

**MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
UNIVERSITY OF UTAH
DECEMBER 1999
Thursday, December 9**

Regents Present

Charles E. Johnson, Chair
Aileen H. Clyde, Vice Chair
Jerry C. Atkin
Pamela J. Atkinson
Brian D. Brown
David J. Grant
Larzette G. Hale
L. Brent Hoggan
James S. Jardine
Michael R. Jensen
Winn L. Richards
Paul S. Rogers
Maria Sweeten

Regents Excused

Karen H. Huntsman

Office of the Commissioner

Cecelia H. Foxley, Commissioner
Michael A. Petersen, Associate Commissioner for Academic Affairs
Norm Tarbox, Assistant Commissioner for Finance and Facilities
Joyce Cottrell, Executive Secretary
David R. Colvin, Academic Affairs Planning & Assessment Officer
Linda Fife, Director of Academic Programs
Jerry H. Fullmer, Director of Information Systems
Phyllis C. Safman, Assistant Commissioner for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

J. Bernard Machen, President
Michael B. Benson, Special Assistant to the President
Jack Brittain, Dean, David Eccles School of Business
Paul T. Brinkman, Associate Vice President for Academic Affairs
John G. Francis, Associate Vice President for Academic Affairs
Raymond A. Haeckel, Executive Director, Government & Community Relations
Michelle Cannon, Student

Utah State University

George H. Emert, President
G. Jay Gogue, Provost
Robert L. Gilliland, Vice President for University Extension
Fred R. Hunsaker, Vice President for Administrative Affairs
Lee H. Burke, Assistant to the President
Richard W. Jacobs, Budget Director
Michael Parent, Professor, Business Administration Department
Lee Roderick, Director, Community and Government Relations
David B. Stephens, Dean, College of Business

Weber State University

Paul H. Thompson, President
David L. Eisler, Provost
Michael B. Vaughan, Dean, College of Business and Economics

Southern Utah University

Steven D. Bennion, President
D. Ray Reutzler, Provost
Sterling R. Church, Vice President for Student Activities
Neal L. Cox, Director of Public Relations
John D. Groesbeck, Department Chair, Managerial Economics
Carl R. Templin, Dean, Business, Technology and Communication

Snow College

Gerald J. Day, President

Dixie College

Robert C. Huddleston, President
William D. Fowler, Vice President for Student Services
Max D. Rose, Vice President for Academic Affairs
Stanley J. Plewe, Vice President, Administration and Information and Technology
Rich VanAusdal, Dean, Business, Technology and Health Occupations

College of Eastern Utah

Grace S. Jones, President
Charles O. Foust, Vice President of Academic Affairs
Raelene Allred, Vice President of Finance and Administrative Services
Karen Bliss, Dean of Institutional Advancement
Gail Glover, Dean of Administrative Services, San Juan Campus
Rob Gray, Student Body President and Member, Board of Trustees
Camille F. Jensen, Member, Board of Trustees
Brad King, Dean of Students
Richard N. Lee, Member, Board of Trustees
Karolyn Romero, San Juan Campus
Dan Scartezina, Vice Chair, Board of Trustees
Dominic Welch, Member, Board of Trustees
Garth Wilson, San Juan Campus
Sharaon Ziegler, Director, Moab Center
Katrina Distel, Student, San Juan Campus
Christina Lopez, Student, San Juan Campus
Hue Nguyen, Student, San Juan Campus

Utah Valley State College

Kerry D. Romesburg, President
Gilbert E. Cook, Legislative Liaison
Mark Spencer, Dean, Learning Resources and Services
Lucille T. Stoddard, Vice President for Academic Affairs
Bradley A. Winn, Vice President for Student Services and Campus Planning

Salt Lake Community College

Frank W. Budd, President
Brent H. Goodfellow, Executive Dean
Richard M. Rhodes, Vice President of Administrative Services

Representatives of the Press

Kathy Kapos, Salt Lake Tribune
Arrin Brunson, Herald Journal News

Joel Campbell, Deseret News
Matt Canham, Daily Utah Chronicle

Others Present

Debra Headden, Office of the Legislative Fiscal Analyst
Kenneth E. Nye, Program Director, DFCM
Vernon C. Rowley, Governor's Deputy for Education
Adrien Taylor, Moab Higher Education Center
Sam Taylor, Moab
Kevin Walthers, Office of the Legislative Fiscal Analyst

Chair Johnson called the meeting to order at 2:05 p.m. He excused Regents Mantes, Huntsman and Jordan and asked that all voting be deferred until the following day, when more Regents were expected to be present.

Commissioner Foxley announced that Norm Tarbox had been appointed Associate Commissioner for Finance and Facilities, beginning January 1, 2000. Norm will soon be defending his doctoral dissertation and has been of great assistance to her and the three previous Associate Commissioners. She wished him happy birthday and extended her congratulations on his new opportunity.

Chair Johnson announced that Governor Leavitt would be presenting his budget recommendation for higher education the following afternoon.

