would they be built upon the foundation of those existing programs, thereby complementing and supporting the community college role of UVSC? Chair Johnson said as each program comes before the Board, the Board will use these guidelines in that process.

Regent Jordan offered a substitute motion that the revised policy be adopted in its totality with the strikeouts and the added language. The motion was seconded by Regents Grant and Hoggan. Regent Zabriskie opposed the motion because it left the policy open to greater misunderstanding.

Regent Lee offered an amendment to the substitute motion. She moved that in addition to striking "selected" and "a few selected" from the appropriate paragraphs, that the phrase "complementary to, and built upon, strong AS, AA, or AAS programs" be added to the end of paragraph 5.1. The amendment was accepted as part of the substitute motion by Regents Jordan and Grant. The resulting vote to revise policy R313 was inconclusive. The Chair called for a show of hands. The motion passed with three members of the Board voting in opposition.

Regent Jordan then moved to amend UVSC's mission statement by deleting "selected" to be consistent with this change. The motion was seconded by Regent Atkinson. Vice Chair Clyde said it was her hope that the UVSC trustees would be willing to take the mission statement and rework it. She felt there was still some concern that this mission statement expressed an expansion which might be misinterpreted by students and

others. She recommended that the open admission requirement for the community college portion and clarification of requirements for the upper division be included in the mission statement. The motion carried with one opposing vote.

Chair Johnson thanked those who had traveled distances to join the Board for this discussion. The meeting was recessed at 12:17 for lunch and board committee meetings. The meeting was reconvened at 2:20 p.m.

Reports of Board Committees

Finance and Facilities Committee

Weber State University -- Refunding Revenue Bonds (Tab H). Chair Hoggan said this action was taken at the advice of legal counsel and would represent a savings of \$150,000 to \$225,000 to the university. He moved approval of the authorizing resolution for the Weber State University Student Facilities System Refunding Revenue Bonds, Series 1998A, with the understanding that final pricing, structuring, and execution of the bonds will be performed by the Chair or Vice Chair of the Board, or the Chair of the Board's Finance and Facilities Committee. The motion was seconded by Regent Jordan and adopted by the following vote:

YEA:

Charles E. Johnson, Chair
Aileen H. Clyde, Vice Chair
Kenneth G. Anderton
Pamela J. Atkinson
Andrew Croshaw
David J. Grant
L. Brent Hoggan
David J. Jordan
Evelyn B. Lee
Victor L. Lund
Paul S. Rogers
Dale O Zabriskie

NAY:

None

Southern Utah University -- Campus Master Plan Change and Property Purchase (Tab I). SUU wishes to purchase property on behalf of the expanding Utah Shakespearean Festival. They proposed to purchase it for its appraised value of \$110,000, with the money coming from funds previously allocated to the Festival for property acquisitions. The proposed changes to the master plan reflected the addition of that property. Stating that the committee had unanimously approved this purchase, Chair Hoggan moved Board approval of the property purchase and change to the SUU Campus Master Plan. The motion was seconded by Regent Grant and carried unanimously.

Dixie College -- Campus Master Plan (Tab J). Chair Hoggan explained the proposed modifications to the existing master plan, which were outlined in the agenda materials, and moved its approval. Following a second by Regent Grant, the motion carried unanimously.

Salt Lake Community College -- Refunding Revenue Bonds (Tab K). Chair Hoggan said this action is to take advantage of the current low interest rates and would result in a savings to the college of \$225,000 to \$300,000. Chair Hoggan moved approval of the authorizing resolution for the Salt Lake Community College Auxiliary System and Student Fee Revenue Refunding Bonds, Series 1998, with the understanding that final pricing, structuring, and execution of the bonds will be performed by the Chair or Vice Chair of the Board, or the Chair of the Board's Finance and Facilities Committee. The motion was seconded by Regent Grant and adopted with the following vote:

YEA:

Charles E. Johnson, Chair
Aileen H. Clyde, Vice Chair
Kenneth G. Anderton
Pamela J. Atkinson
Andrew Croshaw
David J. Grant
L. Brent Hoggan
David J. Jordan
Evelyn B. Lee
Victor L. Lund
Paul S. Rogers
Dale O Zabriskie

NAY:

None

1998-1999 Tuition and Fee Schedules (Tab L). Chair Hoggan referred to Replacement Tab L, which was in the Regents' folders. Attachment A shows significant fee increases, particularly at the University of Utah, Utah State University, and Utah Valley State College. The committee discussed why fees were not approved at the same time as tuition. The rationale is that fee increases require significant student input, which cannot be done at the time tuition is considered. All of the fee increases have been approved by the students at the respective institutions. The committee approved these increases, with two abstentions. Chair Hoggan moved approval of the 1998-99 tuition and fee schedules as shown. The motion was seconded by Regent Croshaw. Regent Croshaw said the students do much research on fees. They receive input from advisors and presidents. Fees are integral to the quality of student life and academic experience. Many are computer related and relate directly to a student's education. The students stand behind this recommended increase. One hundred percent of the fees go to the students.

Regent Jordan requested five-year historical and total fee data (not just increases) when this is presented to the Board for approval next year. Regent Grant explained that this request has been in for 11 months from the University of Utah. At UVSC it is the second of a three-year gradual increase for buildings. They may want to advance the approval for bonding next year in a more favorable climate. Chair Hoggan said this had been noted by the committee.

Regent Atkinson again expressed her concern about the lower-income students and the input they may have had into this process. Students in the lower income bracket have to account for every dollar, and these increases make a big difference. She wondered how many students would be affected by this increase to the point of cutting out rent, meals, etc., and urged the Regents to look out for the students for whom this is their only chance of climbing out of poverty. Regent Atkinson suggested that a fund be

established for a scholarship for lower-income students and volunteered to head up this action in an attempt to keep lower-income students in school and advancing toward their career goals. Regent Croshaw offered to help Regent Atkinson. He noted that by the time fee requests come to the Board for approval, they are normally about half the amount the students originally requested. Several presidents said support for lower-income families was a priority with their developmental efforts with private donors.

Vote was taken on the motion to approve the tuition and fee schedule. The motion carried, with one abstention.

USHE Capital Improvement Priorities for 1998-1999 (Tab M). Chair Hoggan said the committee had recommended that the second funding package continue the numbering begun on the first package. The committee also recommended that if any of these items which are partially funded by the Legislature involve failure to fund life-threatening facilities, they be accompanied by a letter stating that concern. Chair Johnson said priority setting for capital improvement projects is done by the DFCM and Building Board. Chair Hoggan moved approval of the priority list, with the additions recommended by the committee. The motion was seconded by Vice Chair Clyde and carried unanimously.

Student Financial Aid -- Provisions for Assured Availability of Utah Student Loans (Tab N). Chair Hoggan reported that the Student Finance Subcommittee unanimously recommended the slightly revised version of a Board resolution distributed to the Regents under the Supplement to Tab N. He explained that borrower interest rates in the Federal student loan programs are scheduled to change as of July 1, 1998. Action is pending in Congress to revise the current law, but may not be completed for some time. In the meantime, uncertainty about the interest rates lenders will earn is causing uncertainty in the student loan marketplace. Meanwhile, beginning as early as April, institutional financial aid offices need to be able to certify student loans for the 1998 Summer and Fall terms with certainty the loans will be made. To assure that this will be the case, Chair Hoggan said the Finance and Facilities Committee recommended, and he moved, approval of the motion attached to the Supplement to Tab N. The motion was seconded by Regent Grant and carried unanimously. In the motion, it is "resolved by the Utah State Board of Regents:

"(1) That the Board urges the Congress of the United States forthrightly to address the need to modify Federal Family Education Loan Program interest rate provisions currently scheduled to take effect July 1, 1998, sufficiently to assure fully adequate lender participation in the Program by providing a reasonable but not excessive rate of return; and

"(2) That, in order to ensure uninterrupted availability of needed student and parent loan capital pending resolution of the interest rate issue for the longer term, the Board pledges to Utah citizens, lending institutions, and institutions of postsecondary education that the Board will continue to purchase eligible Federal Family Education Loan Program (FFELP) loans guaranteed by the Utah Higher Education Assistance Authority during Utah fiscal years 1998-99 and 1999-2000, which have been properly serviced with respect to Federal due diligence requirements, at the current program level of \$200 million annually plus normal growth in the program."

