
MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
CONFERENCE CALL

October 27, 1998

Board Members Present

Charles E. Johnson, Chair
Aileen H. Clyde, Vice Chair
Kenneth G. Anderton
Pamela J. Atkinson
David J. Grant
Larzette G. Hale
L. Brent Hoggan
David J. Jordan
Evelyn B. Lee
Robert K. Reynard
Dale O Zabriskie

Board Members Excused

Karen H. Huntsman
Victor L. Lund
Paul S. Rogers
Jay B. Taggart

Office of the Commissioner

Cecelia H. Foxley, Commissioner
Fred R. Hunsaker, Associate Commissioner for Finance and Facilities
Michael A. Petersen, Associate Commissioner for Academic Affairs
Joyce Cottrell, Executive Secretary
Jerry H. Fullmer, Director of Information Systems
Norman C. Tarbox, Assistant Commissioner for Finance and Facilities

INSTITUTIONAL REPRESENTATIVES

J. Bernard Machen, President, University of Utah
George H. Emert, President, Utah State University
Paul H. Thompson, President, Weber State University
Steven D. Bennion, President, Southern Utah University
Gerald J. Day, President, Snow College
Robert C. Huddleston, President, Dixie College
Grace S. Jones, President, College of Eastern Utah
Kerry D. Romesburg, President, Utah Valley State College
Frank W. Budd, President, Salt Lake Community College

OTHERS

Dan Egan, *Salt Lake Tribune*
Lynne N. Koga, Director, Governor's Office of Planning and Budget
George Mantes, Utah Senate
Brad Mortensen, Governor's Office of Planning and Budget
Jennifer Toomer Cook, *Deseret News*

Chair Johnson called the meeting to order at 4:05 p.m. He excused Regents Huntsman, Lund, Rogers, and Taggart. He welcomed the Presidents and Regent Lee, who attended the meeting in person. He also welcomed Senator George Mantes, who will soon be a member of the State Board of Regents. Chair Johnson encouraged Senator

Mantes to participate in the discussion even though he would not be able to vote as an official member of the Board until January.

University Center Issues

When this year's budget is submitted, a recommendation will be included with respect to University Center funding issues. The main question is, should the host institution receive the funds, or should the delivering institution receive the funds? Both examples are present in the system. Chair Johnson referred to Attachment 1 of the agenda. Currently \$555,000 is going to host institutions, \$494,000 to delivering institutions, and \$251,600 to the Regents for allocation to the institutions. It was the recommendation of the Master Planning Task Force on Funding Mechanisms that generally all University Center funds go to the host institution, which will contract with other institutions to provide baccalaureate courses on their campuses.

Regent Grant asked Chair Johnson the rationale for this recommendation. Chair Johnson responded that the task force wanted to afford the host institutions the ability to find the top quality and most efficient programs to be delivered on their campuses. Once a contract is in place with an institution, if there were no longevity and the program were pulled, there would be chaos. The expectation is that programs would have some longevity.

Regent Zabriskie said he favored the idea of the task force's recommendation. Having the host institutions receive the money has been working well with the community colleges. This is also helpful to meet market demands. Regent Grant said if market is the driving force, it gives the host institution the responsibility of deciding for their institutions what four-year programs would best serve the needs of their institutions. Does not this let the two-year institutions provide a four-year education? Commissioner Foxley replied that the host institution would identify and demonstrate the need to the Regents, and the four-year institution would be the provider to meet that need. Regent Jordan asked, at what point are the Regents involved? Do the host institutions make the final decision? Chair Johnson responded, the Regents would give approval when need has been established.

Commissioner Foxley suggested that she and her staff look at the existing policy for University Center funding and deal with these issues so the guidelines and safeguards are in place. They will bring that policy to the Master Planning Task Force on Missions/Roles and then to the Regents at the next meeting.

Regent Jordan asked about faculty already in place at Dixie College. Do we need to establish some kind of buffer, and what time period would be required for making a transition? Chair Johnson asked President Bennion to respond. President Bennion replied that some faculty were hired principally to provide those programs at Dixie College. Some have tenure and others are on tenure track. Some serious personnel changes would be encountered if this were to be changed.

Vice Chair Clyde suggested that the information coming from the Funding Mechanisms Task Force is very instrumental to the Missions/Roles Task Force, who is looking at criteria for delivery. That criteria will soon be forthcoming. The system configuration portion of the task force needs to look into the future for continuity to protect faculty and institutions.

Regent Grant asked that the decision on funding be made at the November 13 Board meeting in order to give the task forces an opportunity to further pursue this issue. This is an important part of the full master planning process and needs to be worked through.

Regent Anderton asked to hear from the Presidents about what effect this would have on the institutions. Regent Jordan agreed and said he preferred to make this decision in the context of the information to be provided by the Commissioner's staff. Chair Johnson said the Board would firmly commit to make this decision on November 13. The draft will go to the Missions/Roles Task Force before their next meeting (November 12). He said additional funding had been added for the University Centers in the budget request.