Master of Business Administration Degrees to be Offered by
Weber State University and Southern Utah University

Chair Johnson commended the Business Deans for their collaborative effort and considerable work since the November meeting. Dr. Jack Brittain, Dean of the David Eccles School of Business at the University of Utah, said the deans of the four universities had agreed at the October Board meeting to discuss collaboration of the MBA programs in order to determine how best to serve the citizens of Utah in graduate education. The University of Utah Business School web site (mba.utah.edu) will be shared by the other institutions, but each university will maintain its own program offerings. One concern was access to the programs for online students. Each institution has agreed to allow students from the other schools take its courses and to accept a minimum of 12 hours transfer credit. The deans will meet again in early February.

Regent Atkinson asked about minimum standards at the four schools to meet AACSB accreditation requirements. Dean Brittain said each institution must meet minimum requirements in order to not jeopardize the other schools' accreditation. SUU is currently preparing for AACSB accreditation.

The business deans have worked hard to make realistic and reasonable programs for the students of Utah. They do not want common management of the MBA programs, nor do they want their curricula to be the same. The deans drafted a general agreement which would work well now and in the future. The collaborative effort would open many options after the basic course work has been completed. The institutions would not be able to offer elective specialties without this collaboration. Each institution will collect its own tuition for programs it provides.

Commissioner Foxley called attention to the Replacement Tab A in the Regents' folders, which contained revised financial data on USU's outreach MBA program. She noted that the Commissioner's recommendation did not include a common tuition. The institutions need to cover the costs of their offerings and to collect their own tuition.

Regent Atkinson asked about the number of credits which must be taken from the degree-granting institution in accordance with AACSB requirements. Dean Stevens said accreditation bodies do not dictate how many hours can be transferred. The standard is that the majority of the course work must be taken at the degree-granting institution. Degrees must be granted within the rules of the granting institution and graduate school. The goal is to maximize learning opportunities and not maximize the cost.

Regent Jardine asked if the issue was duplication of programs or if there would be different programs with the same name. It was explained that these programs met diverse needs of the people. They have various formats and are offered

at different times of the day. The programs at both WSU and SUU are being offered to meet specific regional needs.

Commissioner Foxley stated that the master planning process identified by Regent Clyde's task force concluded that the state was being underserved in masters programs. The two masters programs in the country which are in the most demand are the Master of Business Administration and Master of Education. We need to respond to the needs of our citizens. The markets being served and the programs being offered are not the same. There are two different types of MBA programs -- one is tailored to specialized corporate needs, and another enables an employee to obtain career advancement. Regent Sweeten remarked on the pressures on working individuals to get degrees while working full-time. Regent Brown agreed that the Regents' responsibility is to meet the needs of the students.

Chair Johnson asked that further discussion and action on this proposal be deferred until the following day.

Service Area Management Plans

Chair Johnson recognized Representative Brent Goodfellow and several members of the CEU Board of Trustees and representatives of the Moab area. He referred to Tab C and introduced the discussion. Delivery of education is very important, and should be driven by the needs of the students. They must have access to educational opportunities in their own areas. Additionally, the system must be efficient. Service area management plans had been requested for all areas where there is duplication of delivery by multiple institutions. Approval of these plans will be requested in January. Some plans had been submitted and were in the Regents' folders. They are only examples to begin the process. No action was requested at this meeting.

The CEU Board of Trustees requested permission to address the issue. Vice Chair Dan Scartezina spoke on behalf of the board in the absence of Chair Marilyn Robinson. He introduced the other trustees in attendance as well as the San Juan contingent, including students from the San Juan Campus.

The Regents had been contacted by the CEU Trustees regarding the master planning process, specifically in regard to assigning a "lead institution" for various service areas. Service area management plans are also a cause for concern to the CEU Trustees. Vice Chair Scartezina recognized President Jones' vision for the future. When she was installed as President of CEU, her charge was "one area, one institution, one college." He asked the Regents to continue to support her efforts to achieve that charge. He thanked them for allowing the CEU Trustees to respond.

Sam Taylor, a Moab business leader, said that the city of Moab has evolved over the past 30 years, the needs are different, but the community still places a high priority on higher education opportunities for students with the opportunity for a degree with classes taken locally where possible. A local broad-based committee on higher education has been formed and great efforts are being made in securing a permanent physical location to house those programs. He asked the Regents to keep the Moab residents in mind in their deliberations. Educational needs in rural Utah are as important as in urban areas of the state.

Christina Lopez, student body president on the San Juan Campus, spoke and distributed a booklet about its programs.

Camille Jensen, CEU Trustee, said she had written each Regent a letter explaining the Trustees' concerns if USU were designated as the controlling institution for southeastern Utah. Southeastern Utah needs the combination of both types of programs. In the last five years alone, \$35 million of mineral lease funds was distributed to higher education. The major portion of this money comes from eastern Utah. USU has received \$10 million of this funding and CEU has received \$614,000. The Trustees do not disagree with the master plan itself, nor with the need for a management plan. However, they proposed that the section about management of service areas be left as it was in 1994, or that the administration be left to the Commissioner's Office.

