

MINUTES OF MEETING  
UTAH STATE BOARD OF REGENTS  
SOUTHERN UTAH UNIVERSITY  
CEDAR CITY, UTAH

Thursday, August 3

Regents Present:

Charles E. Johnson, Chair  
Aileen H. Clyde, Vice Chair  
Jerry C. Atkin  
Pamela J. Atkinson  
David J. Grant  
L. Brent Hoggan  
Michael R. Jensen  
David J. Jordan  
Rob Peterson  
Winn L. Richards  
Paul S. Rogers  
Maria Sweeten

Regents Excused:

Karen H. Huntsman  
James S. Jardine  
E. George Mantes

Office of the Commissioner:

Cecelia H. Foxley, Commissioner  
Michael A. Petersen, Associate Commissioner for Academic Affairs  
Norm Tarbox, Associate Commissioner for Finance and Facilities  
Chalmers Gail Norris, Associate Commissioner for Student Financial Aid  
Joyce Cottrell, Executive Secretary  
Jerry H. Fullmer, Director of Information Systems  
Edith Mitko, Director of Student Services and Minority Affairs  
Brad Mortensen, Director of Business and Finance  
Phyllis C. Safman, Assistant Commissioner for Academic Affairs  
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Special Projects

INSTITUTIONAL REPRESENTATIVES

University of Utah

A. Lorris Betz, Senior Vice President for Health Sciences and Acting President  
Michael T. Benson, Special Assistant to the President  
John G. Francis, Associate Vice President for Academic Affairs  
Raymond A. Haeckel, Executive Director, Government and Community Relations  
V. Randall Turpin, Assistant Vice President for Administrative Services

Utah State University

Fred H. Hunsaker, Vice President for Administrative Services  
C. Blythe Ahlstrom, Assistant Provost  
Lee H. Burke, Assistant to the President for Government Relations  
David Cowley, Manager, Space Management, Facilities Planning  
Darrell E. Hart, Assistant Vice President for Facilities Management  
Richard W. Jacobs, Director, Budget Office  
Joyce Kinkead, Associate Dean and Professor, College of Humanities, Arts & Social Sciences

Weber State University

Paul H. Thompson, President  
Carol V. Gaskill, Director of Budget and Institutional Research  
Craig S. Hall, Associate Vice President for Physical Facilities  
E. Jeffery Livingston, Dean of Continuing Education  
Michael G. Perez, Director of Facilities Management  
Allen F. Simkins, Vice President for Administrative Services

Southern Utah University

Steven D. Bennion, President  
Sterling R. Church, Vice President of Student Services  
Dorian G. Page, Associate Vice President of Administrative/Financial Services  
Michael Reid, Director of Purchasing  
Ray Reutzel, Provost  
Gregory L. Stauffer, Vice President of Administration/Financial Services  
Michael Wasden, Student Body President

Snow College

Gerald J. Day, President  
Gary E. Arnoldson, Controller  
Rick White, Vice President for Academic Affairs

Dixie State College

Robert C. Huddleston, President  
William D. Fowler, Vice President, Student Services  
Stanley J. Plewe, Vice President, Administration & Information Technology  
Max H. Rose, Executive Vice President of Academics  
Shandon Gubler, Trustee

College of Eastern Utah

Grace S. Jones, President  
Karen K. Bliss, Dean of Institutional Advancement  
Dennis Geary, Physical Plant Director  
Gail Glover, Dean of Administrative Services, San Juan Campus

Utah Valley State College

Kerry D. Romesburg, President  
Bradley J. Cook, Vice President for College Relations  
Linda Makin, Budget Director  
Brent Roberts, Associate Vice President for Facilities and Planning  
Ryan L. Thomas, Vice President for Administration and Campus Computing  
Douglas E. Warner, Executive Director of Budgets and Management  
Bradley A. Winn, Vice President for Student Services and Campus Planning

Salt Lake Community College

H. Lynn Cundiff, President  
Daniel Bingham, Interim Assistant to the President  
Geoffrey Brugger, Dean of Continuing and Community Education  
Marjorie Carson, Vice President of Academic Services  
Julie Ann Curtis, Assistant to the Vice President of Academic Services  
Richard M. Rhodes, Vice President of Administrative Services

Representatives of the Media

Matt Canham, *Daily Utah Chronicle*  
Lamonica Everett-Haynes, *Salt Lake Tribune*  
Maria Titze, *Deseret News*

## Others Present

Debra Headden, Office of the Legislative Fiscal Analyst  
John W. Hickman, Utah House of Representatives  
David C. Jones, Attorney General's Office  
Michael Kjar, Office of the Legislative Fiscal Analyst  
Kelly Murdock, First Security Van Kasper  
Mel Parker, Governor's Office of Planning and Budget  
Vernon C. Rowley, Governor's Deputy for Education

## COMMITTEE OF THE WHOLE

Chair Charles E. Johnson called the meeting to order at 9:36 a.m. He thanked President Bennion for the accommodations and congratulated him for the Tony Award which the Utah Shakespeare Festival had received earlier in the year. He excused Regents Huntsman, Jardine and Mantes and welcomed SUU trustees, legislators and other guests. After welcoming President Cundiff to his first meeting of the Board of Regents, Chair Johnson briefly reviewed the agenda.

Update on Brian Brown. Chair Johnson reported that former Student Regent Brian Brown was making good progress following his bone marrow transplant and had been released from the hospital earlier in the week. He is in the top 10 percent of recovery for his type of transplant. Commissioner Foxley said Brian appreciates voice mail messages, cards, etc. He and his wife, Heather, are staying at the home of Brian's parents. He can be reached at 801-572-0408, or by e-mail at bdbrown@bigplanet.com.