Student Financial Aid -- Fiscal Year 1996-97 Student Loan Program Summary Reports (Tab O) and Federal Developments Affecting Student Financial Aid Programs (Tab P) were provided to the Board for information only. Regent Hoggan urged the Regents to review this information.

Consent Calendar, Finance and Facilities Committee (Tab Q). Upon motion by Chair

Hoggan and a second by Regent Grant, the following items were approved on the committee's consent calendar:

1. UofU and USU Capital Facilities Delegation Report
2. OCHE Monthly Investment Reports

NEW ITEM: Student Financial Aid -- EduServ Settlement and Release. Chair Hoggan moved that this item, which was distributed to the Board at the meeting, be added to the agenda as an action item. The motion was seconded by Regent Grant and carried unanimously. Chair Hoggan explained that EduServ is no longer serving our student loan needs and is in precarious financial circumstances. They have offered to settle their liability for \$500,000. If a 75% reinstatement ratio is achieved and we receive half the potential liability, we should come out even or very slightly ahead. This issue was discussed thoroughly by the Student Finance Subcommittee, who recommended approval. Chair Hoggan moved approval of the settlement, subject to final approval of the Settlement Agreement and Release by Assistant Attorney General Anderson, as outlined in the Commissioner's letter. The motion was seconded by Regent Grant and carried unanimously.

NEW ITEM: Agreement regarding donated Dolowitz Property in Washington County. Chair Hoggan said a cabin and 35 acres of property in Washington County had been donated to the Board of Regents by Dr. and Mrs. David Dolowitz in 1985 "for the benefit of Dixie College and Southern Utah State College," with the contingency that if neither school use that property, the SBR should convey it to the University of Utah. In 1992 SUU executed a quit claim deed, relinquishing all claim to the property. Last December Mrs. Dolowitz signed a Letter of Agreement granting Dixie College the right to sell or trade the property "with the specific intent to obtain a larger facility in Pine Valley that more closely meets the needs of the growing college." An Agreement was signed by Chair Johnson and Presidents Machen, Bennion and Huddleston enabling the property to be sold, with the net proceeds being used to build a facility which would be owned and operated by Dixie College, to which the University of Utah would have access. Chair Hoggan moved that this item be placed on the agenda for action. The motion was seconded by Regent Grant and carried unanimously. Chair Hoggan then moved approval of this Agreement. The motion was seconded and approved.

Program and Planning Committee

University of Utah -- Utah Fine Arts Institute (UFAI) (Tab C). Chair Zabriskie said this item had been discussed and approved unanimously in committee. The purposes for establishing the UFAI are to promote excellent academic research in the fine arts, high quality fine arts teaching on all educational levels, the understanding and utilization of science and technology in fine arts research, and mutual understanding and cooperation among all of the arts and all educational levels, as well as all interested parties and other institutions, in pursuit of these goals. Chair Zabriskie moved approval of the Utah Fine Arts Institute. The motion was seconded by Regent Atkinson. Regent Jordan asked about anticipated costs. Chair Zabriskie said this would be a fund-raising organization and the funds would be self-generating. The UFAI would use existing faculty and office space so start-up costs would be minimal. The motion carried unanimously.

Utah State University -- Revision of the Biology Degree Program (Tab D). Chair Zabriskie said this revision was the result of the semester conversion. It would

eliminate the Applied Biology degree, Plant Biology major and Biology Teaching minor, and change the emphases available to Biology majors. Regent Anderton said the committee had commended the department; these modifications will make the department more efficient. Chair Zabriskie moved approval of these changes. The motion was seconded and carried unanimously.