Chair Johnson thanked the CEU Trustees and community representatives for their comments. He asked the Regents what additional information might be needed in the plans. Commissioner Foxley said the plans need not be the same for all areas because of the uniqueness of each area.

Regent Jensen said the first time he'd heard "management plans" mentioned was during the first week of November. The master planning process has been ongoing for two years. In a letter written to the other Regents, he stated that he viewed management plans as an eleventh-hour effort injected into a two-year planning process. He raised the concern

that a limited number of people had been invited to the community discussions of master planning. In those meetings, no mention was made of management plans. He asked about the criteria for the management plans and what decisions will be made about them. He said he disagreed with the idea of assigning management to one institution where other institutions also delivered programs in the area. Management should rest directly with the institution delivering the education. A good example was the management of the MBA programs by the individual institutions with collaboration from the others. Chair Johnson responded that the Regents' job was to determine whether or not to proceed with this process.

Regent Jensen argued that the following issues should be strongly considered: (1) the intangibles which are not in the data, (2) institutional commitment to an area over a long period of time, and (3) private businesses and their perception of what is happening in their local areas. Extensive discussion continued about the concept of and correct name for the proposed plans. Commissioner Foxley suggested "education coordination plans." In those areas where more than one institution offer programs, they would be asked to get together to develop a coordination plan.

Regent Jensen agreed that changing the terminology would help but said he still had concerns about "assigning responsibility" to one institution. The Regents agreed that they wanted education coordination plans for the areas of the state. It was agreed that the wording would be changed to eliminate emotional responses and new language would be presented for approval when the discussion resumed the next day.

Further discussion on master planning was deferred until Friday.

Proposed Name Change for Program and Planning Committee

Commissioner Foxley proposed that the name of the Program and Planning Committee be changed to the Academic and Applied Technology Education Committee in order to give more recognition to the ATE mission of the institutions. The history of the names of Regents' committees was given in the Commissioner's cover letter to Tab B. Regent Atkin moved approval of the name change. Regent Brown seconded the motion. Vice Chair Clyde agreed that the proposed name was more descriptive of the work of the committee. The motion carried, with one opposing vote.

USHE - Master Planning Tuition Initiatives

Chair Johnson referred to Tab L and asked the Presidents who were requesting changes in their authorized tuitions to speak.

University of Utah. President Machen noted that the cost of the tuition proposal for the University was actually \$1.2 million, rather than \$2.1 million as shown in the Commissioner's cover letter. He referred to Attachment A and explained that tuition increases were proposed for the College of Law and masters degree programs in the David Eccles School of Business, totaling a \$1500 increase over a three-year time period. Both proposals have the support of the students in those programs. The increased tuition would be used to strengthen the affected programs, including faculty salaries. The College of Education was proposing to decrease tuition in its masters program by 10% in response to a perceived need to support professional development of the teachers in the public schools. The College will be held harmless for funding losses by University administration. A tuition increase was approved last year in Health Sciences, and it has worked well. Regent Brown moved approval of the proposed increases and decreases in tuition at the University of Utah. The motion was seconded and carried unanimously.

Utah State University. Provost Gogue referred to Attachment B and said USU's proposal concerned specialized graduate programs in the College of Education and the College of Business. Tuition is \$1200 below the average of institutions who grant similar degrees. Proposed increases were \$400 per year for Business and \$540 per year for Speech and Audiology. The students are supportive of this increase. The money would be used for instrumentation and program enhancement. Regent Grant moved approval of the increases, seconded by Regent Atkin. Regent Atkinson asked if financial support would be available for students for whom this increase imposed a burden. Provost Gogue said those in great need would receive financial assistance. The motion carried.

USU Special Tuition Increase. Provost Gogue referred to Attachment C and said the students had held meetings across the campus. The issue also received visibility in the local press and student newspaper. The quality of questions asked by the students was superb. The administration's recommendation was for a tuition increase of 3% in addition to

that set by the Regents, if the additional amount could be matched by the Legislature. The students were supportive, as long as the increase could remain at the University. Regent Brown said he had heard from a number of students. This will be a 6% increase for USU's students. A parking fee has also been initiated. He said he would have difficulty asking a student who was working for minimum wage to support a salary increase for a professor who already receives a high salary. Regent Atkinson expressed concern about the total impact of fees on the students' ability to remain in school or to carry the same class load. Provost Gogue said fees had been discussed. Action on this item was postponed for further consideration.

Southern Utah University. President Bennion said several meetings had been held with student leaders, student officers and Student Senate, who were supportive of increasing their tuition to the same level as Weber's (Attachment D). The Northwest Accrediting Association has indicated their concern about funding, particularly of salary levels. The students are willing to support an increase on the condition that it address the most crucial issues -- faculty salaries and technology. Action on this item was also postponed for further consideration.

Dixie College. President Huddleston (Addendum to Tab L) said he recognized Dixie's tuition must be tied to another institution. He recommended a rate equal to SUU's presently approved tuition level for 2000-2001. Action was postponed for further consideration.