University of Utah – Red Butte Gardens Construction Project (Tab A). On behalf of the University, Dr. Lorris Betz requested approval for an orangery for Mediterranean plants at Red Butte Gardens. The project will be funded by a gift, which will include an endowment for O&M expenses. Regent Jensen moved that the Regents approve the project. The motion was seconded by Regent Jordan and carried.

## 2001-2002 Capital Development Project Hearings

Associate Commissioner Tarbox referred to Tab B and asked the presidents to present the top capital development priority for their respective institutions. In preparation for the day's joint meeting, the State Building Board had spent the past two days visiting the campuses and discussing the projects to be presented to the Regents. A prioritized list will be presented to the Board for approval in September.

Enrollment Projections. Dr. Tarbox said enrollment projections had been a topic of discussion with the Building Board. Commissioner Foxley said the headline in the Salt Lake Tribune that morning had been misleading. USHE growth projections are still healthy, and some institutions are expected to grow more heavily than others.

Dr. Tarbox said the last 20 years of enrollment growth had been summarized on the first page of the Building Board packet. He cautioned that it is difficult to know the factors which will drive growth 20 years from now. Population projections from the Governor's Office of Planning and Budget (GOPB) were lower this year than their estimates just two years ago; thus, so are the USHE projections. SLCC and UVSC are still projected to be the fastest growing institutions. Looking at the system as a whole, the projections are not for slower growth. The average annual increase, systemwide, is 2.3 percent over the 20-year period. The GOPB is projecting a population growth of 1.7 percent. We anticipate significant increase in participation from the cohorts we serve in the next 20 years. Associate Commissioner Tarbox said the Commissioner's Office had worked closely with the Council of Presidents to make realistic enrollment projections.

Chair Johnson pointed out that an increase in participation rates had been projected for the next 15 years. He asked the Presidents for their comments. Vice President Hunsaker said USU concurred with the projections. The institution's best estimate is that from 20 to 30 percent of their growth would be off campus. President Thompson said it was hard to project online instruction because it is still new. Weber began in 1997 with 100 students taking 20 courses; in Spring 2000 they had 3200 students in 150 courses. School officials are expecting 5 percent of the University's total enrollment next year will be in distance education. Commissioner Foxley said once the Davis Campus is built, even

more students were expected to attend. This is not yet reflected in the projections.

Vice Chair Clyde said in the master planning process, the issue of enrollment growth arose many times. Regents and Presidents are acutely aware of the needs, and projections are hard to make. This matter will not be ignored because it is vitally important for the immediate and long-term future of the state. Chair Johnson said market forces would ultimately make the determination. President Cundiff noted that other forces are also at work, such as policy groups, Governor's issues, and legislative issues, all of which could heavily impact USHE enrollments. Chair Johnson said another example of policy issues which could change things dramatically for higher education is the issue of ATCs.

Associate Commissioner Tarbox briefly reviewed the Qualification and Prioritization (Q&P) process and explained that the Regents would later submit a prioritized list to the Building Board and Legislature. Several considerations are given in the Q&P process, including life safety issues, space needs, and institutional ability to attract outside funding for construction or O&M. Dr. Tarbox referred to Tab A of the Building Board packet, which summarized the institutional projects. Institutional presentations were given, and the Presidents were invited to respond to questions from the Regents. Chair Johnson clarified for the benefit of the new Regents that projects requiring capital improvement money are prioritized and funded differently from new building projects.

Institutions' top capital development project priorities were:

- University of Utah – Utah Museum of Fine Arts Renovation
- Utah State University – Central Heat Plant Replacement
- Weber State University – New Davis Campus Building/Associated Infrastructure
- Southern Utah University – Teacher Education Facility
- Snow College – Performing Arts Building
- Dixie State College – Eccles/Graf Fine & Performing Arts Center Business Plan
- College of Eastern Utah – Main Complex Renovation
- Utah Valley State College – Classroom Building
- Salt Lake Community College – Automotive Trades Building Remodel

Proposed Revisions to Policy R171, *Postsecondary Proprietary School Act and Rules* (Tab P). Commissioner Foxley said future funding appropriated to the Commissioner's Office would enable staff to be added to help track the proprietary schools. A change to allow institutions to collect six months of tuition rather than four was made in response to the discussion at last month's meeting and public hearing. By telephone, Associate Commissioner Don Carpenter clarified that the term "self-funded" applied to those students whose companies did not pay their tuition. A question arose on §8.3.5 as to why only self-funded students were covered in the pay-as-you-learn payment schedule. Dr. Carpenter said some computer schools have contracts with companies who pay for employees' instruction on a contract. Those students do not pay their tuition up front. Chair Johnson suggested and Regent Atkin moved that "self-funded" be struck from §8.3.5. The motion was seconded by Regent Grant. The Regents felt it was important for the employers to be protected as well as individual students. Vote was taken on the motion, which carried unanimously.

Chair Johnson announced a 30-minute executive session meeting of the Board immediately following the joint meeting with the State Building Board. Board committees were asked to convene at the conclusion of the executive session.

The Committee of the Whole recessed for a joint meeting with the State Building Board.