Y2K

Regent Atkinson said she feared we would still be waiting for money in 2000. She asked if we were moving ahead and shifting funding to get a head start on this problem. Chair Johnson responded that some shifting of funds was being done, but the Presidents do not have a lot of financial ability to move forward. President Thompson said the institutions were working aggressively to solve this problem. Institutional funds will be used at Weber if the Legislature does not allocate funding. The appropriate individuals are still in the process of identifying problems.

President Machen said the University of Utah had spent millions of dollars on this problem without funding. A commitment was made to change all administrative systems while become Y2K-compliant with PeopleSoft.

Chair Johnson said he had joined the Presidents in their earlier meeting when this was discussed. He expressed the desire to get David Moon, the Governor's Chief Information Officer, actively involved in this process. Mr. Moon has looked at our categorization, but he has not visited the campuses and cannot speak to the consequences of doing what we are proposing. Getting Mr. Moon involved as an active participant would be the best approach to this problem. His job is Chief Information Officer for the entire state, and we should be included in that category. Higher education's budget request is dominated by Y2K needs. Regent Anderton agreed that it would be helpful to have an objective voice outside the higher education community. That should also be helpful in getting funding from the Legislature.

Chair Johnson referred to Attachment 2 of the agenda and clarified that the total requirement is still \$45 million for Y2K, but \$25 million was in the fail-safe category. The Y2K funding request is included in the \$39,735,500 under one-time and supplemental requests.

FY 1999-2000 USHE Operating Budget Recommendation

Chair Johnson referred to Attachment A of Attachment 3. After the Board met at UVSC, he went back to the Funding Mechanisms Task Force and reported the proceedings of the Board meeting. He brought the following messages to the Regents from the task force: (1) With respect to the formula, compensation ends up the same. (2) On enrollment growth, there was a feeling that the present enrollment growth formula is inadequate in the indirect costs. (3) The task force agreed that there should be a non-compensation portion of the formula. They will decide in their next meeting if everything should be rolled into one formula.

The second issue is the question of where the funding should go — to the Regents, to be passed on to the institutions, or directly to the institutions? The task force originally felt there was greater accountability if the funding was distributed by the Commissioner's office. They were less supportive of this issue than in previous discussions. The task force wants to debate this at length before pushing forward in the next Legislative session. Chair Johnson clarified that the funding proposal was a separate issue. He promised to have more information to be reported to the Board on

November 13.

Chair Johnson said there was cross-over between non-compensation and line items in two areas: state mandates and institutional priorities. Commissioner Foxley said the standard mandated costs of \$56,900 would be added back into the base adjustments category of the budget request and will not be included in the non-compensation portion of the formula. She also said the FCC Universal Access request of \$74,800 would be added back in the Federal Mandates category. The Presidents feel that salary equity should not be included in institutional priorities but that it be a system request, since it is important for all institutions. Staff and faculty salary figures will be combined and increased to \$2.1 million. This amount would be given to the Regents to assess the most crucial equity needs to be allocated to the institutions for faculty and staff. Regent Atkinson said the Legislators understand that in order to maintain the high quality of higher education we expect, this is an absolute necessity. Commissioner Foxley agreed, saying this is but one phase of a several-year effort.

Commissioner Foxley said the University Center request would be \$150,900, which would come to the Regents and distributed to appropriate institutions based on the identified needs. The distribution will be made through an RFP process. Another addition would be \$95,000 for O&M of CEU's Student Center. The new budget request total is now \$31,027,400.

Regent Jordan asked if the Presidents supported the move to take institutional priority money for salary equity and move it into the base adjustments. The Presidents responded that they were in support of this action. Commissioner Foxley said the Presidents also agreed to add the \$95,000 in O&M for CEU. The original estimates for the O&M costs for the new Student Center at CEU were far below the actual costs. The students are already paying a greater burden through student fees than most students in the system. With CEU having fewer than 4000 FTE students, the Regents' policy allows such an adjustment to be made.

Regent Grant moved approval of the budget recommendation. Regent Hoggan seconded the motion. The ensuing vote carried unanimously.

November Meeting Schedule

Regent Grant asked what the schedule would be for the November 13 Board meeting. Chair Johnson said it would be a precedent-setting meeting, because of a joint meeting with the State Board of Education. There will be no Thursday evening dinner. The Regents will begin at 7:30 a.m. on Friday with the Weber Board of Trustees. A master planning session will follow from 9:00 a.m. to 11:00 a.m. The Regents will meet jointly with the State Board of Education between 11:00 a.m., including a working luncheon, to discuss issues of mutual concern. The meeting will wrap up with our usual committee meetings and business meeting.

Vice Chair Clyde said the Missions/Roles Task Force would be meeting at 2:00 p.m. on Thursday afternoon, November 12. Chair Johnson urged the Regents and Presidents to attend this meeting if possible. Discussion topics will be four-year degrees and criteria. Reports will be given by the smaller subcommittees, which will include University Center issues.

Adjournment

Regent Atkinson moved that the meeting be adjourned at 5:00 p.m

Joyce Cottrell CPS
Executive Secretary to the Board of Regents