Chair Johnson asked Vice President Brad Winn to describe UVSC's monthly tuition plan. Dr. Winn said UVSC had followed Weber's model. It is an opportunity for students to pay their tuition in monthly installments. The initial response has been good. Regent Atkinson applauded WSU and UVSC for giving students this opportunity to spread out their tuition payments.

Chair Johnson referred to Supplement 1 to Tab D, Questions & Answers for State Policy Makers. He asked the Regents to review the document during the evening in preparation for their discussion the following day.

The meeting was recessed for the day at 5:15 p.m.

Friday, December 10

Regents Present

Charles E. Johnson, Chair
Aileen H. Clyde, Vice Chair
Jerry C. Atkin
Pamela J. Atkinson
Brian D. Brown
David J. Grant
Larzette G. Hale
L. Brent Hoggan
James S. Jardine
Michael R. Jensen
David J. Jordan
E. George Mantes
Winn L. Richards
Paul S. Rogers
Maria Sweeten

Regents Excused

Karen H. Huntsman

Office of the Commissioner

Cecelia H. Foxley, Commissioner
Michael A. Petersen, Associate Commissioner for Academic Affairs
Norm Tarbox, Assistant Commissioner for Finance and Facilities
Joyce Cottrell, Executive Secretary
David R. Colvin, Academic Affairs Planning & Assessment Officer

Linda Fife, Director of Academic Programs
Jerry H. Fullmer, Director of Information Systems
Whitney J. Pugh, Manager of Budgets and Administration
Phyllis C. Safman, Assistant Commissioner for Academic Affairs

INSTITUTIONAL REPRESENTATIVES

University of Utah

J. Bernard Machen, President
Michael B. Benson, Special Assistant to the President
Pamela W. Fogle, Director of University Communications
Raymond A. Haeckel, Executive Director, Government & Community Relations
Anne Racer, Director, Facilities Planning
V. Randall Turpin, Assistant Vice President for Administrative Services
Michelle Cannon, Student

Utah State University

George H. Emert, President
G. Jay Gogue, Provost
Peter F. Gerity, Vice President for Research
Robert L. Gilliland, Vice President for University Extension
Fred R. Hunsaker, Vice President for Administrative Affairs
Lee H. Burke, Assistant to the President
Richard W. Jacobs, Budget Director
Lee Roderick, Director, Community and Government Relations

Weber State University

Paul H. Thompson, President
David L. Eisler, Provost
Carol V. Gaskill, Director, Budget and Institutional Research

Southern Utah University

Steven D. Bennion, President
D. Ray Reutzler, Provost
Sterling R. Church, Vice President for Student Activities
Gregory L. Stauffer, Vice President for Administration/Financial Affairs

Snow College

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

Dixie College

Robert C. Huddleston, President
Thales Derrick, Associate Director of Development
William D. Fowler, Vice President for Student Services
Max D. Rose, Vice President for Academic Affairs
Stanley J. Plewe, Vice President, Administration and Information and Technology
Rich VanAusdal, Dean, Business, Technology and Health Occupations

College of Eastern Utah

Grace S. Jones, President
Charles O. Foust, Vice President of Academic Affairs
Raelene Allred, Vice President of Finance and Administrative Services
Karen Bliss, Dean of Institutional Advancement
Gail Glover, Dean of Administrative Services, San Juan Campus
Camille F. Jensen, Member, Board of Trustees
Brad King, Dean of Students

Utah Valley State College

Kerry D. Romesburg, President

Gilbert E. Cook, Legislative Liaison

Linda L. Makin, Associate Director of Budgets

Mark Spencer, Dean, Learning Resources and Services

Lucille T. Stoddard, Vice President for Academic Affairs

Douglas E. Warner, Executive Director, Budgets/Management Studies

Bradley A. Winn, Vice President for Student Services and Campus Planning

Salt Lake Community College

Frank W. Budd, President

Marjorie Carson, Vice President of Academic Services

Brent H. Goodfellow, Executive Dean

Richard M. Rhodes, Vice President of Administrative Services

J. Gordon Storrs, Master Planning Coordinator

Representatives of the Press

Brooke Adams, Salt Lake Tribune

Arrin Brunson, Herald Journal News

Joel Campbell, Deseret News

Matt Canham, Daily Utah Chronicle

Others Present

Afton B. Bradshaw, Utah House of Representatives

Paula F. Julander, Utah Senate

Robert F. Montgomery, Utah Senate

Loraine T. Pace, Utah House of Representatives

Vernon C. Rowley, Governor's Deputy for Education

The meeting reconvened Friday morning at 9:15 a.m. Chair Johnson excused Regent Brown, who was taking a final exam and would be joining the meeting later in the morning. He briefly summarized the previous day's discussion for Regents Jardine and Mantes. He announced that Governor Leavitt would be present at 1:30 p.m. to make his budget presentation.

Master Planning (continued)

Chair Johnson referred to Supplement 1 to Tab D, Questions and Answers for State Policy Makers, and asked for comments. A lengthy discussion followed. Regent Atkin suggested a one-page introduction, identifying the problem and suggesting a proposed solution. It was agreed that a bold, succinct introductory paragraph would be written for each section, followed by bullet points rather than paragraphs. Lengthy examples will be omitted. It was further agreed that two documents were needed -- a one-page document which could be handed out and a more detailed document for the Regents to use in their discussions with legislators.