#### JOINT MEETING WITH STATE BUILDING BOARD

Joining the Regents for a luncheon meeting were the following individuals:

State Building Board  
David Adams, Chair

DFCM Staff  
Richard E. Byfield, Director

Keith Stepan, Vice Chair  
Haze Hunter  
Joe Jenkins  
Kay Waxman

Robert G. Woodhead, Deputy Director  
Kenneth E. Nye, Program Director  
Kent D. Beers, Capital Budget Manager  
Shannon Lofgreen, Administrative Secretary

#### Utah State Legislators

Rep. Gerry Adair  
Rep. Bud Bowman  
Rep. Brent Goodfellow  
Rep. Brad Johnson  
Rep. Brad King  
Rep. Loraine Pace  
Rep. Ray Short

#### Others

Raylene Ireland, Executive Director, Administrative Services  
Randa Bezzant, Governor's Office of Planning and Budget  
Lt. Col. Peter K. Wilson  
Kevin Walthers, Office of the Legislative Fiscal Analyst

Chair Johnson called the joint meeting to order at 12:55 p.m. and welcomed members of the State Building Board, Legislative Capital Facilities Committee, and others. Chair Johnson asked Associate Commissioner Tarbox to summarize the Regents' earlier discussion for the benefit of Building Board members.

Dr. Tarbox explained that the Building Board members and Legislative Capital Facilities Task Force had visited some of the institutions during the preceding two days to tour the sites which have been designated by the institutions as their top capital priority for the coming year. Every institution's #1 priority together totaled 303,000 gross square feet for new space, 251,000 gross square feet for remodeled space, and 144,000 gross square feet to be demolished and replaced, in addition to the Eccles/Graf project at Dixie, for which the size has not been projected. Both boards agree it is vital to take care of the existing space in the institutions. Some USHE campuses are over 100 years old and others are as young as 20-30 years old. The Q&P process will attempt to balance the need for new and existing space.

Chair Johnson said the Regents had also discussed projected growth over the next 20 years. The projects which have been identified as priorities will meet present needs, but we do not know yet what will be needed 20 years in the future. The Board had also discussed the impact of distance education.

Regent Grant pointed out that SUU's priority was not to build a new facility for the next four or five years; rather, they need capital improvement money to make renovations to the middle school building. Chair Adams said the Building Board had spent quite a bit of time with President Bennion, and they agreed that the building should be recycled rather than demolished. Commissioner Foxley clarified that the list had not been prioritized. Associate Commissioner Tarbox said the Q&P would be calculated for presentation at the next Board of Regents meeting on September 15.

Chair Adams noted that DFCM had responsibility for 38,560,000 square feet of floor space, which at today's replacement costs would be in excess of \$50 billion. More buildings are under construction at a cost of \$250 to \$300 million. Two-thirds of the space managed by DFCM is in higher education facilities. We continue to build up a backlog of deferred maintenance. The longer it is deferred, the more expensive it becomes to maintain. The Building Board's feeling is to continue its policy as far as possible of making a priority of deferred maintenance. Chair Adams acknowledged that the USU heat plant was a critical needs project which should have been addressed years ago. With adequate funding in capital improvement accounts, it would not have become such a catastrophic problem. He further acknowledged that the new classroom building at UVSC was an exception which needed to be addressed. Significant life safety issues require attention in many higher education buildings.

Chair Johnson asked Chair Adams for his observations after the site visits. Chair Adams said he realized the practicalities of the fact that if money is not available, why should we spend a lot of time on it? Building Board members understand financial values and realities. Some USHE institutions have greater internal resources which could

be utilized for building programs. Others do not have that ability. He recognized that the cost of delivering programs is lower at some institutions than at research universities who receive O&M funding through research. He also recognized there are high growth institutions, particularly UVSC and SLCC. He recognized life safety issues at institutions such as the Administration Building at CEU and the Graf Building at Dixie. He stressed that life safety was the state's top priority. For emergency needs, funding comes through State Risk Management.

Representative Adair suggested that when building construction slows, the state should take those jobs and convert them to infrastructure and new projects which are needed. College-educated students used to be Utah's biggest export. We would like to make sure we retain our educated citizens, and we need to maintain the infrastructure of roads and buildings throughout the state. Utah has much extremely critical deferred maintenance in addition to \$1 billion worth of buildings which need to be constructed. He said if education facilities were built in rural Utah, the dividend would be educated citizens who remain in Utah. Rep. Adair suggested that the state use half its budget surplus for higher education buildings and urged members of both boards to work collectively toward that end. He also expressed a strong desire to change the bonding process, and that the length of time for bonds be extended to 20 years.

Representative Johnson disagreed, arguing that the state has resources and it would not be wise to borrow money from the future to accelerate our economy. He said if we need buildings now and those needs are justified, we should appropriate money to build them, not borrow for them. Representative Bowman described himself as a conservative who believed in bonding. Each state agency feels its priorities are the most important in the state. When we keep pushing projects back, the costs are much higher than they would have been if needs had been addressed initially. He agreed with Representative Adair's idea of going after the surplus money for higher education facilities.

Representative Pace pointed out that the state is the client. She urged the Regents to make their requests as tight as possible, arguing that not all buildings need to be monuments. Classrooms are classrooms. We need to work out a formula that is inclusive and uniformly used. Representative Short said the state pays too much for higher education buildings. He urged caution in transactions with architects and said buildings should not be monuments to presidents or architects. If the scope of projects were reduced, additional buildings could be constructed.

Representative Goodfellow praised the Capital Facilities Committee for the effective way they work together. He noted that the Legislature will be having a large turnover in the coming election. He urged the Presidents and Regents to educate the new legislators. We may not be able to get a bond through the Legislature if they are not aware of the problems. He said he favored six- to seven-year bonds. By the time the architect is hired and the building is designed and built, the bond is half retired. He acknowledged that most states bond for 20-30 years.