Revisions to Policy R465, General Education (Tab E). Chair Zabriskie said the proposed revisions as outlined in the Commissioner's cover letter will strengthen this policy as we move to the semester calendar in Fall 1998. Input has been received from the Articulation Committee, the General Education Committee, the Chief Academic Officers (CAOs), and the Presidents. He moved its approval, seconded by Regent Atkinson. Regent Jordan asked if assessment measures were needed to make sure classes are really transferable. Chair Zabriskie responded that the CAOs meet with Associate Commissioner Petersen on a continuing basis. Dr. Petersen explained that at the discipline level, faculty meet at least annually in order to review curriculum and make certain that the quality of courses is the same at the various institutions. An advantageous byproduct of the semester curriculum is this ongoing interaction between faculty. The faculty now work together. Regent Grant asked about testing. Dr. Petersen it was yet to be determined whether or not a more accurate assessment needs to take place. The motion carried unanimously.

Consent Calendar, Program and Planning Committee (Tab G). Upon motion by Chair Zabriskie and second by Vice Chair Clyde, the following items were approved on the committee's consent calendar:

1. University of Utah
 - A. Establishment of a University College
 - B. Name change of the Department of Educational Administration to the Department of Educational Leadership and Policy
2. Utah State University -- Redesignation of existing Instructional Technology Specialization in the Interdepartmental Doctoral Program in Education as a Ph.D. in Instructional Technology
3. Weber State University -- Approval of four degree programs which exceed credit hour limits
4. Salt Lake Community College -- Approval of four Skills Center short-term, non-credit certificate programs

General Consent Calendar

On motion by Regent Hoggan and a second, the Board approved the following items on the General Consent Calendar:

- A. Minutes:
 1. Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held January 23, 1998, at Salt Lake Community College in Salt Lake City, Utah.

2. Approval of the Minutes of the Special Meeting of the Utah State Board of Regents held February 18, 1998, at the State Capitol in Salt Lake City, Utah.

B. Grant Proposals - Approval to submit the following proposals:

1. Utah State University -- In Vitro Antiviral Screens; \$1,612,044; Robert W. Sidwell, Principal Investigator.

2. Utah State University -- A Vertically Integrated Program of Education and Outreach in Industrial Mathematics; \$1,612,104; Emily Stone, Principal Investigator.

3. Salt Lake Community College -- Educational Talent Search; \$234,249; Barbara Burkart, Principal Investigator.

C. Executive Session(s) -- Approval to hold an executive session or sessions in connection with the meeting of the State Board of Regents to be held April 24, 1998, to consider property transactions, personnel performance evaluations, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

Chair Johnson noted that because of time constraints the proposed Policy R854, *Regent Professorships* (Tab R), had been withdrawn from the agenda and will be brought to the Board in April. Regent Lund requested an executive session meeting during the April meeting.

Adjournment

Chair Johnson said he had been very pleased at the work which had been done during the two-day meeting. It has been a good start on the master planning process. Much more work yet remains. Chair Johnson said he would be meeting with the Commissioner's staff and the co-facilitators, after which we will proceed to the next phase of the planning process.

Meeting Schedule. Chair Johnson called the Regents' attention to the revised meeting schedule in their folders and apologized for the changes. The meeting previously scheduled for October 9 was moved back a week (to October 16) to avoid conflicts with the Utah Education Association conference. This caused the November meeting to be moved back a week; that meeting will now be on November 13. Chair Johnson also announced that beginning in April, a dinner meeting will be held the evening before all one-day meetings. In addition, a planning meeting has been tentatively scheduled for September 18. Regent Atkinson said a meeting of the Coalition for Utah's Future is scheduled for that day which would involve some of the Regents.

The meeting was adjourned at 3:00 p.m.

Joyce Cottrell CPS
Executive Secretary to the Board of Regents