The Regents then discussed the 12-1-99 draft of the Highlights document. Regent Jardine suggested that a notation be made to Figure 1 on page 6 to indicate that the figures had been adjusted for inflation. Chair Johnson reminded the Board that this document had been approved in concept in November, except for Commitment 8 and amplification of the individual institutional mission statements. The following changes were recommended to the document:

Commitment 1 (Page 8). The last sentence of point 2 regarding the Davis County campus will be clarified to provide for the delivery of courses at that location by other USHE institutions. Faculty and staff will be included in point 5.

Commitment 7 (Page 11). It was agreed that this commitment encompasses all levels of higher education. Language will be added to strengthen each institution's partnership with business and industry throughout the state, and a fourth bullet point will be added about job training. Chair Johnson noted that the Presidents had met the previous day with representatives of the Economic Development Corporation of Utah (EDCU) and each President had agreed to designate

someone to be part of a coordinating council to work with the EDCU.

Commitment 8 (Page 12). The introduction will be strengthened, and the point that the institutional missions and roles are approved by the Board of Regents will also be strengthened. The bullet points discussing the Davis County Campus (WSU) and Jordan Campus (SLCC) will be expanded and strengthened. "Support increased admission standards if appropriate" will be deleted from SUU's mission, and will read, "Explore the possibility of increased admission standards at the appropriate time."

Commitment 9 (Page 16). Point 7 should be changed to begin "Possible expansion of existing or future campuses. . ." A separate sentence will be written at the end of the paragraph dealing with possible consolidation. Specific examples will be omitted.

Regent Grant moved approval of the master planning document, subject to revisions made in this meeting, which will appear in a subsequent document. The motion was seconded by Regent Sweeten.

Associate Commissioner Petersen distributed a handout showing the proposed revisions to the Highlights document which had been suggested the previous day. Commissioner Foxley explained that approval of the proposed language would enable the Council of Presidents to revise policy R315 and bring it back to the Regents for approval in January. Changes replaced previous references to a "lead institution" in the various service areas with a collaborative effort between the various institutions. Everyone agreed with the term "education coordination plans." Associate Commissioner Petersen referred to the proposed insertions to the Highlights Document which were in the Regents' folders, identified as Attachment to Tab D. Chair Johnson clarified that those revisions had been included in the earlier motion. Commissioner Foxley indicated that a final version would be sent to the Regents and Presidents prior to being sent to the printer.

Vote was taken on the motion, which carried unanimously.

Commissioner Foxley referred to the Questions and Answers for General Audiences (Supplement 2 to Tab D) which was in the Regents' folders. She asked that suggestions for changes be sent to the Commissioner's Office. She also referred to the tri-folds in the folders and explained that one was a brief summary of the master plan and the other contained statistical data which should be most helpful for the Regents in their discussions with legislators and others about higher education. This information was compiled by Assistant Commissioner Tarbox and was taken from the USHE Data Book, which is being updated with the latest information available. Regent Jordan suggested that this information be posted on the Regents' web site.

Board Committee Items

In the interest of time, Chair Johnson asked if the committee items could be discussed by the Committee of the Whole. Chairs Atkinson and Hoggan agreed.

Academic and Applied Technology Education Committee

Dixie College -- Bachelor of Science Degree in Computer and Information Technology (Tab E). Chair Atkinson explained that this proposal had been submitted for action. The CIT Program would begin in Fall 2000. It is one of two four-year programs which had been identified as part of the request to change the mission and role of Dixie College. The outside consultants who reviewed the original proposals felt the institution was ready to deliver this program with quality. She asked Vice President Rose to briefly explain the request. Vice President Rose introduced Dean Gary Koeven to the Board and thanked the Chief Academic Officers (CAOs) for their assistance in developing a program which would meet the needs of the area. The proposed budget was based on reallocation of funds from a program which had been closed, regular enrollment growth funds, department money, and private donations for the library. The Dixie librarian had worked with the other system librarians to determine an approach to fund a new program. Another concern was the College's ability to hire qualified faculty. A faculty member with a Ph.D. in Computer Science has been hired, and another with a Ph.D. in Physics will be hired next spring. A letter from the University of Utah attested to the quality and relevance of this degree, which is closely interrelated with computer science. Regent Jordan asked if the expected \$5 million donation had been received. President Huddleston responded that he was confident it would be received in July, although it is not necessary for the proposed budget.

Regent Jardine recommended that institutions be given the opportunity to review consultants' recommendations before they are sent to the Regents. Commissioner Foxley assured the Regents that would happen. Regent Jordan expressed concern that the proposed budget for the library acquisition was below the consultant's recommendation. Vice President Rose said he was confident the \$93,000 proposed for each program would provide appropriate journals, periodicals and books to meet the required standards. Commissioner Foxley said in consultation with other institutions and programs at this level, the consultant felt Dixie College would be ready to offer this program. President Huddleston said he had called the Northwest Accrediting Association and was assured they would make the strongest recommendation in support of this proposal.