Chair Adams reflected that everyone had addressed new buildings. The state is "in the hole" a billion dollars on deferred maintenance. Last year bonding was defeated in the Legislature. The previous year we received half as much bonding as projected. The deferred maintenance account has been short for many years. We need to emphasize buildings which need to be demolished or renovated. He recalled that in 1965 the Governor and Legislature had approved a \$100 million bond at 2.75 percent for new buildings. At today's rates, that bond would have to be \$1 billion, adjusted for inflation. Chair Adams called that bond the finest investment this state had ever made. He urged the Regents and Building Board members to work with elected officials about our children moving from public education through higher education. Our college students cannot be educated in buildings which are substandard to public education facilities. Public education has features which are not found in higher education facilities unless they have been paid for with donated endowments. He said it was a bad business decision not to take care of what we already have before we embark on getting additional square footage.

Regent Atkinson said every department in the state could make a good case for every dollar which is available. The challenge for Utah is pitting human needs against building needs. The Regents have the responsibility to close down the buildings with life safety issues and not leave students and faculty at risk. If the money is not available to repair existing buildings, the Regents need to take a stand to close down the buildings. If buildings with life safety issues are allowed to remain open without repairing them, we are leaving ourselves open for a possible catastrophe in the future.

Director Byfield said he did not know how government solves that dilemma. There is no penalty associated with neglect. DFCM has been correlating program mission need. If there is a purpose or a mission, the capital side is just as important as the personnel and equipment needs. Capital should be put in concert with the whole program delivery. This includes life safety issues. Perhaps the number of faculty could be reduced. DFCM is assessing every building and

infrastructure in the state. They will be tracking and recommending more closely projects to prevent problems in the future. If we balance the total program delivery and send a package to the Legislature, it would be helpful. DFCM is building a database on all state facilities. The Building Board has always addressed what is immediately needed and set aside what is needed in the future. They did not have a comprehensive list of what is truly needed in the long run. If we just close buildings down, it would send the wrong message about maintaining anything.

Regent Hoggan recalled out that the original proposal for SLCC's Larry H. Miller Entrepreneurship Center was that Mr. Miller would deed the land to the College and the buildings would be built through DFCM. He decided to construct the buildings and donate them to the College because he could build them for significantly less money. Director Byfield responded that he had great respect for all builders. However, the state can build anything at any level anyone wishes. They deliver at project costs with no changes unless they are owner-initiated. The price structure for buildings at the University of Utah is equivalent to anything in the state. Our process includes a motivation to architects. With the Miller Building, SLCC did not add anything. They took possession of a completed building. The Bridgerland ATC was delivered on schedule within budget. The state can deliver quickly, effectively and price-efficiently.

Commissioner Foxley clarified that Larry Miller had worked closely with the College to meet the needs of the College for the facility. We need to work collectively to find the best, most reasonable and cost-effective way to keep our costs down.

Mr. Jenkins said the Building Board would be holding a rule-making procedure in September on the way architects, engineers and contractors are selected to change the way the state constructs new buildings and to give the state control of the projects. We need to build more efficiently, and fund more efficiently.

Returning to the subject of bonding, Regent Jordan said it is fair to expect taxpayers 20 years from now to pay for buildings which they will be using. If we do not build through bonding, we will continue to fall behind on deferred maintenance and life safety projects. He asked, If the 1965 bond was the smartest thing the state ever did to build its economic base, how can we use that creatively now?

Vice Chair Clyde said the meeting had been very useful to the Regents. She was particularly grateful to the Legislators for their forthrightness. She expressed her appreciation to the Building Board and DFCM for their dialogue. The dilemma for the Regents is how to provide places of learning which are safe and inspiring enough so that students receive what they need in such a dynamic time of innovation. Legislators need to truly understand what it costs to fund higher education at a time when there are so many changes in the future. Teaching is more valuable than the building in which it takes place.

Commissioner Foxley referred to the summary of projected enrollments and told Building Board members that the headline in that morning's Salt Lake Tribune caused readers to think that enrollment growth is slowing. On a percentage basis, it is slowing a bit. On an actual numbers basis, we are continuing to grow at a healthy rate. Some of the institutions will grow even faster than projected. We cannot provide an opportunity for our children and grandchildren to receive an education unless we provide the facilities. Our best resource as a state is a trained workforce. In actual bodies, we will grow more in the next 20 years than we have in the past 20 years.

Chair Adams said the Building Board had hoped to find out whether or not the enrollment growth at USHE institutions would be on-campus or off-campus. What additional buildings will be required? Representative Adair said with the tremendous growth in Salt Lake, Davis, Washington, and Utah Counties, the new Davis County campus will definitely be needed.

Regent Atkin suggested a 20-year building plan for the system to determine how much building might be required and how affordable it would be. Chair Adams agreed that such a plan would help the discussions in the Capitol. We need to show replacement as well as new facilities. Associate Commissioner Tarbox requested the help of DFCM in making these projections. Director Byfield said his staff should be in a position to have 80 percent of the data available by November or December to validate the information from higher education against the DFCM database. He said he was about a year away from having a process in full; however, he will have significant numbers prior to the Legislative Session.

Regent Atkinson said this had been a most helpful meeting. She commended the Building Board on the time they had taken to tour the various buildings and sites and requested something in writing from DFCM two or three times a year to keep the Regents informed.