Regent Atkin moved the Commissioner's recommendation, including follow-up progress reports in the areas of qualified faculty, library acquisitions, and collaboration from other USHE institutions to strengthen the program. The motion was seconded by Regents Grant and Sweeten and carried unanimously. Chair Atkinson assured President Huddleston he would be under great scrutiny with this program because of the publicity it had received.

Dixie College -- Bachelor of Science Degree in Business Administration (Tab F). Vice President introduced Dean Gary Koeven, who was available to respond to questions. Dr. Rose responded to concerns which had been raised about ambiguity in the business core. He expressed his sincere appreciation to the CAOs and Commissioner's staff for the collaboration and cooperation they gave Dixie College. Chair Atkinson commended the collaborative effort of the deans of the business schools. Commissioner Foxley said that although it had not been included in the Commissioner's recommendation, the same expectations for annual progress reports will be made for the Business Administration program. Regent Grant moved approval of the program. The motion was seconded by Regent Sweeten and carried unanimously. Chair Atkinson thanked President Huddleston for his presentation.

Information Calendar (Tab G). Chair Atkinson recommended that the Regents read the information in this agenda tab. No action was required.

Chair Johnson thanked Regent Atkinson for her report.

Master of Business Administration Degrees to be Offered by Weber State University and Southern Utah University

Chair Johnson reviewed the previous day's discussion by stating that two issues were involved: common tuition and common admission standards. It was generally agreed that each institution should have minimum, but not common, admission standards, and that tuition should be set by each institution. A third area for discussion was financing. SUU has a specific financing request dealing with the business program, to be addressed by the Legislature in January. The Regents will also request development funds which will impact USU's mission. He said approval of these MBA programs would be contingent upon funding. He noted that approval of masters programs required the affirmative vote of two-thirds of the Board (11 votes).

Following a debate on the issues, Regent Jordan moved approval of the two MBA programs with implementation subject to the plans which have been presented in the materials. Regent Atkin seconded the motion. The motion carried unanimously.

Brent Hoggan expressed his concern about USU's possible loss of revenues as a result of this action and SUU's possible losses resulting from the decision made for Dixie College to offer four-year programs in St. George. Various recommendations were made to provide a solution to this problem. After a lengthy and spirited discussion, Regent Rogers moved that the Regents charge the Chairman and Commissioner to seek aggressively to obtain funds with sufficient flexibility to address anticipated losses and gains due to program expansion and deletions in the system. The motion was seconded by Regent Grant and passed, with one opposing vote.

Governor's Presentation

Following a brief lunch, the meeting reconvened at 1:48 p.m. Chair Johnson welcomed Governor Michael O. Leavitt and informed the new Regents that the Governor had formerly been a Regent. Chair Johnson introduced members of the Governor's staff -- Rich McKeon, Chief of Staff; Vicki Varela, Assistant Chief of Staff; Lynne Ward and Brad Mortensen from the Governor's Budget Office, and Dr. Con Rowley, the Governor's Deputy for Education.

Governor Leavitt expressed his pleasure to meet with the Board of Regents and Presidents. He acknowledged the presence of Senators Robert Montgomery and Paula Julander and Representatives Afton Bradshaw, Brad King, and Loraine Pace and thanked them for their contributions to higher education.

The Governor stated he had visited with representatives from engineering schools throughout the state and had seen much that was new in technology. He showed some new products which had been designed and constructed in Utah. He gave higher education the following challenges:

Preparing Utah's Economy for the Post-Olympic Period. Utah's economy is now robust and sound. Over 281,000 new jobs have been created since 1992. Unemployment is at 3.7% and has been under 4% for nearly seven years. Wages are increasing, in real dollars as well as spending capacity. There is great concern about Utah's economy after the Olympic Games of 2002. The short-term challenge is continued prosperity, and the long-term challenge is the bigger shift into the information age economy. Higher education's link (education) is laid out in the new USHE Master Plan. With greater education comes greater income. Governor Leavitt challenged higher education to produce more people with more education more quickly.

USHE Master Plan. Governor Leavitt praised the new master plan, saying it must be viewed as a critical, major part of Utah's blueprint for continuing prosperity. Expanding access without unnecessary duplication is an important part of the economic plan. Emphasizing the differing institutional roles and missions is critical to the economy. Governor Leavitt endorsed the idea of the expansion of Dixie College's mission to offer selected four-year programs. He said his budget request to the Legislature would include funding for WSU's and SUU's MBA programs. He called the proposal of an Internet-based student advising system a brilliant idea. He acknowledged that changes in the formula funding would be necessary in order for this to occur. He also expressed his pleasure with the emphasis placed on accountability.