Vice Chair Stepan said Chair Adams has had the Building Board look at all aspects which have been covered in this meeting. There is strong interest in anticipating facilities maintenance, replacement and construction. The more we can do to collect the data, the more helpful it will be in providing the Legislature with the extent of the state's needs. The Building Board has been looking at architectural systems as well as architectural selections to reduce costs. This is the most aggressive Building Board during his 35-year term in the architectural field. He expressed his pleasure at the direction of the Building Board, saying they were making real progress but this needs to be an issue of teamwork.

Regent Rogers requested that Director Byfield and Chair Adams come back in November or December to see if we are all in agreement on how we are going forward. He also invited Representative Adair to come back as soon as he had his proposal in a form which could be endorsed by the Board of Regents. There was general agreement with this suggestion.

Chair Johnson thanked everyone for the meaningful dialogue. The Regents recessed to go into executive session, with the committee meetings beginning at approximately 3:30 p.m. The joint meeting adjourned at 2:50 p.m.

### COMMITTEE OF THE WHOLE

Following committee meetings, the Committee of the Whole reconvened at 4:22 p.m.

#### Reports of Board Committees

Finance and Facilities Committee. Chair Brent Hoggan returned to Logan and was not present for the remainder of the meeting. Vice Chair Paul Rogers reported the actions of the committee.

Southern Utah University – St. George Head Start Facility Lease (Tab J). SUU's current Head Start facility does not comply with child-care center licensing requirements, and a new facility is needed. A private company, S&G Bowen LLC, would construct the building with parking and other improvements, then lease the property for 20 years to the SUU Head Start program. Provision was made for an optional second 20-year lease with provisions for \$1500 per month, an annual gift tax receipt, and the gifting of the property to the SUU Head Start program. Vice Chair Rogers moved approval of the lease, subject to elimination of § 2-B-1 or renegotiation to a fair market value. The motion was seconded by Regent Atkin and carried unanimously.

Southern Utah University – Campus Master Plan (Tab K). Stating that no changes had been made to the Campus Master Plan since it was approved in 1999, Vice Chair Rogers moved its approval. The motion was seconded by Regent Atkin and carried unanimously.

USHE Long-term Enrollment Projections (Tab L). This item was discussed earlier in the day.

Student Financial Aid – Approving Resolution, SBR Student Loan Revenue Bonds, 2000 Series S, 2000 Series T, and 2000 Series U (Tab M). The new revenue bonds will be a blend of \$44 million in tax-exempt refunding bonds, \$49.5 million in new tax-exempt variable-rate bonds and \$35 million in new taxable variable-rate bonds. The proposed Resolution would authorize a Tenth Supplemental Indenture to the 1988 General Indenture, providing for three additional 2000 Series bonds. Vice Chair Rogers moved approval of the bonds up to \$130 million at an expected interest rate of 4.5 to 5 percent on the tax-free bonds and 6 percent on the taxable bonds. The motion was seconded by Regent Atkin and carried with the following vote:

YEA: Jerry C. Atkin  
Pamela J. Atkinson  
Aileen H. Clyde  
David J. Grant  
Michael R. Jensen

Charles E. Johnson  
David J. Jordan  
Rob Peterson  
Winn L. Richards  
Paul S. Rogers  
Maria Sweeten

NAY: (None)

Report of the Audit Review Subcommittee (Tab N). Vice Chair Rogers said the committee had reviewed the audit reports, which required no action.

Weber State University – Property Purchase (New Agenda Item). A parcel of property has become available which borders the Ogden campus. University officials are seeking to move quickly to acquire the property which will otherwise be developed as a residence with frontage on the street which acts as the University's perimeter road to the north. The appraised price of the property is \$40,000. University officials expect to need an additional \$15,000 to dissuade the owner from breaking ground immediately. Vice Chair Rogers moved approval of the purchase at a maximum of \$55,000, of which no more than \$40,000 (the appraised value) would come from institutional or state funds. The motion was seconded by Regent Jensen and carried unanimously.

Consent Calendar, Finance and Facilities Committee (Tab O). On motion from Vice Chair Rogers and second from Regent Jordan, the following items were approved:

- A. OCHE Monthly Investment Report
- B. USHE 2000-2001 Initial Work Program Revisions
- C. USHE 2000-2001 Appropriated Operating Budgets

Chair Johnson thanked Vice Chair Rogers for his expeditious report.

#### Academic and Applied Technology Education Committee

Weber State University – Associate of Applied Science and Bachelor of Science Degrees in Computer Engineering Technology (CET) (Tab D). Chair Atkinson said the proposed A.A.S. degree could be used either for immediate employment or to move into a B.S. degree. Students enrolling in the B.S. program must have already completed the A.A.S. CET degree at WSU or an equivalent A.A.S. degree or course work in another accredited A.A.S. degree program. Chair Atkinson moved approval of the program offerings. The motion was seconded by Vice Chair Clyde. Regent Grant commended WSU for moving in the direction of computer hardware-oriented programs. Vote was taken on the motion, which carried unanimously.

Utah Valley State College/College of Eastern Utah/Snow College – Associate of Science Degree in Business (Tab E). Chair Atkinson praised the collaborative effort of these three colleges, saying it could be a model for future collaboration. Transfer students will need to anticipate several unique general education or business requirements that continue to be required at the universities. Chair Atkinson moved approval of the Commissioner's recommendation. The motion was seconded by Regent Sweeten. Vote was taken on the motion, which carried unanimously.

Utah Valley State College – Associate of Applied Science Degree in Telecommunications Technology (Tab F). Chair Atkinson explained that this was a unique degree. It is more technical than BYU's administrative program. There is a strong demand for trained workers in this area. Questions raised regarding faculty expertise were answered to the committee's satisfaction. She moved approval of the Commissioner's recommendation. The motion was seconded by Vice Chair Clyde and carried unanimously.

Utah Valley State College – Associate of Applied Science Degree in Manufacturing Engineering Technology (Tab G). Chair Atkinson said the institution had made an excellent presentation to the committee regarding the economic impact of this program. The committee raised questions about concerns expressed by SLCC and WSU. UVSC officials explained that the suggestions of the other institutions had been taken into consideration. Chair Atkinson moved approval of the program. The motion was seconded by Regent Sweeten and carried unanimously.

Information Calendar, Academic and Applied Technology Education Committee (Tab H). Chair Atkinson said the committee had raised no questions regarding the information presented. No action was required.

Consent Calendar, Academic and Applied Technology Education Committee (Tab I). Chair Atkinson explained that the University of Utah's pilot Ph.D. Program in Social Work was developed to respond to the need of the faculty for doctorate degrees. Many candidates are women and people of color whose careers are negatively impacted without Ph.D. degrees. Demand far exceeds the supply of qualified candidates. The committee approved the Commissioner's recommendation and added a request for monitoring as well as tracking of the data, and asked that a follow-up report be brought back to the Board when there is sufficient data, as well as a report on how well the monitoring program was working.

Upon motion (as amended by the committee) by Chair Atkinson and seconds by Vice Chair Clyde and Regent Sweeten, the following items were approved:

A. University of Utah – Proposal to restructure the Department of Educational Studies into two departments: the Department of Teaching and Learning, and the Department of Education, Culture, and Society.

B. University of Utah – Proposal to test a new delivery model for the Ph.D. Program in Social Work

Chair Johnson thanked Regent Atkinson for her report.

#### General Consent Calendar

On motion by Vice Chair Clyde and second by Regent Atkin, the following items were approved on the General Consent Calendar:

A. Minutes – Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held June 29, 2000, at Utah State University in Logan, Utah.

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

1. University of Utah – National Science Foundation. NSF 99-167 Itr-Haptically Enriched Tele-Immersive Environment; \$2,992,568; Elaine Cohen, Principal Investigator.

2. University of Utah – Public Health Service. Trial of Activity in Adolescent Girls; \$4,123,159; Edward B. Clark, Principal Investigator.

3. University of Utah – NASA. The UAV Cirrus Cloud Measurement Program: A Proposal in Support of the NASA Ese Uav Science Demonstration Program; \$7,584,177; Gerald G. Mace, Principal Investigator.

4. University of Utah – Breaking Cultural Barriers Through Postdoctoral Training; \$2,419,111; John R. Roth, Principal Investigator.

5. University of Utah – Public Health Service. Genetics and Consequences of Nicotine Addiction; \$9,536,022; John R. Hoidal, Principal Investigator.

6. University of Utah – Public Health Service. Regulation of Cell Growth and Death by Lipid Messengers; \$8,599,218; Thomas M. McIntyre, Principal Investigator.

7. University of Utah – Public Health Service. The Global Contribution of Programmed Shifts in Reading Frame for Gene Expression: Exploitation of Antizyme Frame-shifting; \$2,811,406; Raymond F. Gesteland, Principal Investigator.

8. University of Utah – Public Health Service. Developmental Biology Training Program; \$2,562,737; Carl

S. Thummel, Principal Investigator.

9. University of Utah – Public Health Service. Mapping and Cloning Prostate Cancer Predisposition Loci; \$2,514,841; Lisa Cannon-Albright, Principal Investigator.

10. University of Utah – Public Health Service. Molecular Characterization of the Ovulatory Cascade; \$2,270,445; Eli Y. Adashi, Principal Investigator.

11. University of Utah – US Department of Defense/USAF. Robust Composition of Embedded Systems; \$2,975,233; Frank J. Lepreau, Principal Investigator.

12. University of Utah – Public Health Service. Porphyrin Biosynthesis in Normal and Disease States; \$2,054,543; James P. Kushner, Principal Investigator.

13. University of Utah – Public Health Service. Diet and Somatic Mutations in Colon Cancer; \$2,978,647; Martha L. Slattery, Principal Investigator.

14. University of Utah – National Science Foundation. A Proposal to Create a National Science Foundation Joint Institute for Theoretical Chemistry; \$3,369,893; Gregory A. Voth, Principal Investigator.

15. University of Utah – National Library of Medicine. National Network of Libraries of Medicine; \$4,775,078; Wayne J. Peay, Principal Investigator.

16. Utah State University - Third year Funding for Lightweight Robotic and Semiautomatic Ground Vehicle Mobility and Survivability Enhancements; \$1,921,473; Bruce Bishop, Principal Investigator.

17. Utah State University - Calibration Techniques Related to the Next Generation of Space-Based Surveillance Systems; \$1,504,650; J. Steven Hansen, Principal Investigator.

18. Utah State University - Influence of Stream/Lake Landscapes on Nitrogen Transport and Ecosystems Function in Alpine Watershed; \$1,396,712; Wayne Wurtsbaugh, Principal Investigator.

19. Utah State University - Organization and Training for Farmer Managed Irrigation Systems; \$5,343,467; Gary P. Merkley, Principal Investigator.

20. Utah State University - Field Equipment for Geophysical Site Characterization, Measurement of Dynamic Response of Ground and Structures, and Small-Scale Earthquake Simulation; \$2,754,355; James A. Bay, Principal Investigator.