Higher Education Budget. Consistent with the idea that "higher education is the leaven in the economic bread," Governor Leavitt proposed a 7.7% increase over last year's base budget, which is a 6.9% increase without one-time money. His proposal would increase higher education's share of the state budget from 15.7% to 16.1% and would provide adequate flexibility to tie funding to efficiency in quality performance in key areas. He also recommended that a \$43.1 million block be given to the Board of Regents with distribution for the most critical areas. Governor Leavitt said he was building a 4.5% increase for compensation into the \$43 million block with additional money for the salary equity initiative according to Regent formula. Funding will also be requested for access, enabling higher education to address the growth in the system and to preserve the quality of instruction. Governor Leavitt will also request funding for the New Century Scholarship and support for the technology increases in UEN. Regarding capital facilities, the Governor said he was not proposing any capital bonding because the state needs to reduce its present debt. However, he will be proposing that the current debt be recalibrated on highway construction. Extending the highway bond over a rolling ten-year average is reasonable financial policy and would allow the state to meet other needs which are also linked to economic prosperity.

Long-term Challenges. Governor Leavitt issued three challenges from the USHE Master Plan which will allow the state to make other necessary and important changes:

1. Increase graduation efficiency of native and transfer students between now and 2004 by 10%. It is now taking approximately 5.6 years to complete a four-year degree. The goal would be a five-year education.
2. Increase participation rates of the ten counties with the lowest participation rates by 10% by 2004. There is substantial disparity among counties regarding participation rates for various reasons. To lift the state's entire economy, the challenge of low cost, high quality access will be critical.
3. Double the number of engineering and computer science degrees awarded by the institutions by 2008. This will drive the economy. Future jobs will be paid for or driven by technology and engineering. This will require coordination among the institutions and with public education.

In conclusion, Governor Leavitt expressed his appreciation for higher education's contribution to Utah's economy, which has never been better.

Chair Johnson said the Regents would be happy to accept the budget requests and look forward to the prospect of it being included in the Appropriations Act. On behalf of the Regents, he accepted the Governor's challenges.

Commissioner Foxley said during the last few years she had asked the Governor when it would be a "higher education year," so she was very pleased to see that 2000 would be a higher education year, coupled with public education. Since more than a one-time infusion of funds is needed, it is hopeful we will have repeated higher education years through the Governor's third term. Continued funding will be needed to meet the challenge to train and develop workers and new technologies. She noted that some buildings on some of the campuses were badly in need of repair or renovation. Also, fast student growth requires additional space on other campuses. No one wants to see the campuses deteriorate like Instate Highway I-15. Governor Leavitt acknowledged that this was a long-term challenge. Fundamental to maintaining support of our educational system will be a viable economy. Higher education is crucial to Utah's continued prosperity. He noted that he would recommend funding (with cash) for all AR&I projects required by law. He will also propose authorization of 11 facilities for higher education which are to be built without state appropriations. His budget request identified items he would not oppose if the Legislature chooses to have a construction bond. That list included the first six items on the Building Board's list, including facilities at USU, Dixie and UVSC.

Several of the Presidents expressed their appreciation to the Governor for his support in obtaining more funding for higher education. Regent Atkinson noted that many students are working full-time. More money is needed for financial aid or loans to help the students graduate faster. Because of the sophistication of ATE programs, many people are graduating with certificates. Some advance and go to work for high salaries. Governor Leavitt said he was prepared to accept ATE certification as well as college degrees.

President Machen thanked the Governor for his visionary proposal which linked higher education and the economic prosperity of the state. Utah is currently exporting engineers to other states because there are not enough jobs in this economy, although the institutions have been working with the economic development agencies. He asked Governor Leavitt how the state could advance in terms of economic development and recruiting new industry, and how higher education could become more involved. Governor Leavitt said a steady supply of engineering and computer science graduates will produce industry on its own. Companies will follow the graduates.

The Governor indicated his pleasure in meeting with the Regents and the Presidents, as he and his entourage departed.

Board Committee Items (continued)

Regent David Jordan had to leave the meeting and was excused.

Finance and Facilities Committee.

University of Utah - Long-Range Development Plan (Tab H). Chair Hoggan explained that the changes to the University's master plan involve bringing light rail to the campus. A preliminary engineering study indicates that using 1300 South would not work. The University requested approval to change the route through the west end of the stadium parking lot. Copies of the long-range development plan were presented to all Regents in 1997, following an extensive planning effort which included 150 public meetings. A full copy of that plan will be sent to all new Regents upon request. Regent Grant moved approval of the long-range development plan. The motion was seconded by Regent Atkin and carried unanimously.

College of Eastern Utah - San Juan Campus Land Lease (Tab I). Chair Hoggan assured the Regents he had personally reviewed the lease and had no objection to its terms. The .05-acre lease would facilitate an Early Head Start facility on the college's San Juan Campus in Blanding. He moved approval of the transaction. The motion was seconded by Regent Grant and carried unanimously.

Utah Valley State College - Revenue Bonding Authority for 2000-2001 (Tab J). Chair Hoggan explained that this request was the second component of an authorization previously approved by the Regents. Assistant Commissioner Tarbox eloquently stated that UVSC has been attempting for eight years to expand their student center. President Romesburg said the Board had approved a \$10.5 million project two years ago but work on this facility had been pushed back because of more pressing needs. The amount of the bond need is now \$11 million, with an additional \$2.5 million requested in order to accommodate issuance costs and contingencies. Regent approval of this request would

authorize the college to move forward to obtain legislative approval to bond. No state money or O&M funding will be requested. Regent Rogers moved that the Board authorize this transaction. The motion was seconded by Regent Atkin and carried unanimously.