21. Utah State University - Youth and Families with Promise; \$1,000,000; Glen Jenson, Principal Investigator.

22. Utah State University - Consortium for the Application of Behavioral Principles to Management; \$3,608,771; Frederick Provenza, Principal Investigator.

23. Utah State University - RW1A 1 Watershed Management Project; \$1,091,451.68; Thomas Hardy, Principal Investigator.

24. Utah State University - Geostationary Imaging Fourier Transform Spectrometer; \$48,870,831; Gail Bingham, Principal Investigator.

25. Utah State University - Lightweight Robotic and Semiautonomous Ground Vehicle Mobility and Survivability Enhancements; \$1,921,473; Bruce A. Bishop, Principal Investigator.

C. Proposed Policy R926, Use of Office-owned Computers and Software – A policy applying to OCHE employees requiring appropriate use of office-owned computer hardware and software for official work of the office and maintaining appropriate separation between such office use and other personal or entertainment uses of personally owned computer hardware and software.

D. Executive Session(s) — Approval to hold an executive session or sessions in connection with the meetings of the State Board of Regents to be held September 15, 2000, at Snow College, to consider property transactions, personnel performance evaluations, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

#### Revisions to Policy R311, Institutional Missions and Roles

Commissioner Foxley referred to Tab Q, Attachment 1. Through two years of the master planning process, there was a special focus on the missions and roles of each institution. The institutions were asked to update their missions and roles for the USHE Master Plan 2000, and those changes have been incorporated into the revised policy. Regent Atkinson moved and Regent Sweeten seconded approval of the changes to policy R311. The motion carried unanimously.

The planning task force reports were carried over to the Friday morning meeting. President Bennion invited everyone to dinner at the Institutional Residence prior to the Green Show at 7:00 p.m. and Shakespeare performances at 8:30 p.m.

The meeting was recessed at 4:47 p.m.

#### Friday, August 4

Following an executive committee meeting with the SUU Board of Trustees, the Regents reconvened in Committee of the Whole at 9:30 a.m. Chair Johnson thanked everyone for all they had accomplished the previous day.

#### Reports on Master Planning Issues and Initiatives

##### Applied Technology Education (ATE)

Chair Johnson referred to Tab Q and reviewed the options for the future of ATE in the state. He asked Assistant Commissioner Wixom for his observations. Dr. Wixom said the system presentation to the Legislative ATE Task Force had put the issues on the table. The counterproposal by the State Office of Education was to basically leave things as they are with higher education offering classes for credit and public education focusing on non-credit offerings. Presentations by the ATC Superintendents were not given at the last meeting, nor was additional information presented from the Legislative Fiscal Analyst's office. In the August 14 meeting, the Superintendents will make their presentations. There had been some discussion about having the Presidents in those areas present at the same time. When the agendas have been set for the August 14 and August 28 meetings, the Commissioner will inform the Regents and Presidents.

Regent Atkinson said Speaker Marty Stephens had summed up the last meeting by saying that the task force had heard two very different stories. This put into question the conformation from both public education and higher education. Public education is lobbying much more heavily in the ATE area than higher education. Because of "turfism," the integrity of applied technology education is being lost. Regent Atkinson reinforced Regent Huntsman's suggestion last month of a one-page summary with bullet points.

President Cundiff said if we look at ourselves as a system, ATE is very important. We do adult education very well. We need to look at our missions and make sure we do not lose our emphasis on ATE. President Day said we need to clarify the issue. It is a question of whether students who take qualified programs in ATE should receive college credit. Clearly, the answer is yes. If they are to receive college credit, they should come under the mechanism by which credit is offered, i.e., higher education.

Chair Johnson said this has been an enormous educational effort. We have succeeded very well in identifying the issue. Credit can be granted by a third board as well as by higher education. Associate Commissioner Petersen said we also had the capability of coordinating efforts to provide a comprehensive program which includes credit. There is not a better example of the capability of higher education than the combined A.A.S. and B.S. program in CET which was brought to the Board by WSU the previous day. A student can complete one year, two years or four years of study, earning a certificate, A.A.S. Degree or B.S. Degree. Students can take part of the program and go to work, or continue to take additional pieces and return to work according to their need. Everything works closely together. That is what is needed in ATE today. A third board cannot do that.

Vice Chair Clyde said she had heard two legislators say that higher education was not committed to ATE. In her 11 years as a Regent, she has seen more time spent constructively and profitably in making sure we were meeting the needs of the students in ATE. The value we will lose if a third board is set up is the recognition by students that they can get credit for what they do and move from one type of education to another. Regent Atkinson pointed out that many people feel there is a status to going to college. Students can “go to college” and take ATE programs. Adults who take ATE on a college campus are “going to college.” It is a motivation for students to increase their self-esteem and for their parents to be proud that their children are getting a college education.

President Bennion said SUU had about 15 percent of its offerings in ATE, roughly 150 courses. He chairs the Southwest Applied Technology Center Service Region (ATCSR). Much cooperation and coordination has been done in the SWATCSR. A third board alternative is frightening because of fiscal implications. The incentive to cooperate could well be lost. We are already taxing our resources for education.

Commissioner Foxley said “credit” was becoming a dirty word with the ATE Task Force. While we see credit as the currency for students to continue their education and employers value it, the presentation from public education painted it as not being flexible if credit were offered. We must help the legislators understand how flexible we are and can become. In some ATC programs, such as the LPN program, students cannot come in and out at will. They have to be committed to the training and the program. This must be communicated. Legislators may not realize how much more costly a third board would be, especially in terms of the energy of cooperation.

President Jones said legislators remember technical schools and feel that SLCC and UVSC did not retain their ATE functions when they became community colleges.