Salt Lake Community College - Sandy Center Lease (Tab K). President Budd said the present facility in Sandy had been built for the college several years ago with an ongoing lease. The college has since annexed a portion of the mall at that location. An additional 3400 square feet is available immediately adjacent to the college's facility which has been vacated by the LDS Institute of Religion. He noted that when the Jordan Campus property was purchased by the state and authorized by the Board of Regents a few years ago, the Board indicated to the Sandy City Council that the college would continue its operation there and might even increase that operation. The college would like to increase the existing lease to include this additional space for a total annual increase of \$41,310. They would occupy the building in January but the rent would not be increased until July. The additional lease payments will be covered by existing institutional funds. Regent Rogers moved approval of the lease expansion and renewal. The motion was seconded by Regent Grant and carried unanimously.

USHE 2000-2001 Budget Request Update (Tab M). Chair Hoggan referred to the handout supplied by Governor Leavitt after his presentation.

Student Financial Aid - UHEAA Board of Directors Report (Tab N). This report was submitted for the Regents' information only and required no action.

Consent Calendar, Finance and Facilities Committee (Tab O). Upon motion by Regent Hoggan and second by Regents Atkin and Atkinson, the following items were unanimously approved on the committee's consent calendar:

1. OCHE Monthly Investment Report
2. OCHE 1998-1999 Discretionary Funds Report
3. Annual Money Management Report

General Consent Calendar

On motion by Regent Atkinson and second by Regent Grant, the following items were unanimously approved on the General Consent Calendar (Tab P):

A. Minutes – Approval of the Minutes of the Meeting of the Utah State Board of Regents held November 11-12, 1999, at Utah Valley State College in Orem, Utah.

B. Grants – Approval to submit the following proposals

1. Utah State University - Safe & Drug Free School Study: Evaluating the Safe & Drug Free School Act and its impact on middle school drug use, \$2,070,347; Margaret Lubke, Principal Investigator.

2. Utah State University - ARCH: Architecture and Performance Enhancement, \$2,149,342; Niel Holt, Principal investigator.

3. Utah State University - Estudios Basicos Para El Manejo de los Sistemas de Riego. (This project will apply state-of-the-art technology developed at USU to map irrigation projects in the Dominican Republic.) \$6,535,879; Christopher Neal, Principal Investigator.

4. Utah State University - Mechanisms of Acyl, Phosphoryl and Sulfuryl Transfer, \$1,042,500; Alvan Hengge, Principal Investigator.

5. Utah State University - Role of Iron in Particle-induced Lung Pathology, \$1,621,895; Ann Aust, Principal Investigator.

6. Utah State University - Continued support for the RAMOS project. (This effort will continue the Russian-American Cooperative Observations which have been improved cooperation between the scientists and engineers of the United States and Russia.) \$4,325,000; David Burt, Principal Investigator.

C. Executive Session – Approval to hold an executive session or sessions in connection with the meeting of the State Board of Regents to be held on January 21, 2000, at Salt Lake Community College in Salt Lake City, Utah, to consider property transactions, personnel performance evaluations, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

Election of Chair and Vice Chair

Regent Hoggan moved that Regent Johnson and Regent Clyde be elected as Chair and Vice Chair of the Board, respectively, for an additional two-year term. The motion was seconded by Regent Atkinson. Chair Johnson and Vice Chair Clyde were unanimously re-elected. Vice Chair Clyde expressed her appreciation and confidence in Chair Johnson's leadership.

Report of the Chair

Chair Johnson thanked President Machen and his staff for their accommodations and hospitality during the past two days. Regent Grant asked when appointments would be made to fill the vacancies on Board committees caused by the expiration of the outgoing Regents' terms. Commissioner Foxley announced that Regent Atkin had agreed to serve on the Audit Review Subcommittee. Other appointments will be made shortly.

Report of the Commissioner

Commissioner Foxley called the Regents' attention to promotional information regarding the Utah Educational Savings Plan (UESP) Trust which was in their folders. She encouraged them to let their families and friends know that this is a good way to invest in the state's future.

The January Board of Regents meeting will be hosted by Salt Lake Community College. Part of the meeting will be held at the Larry H. Miller Entrepreneurship Center. A ribbon-cutting ceremony will be part of the morning's activities. A joint luncheon meeting with the Legislative Higher Education Appropriations Subcommittee and, if possible, the meeting of that committee are planned to take place at the College's South City Campus. It will be a one-day meeting on January 21, the first Friday of the 2000 Legislative Session. President Budd said he would send a map to the site which presently houses two buildings. The next building is already being planned. Mr. Miller's master plan for that site includes a total of eight buildings.

Adjournment

Chair Johnson thanked the Regents and Presidents for their hard work. The meeting was adjourned at 3:10 p.m.

Joyce Cottrell CPS
Secretary to the Board of Regents