Chair Johnson said this issue would be on the Board agenda for the next several months. When the task force concludes its work, hopefully everything will have been worked out smoothly.

### Formula Funding (Tab Q, Attachment III)

Chair Johnson said two legislators ( Senate President Lyle Hillyard and Representative Tom Hatch) serve on the task force, in addition to representatives from the Governor’s Office and Legislative Fiscal Analyst’s Office. The committee has agreed that the existing formula can be improved. It is their recommendation that the Regents take a greater role in the allocation process to the institutions. He asked, Do we really want to do this? Do the Presidents really want the Regents involved?

President Thompson said he was encouraged by the discussion and was very supportive of the direction of the task force. We need to keep moving forward. The current challenge is that only enrollment growth is getting funded. This is important, but there are other areas and challenges which also must be addressed. We must fund quality and the complexity that ATE is more expensive, etc. We are beginning to make progress and we must continue. He encouraged the Regents to continue their leadership.

President Romesburg said the Legislature has rewarded growth for years. Funding only the growth does not meet all the needs of the infrastructure and support systems. That support has eroded constantly. Those needs must be addressed, in addition to the needs of enrollment. One of the criticisms against the Regents is that they are not involved enough in the oversight of the institutions and the system. We need the Regents more involved in deciding what performance measures should be in place and then rewarding them. The new approach in formula funding gets the Regents directly involved in the direction of the system, which is their statutory role.

President Day agreed that this was a positive step. He also would like to see the Regents involved. That can make a big difference to the goals of the institutions. The Regents may also raise questions of the Boards of Trustees. We need to be prepared for that discussion as it evolves.

#### Tuition and Financial Aid (Tab Q, Attachment IV)

Chair Johnson explained that the tuition and financial aid issue will flow through the Funding Formula Task Force. That task force has approved some items. One of the ideas approved was to have two tuition approvals by the Board – first, a base tuition increase which would flow through the formula, and second, institutions with differing missions and needs would be allowed to submit a second tuition proposal over and above the base previously approved. The Board would go through the same process but would focus on differences of mission. Another issue was the expectation of the Legislature that 25% of faculty and staff compensation be paid through tuition. The task force has concluded that the formula should include a tuition component. A third issue was a policy which says graduate tuition is set at 110 percent of the base tuition. The marketplace is solving this issue. The focus so far has been on differential.

Associate Commissioner Petersen said a critical element must be the willingness of the Legislature to provide higher education with the flexibility to use tuition received at the institutional level at the presidents' discretion. This provides an incentive for the institutions to try to improve. Regent Atkinson asked that anything the Regents do to increase tuition be tied in with a request to the Legislature for an increase in student financial aid.

Chair Johnson said there would be discussion at the next meeting of some substantial tuition increases with a proposal that part of it could be used for student aid. A second part of the discussion would concern incentives. We presently have students who take 8-10 years to get through school by working for minimum wage and taking a part-time class load. He asked, Should we encourage them to go heavily into debt or place some incentives on them? Should tuition for non-residents be increased? Should the differential on non-residents be changed? That has not been discussed in depth. The committee has discussed some substantial increases in tuition.

President Day said we must not forget that as students pay more tuition, they should receive something for it. They should not get an absence or reduction in quality. We must provide quality, services, and opportunity which are not now evident. President Romesburg said higher education has been underfunded for a number of years. There are needs on every campus. We have two sources of revenue – state appropriations and tuition. The Regents' policy has been to keep tuition as low as possible so access is not impacted for all students. This is the right direction. However, we have not produced the kind of revenue which is required to give students the quality they deserve. The alternatives are to continue as at present and erode things outside the classroom, or ask students to pay more tuition. He will be asking the committee, then the Regents, to look at substantial increases in tuition to try to fund the services the students deserve. President Cundiff asked the Regents, in discussing resident and non-resident tuition, to discuss distance education as well. There are no electronic walls at state lines.

Chair Johnson announced that the next meeting of the Tuition and Financial Aid Task Force would be held on Tuesday, August 8.

#### Service Area Education Coordination Plans

Vice Chair Clyde said this task force included Regents, Trustees and institutional personnel who will study service area education coordination plans from each area. The task force has not been able to have a face-to-face meeting yet, but they have had a useful conference call. A meeting will be held on September 8 to discuss the education coordination plans. Regent Clyde said she appreciated the "fresh eyes" on the committee. They will be looking at Tooele, southeast Utah, and SUU/Dixie service areas at first. Other issues were raised which will be discussed later. One of them was regulation of service area issues with the Internet. Additional information will be reported at the next Board meeting.

#### Report of the Commissioner

Meeting Schedules. Commissioner Foxley announced that the September 15 Board meeting would be held at Snow

College rather than UVSC. A proposed meeting schedule for 2001 was in the Regents' folders. With the state travel budgets being decreased by 10 percent, we have eliminated one meeting. If there is a need for an additional meeting, one will be scheduled. She asked the Regents and Presidents to let Joyce know any conflicts which they may have with their schedules.

Recognition of Blythe Ahlstrom. Commissioner Foxley announced that this was Assistant Provost Ahlstrom's last Board meeting. He is retiring from USU after serving for over 28 years on the faculty and in key roles in the administration. On behalf of the Regents, she extended appreciation for his service to USU and to the system as a whole and wished him well in his retirement.

#### Adjournment

Chair Johnson asked President Bennion to thank his staff for the wonderful accommodations, meals and Shakespeare productions. President Bennion joined the Regents in thanking his staff, especially his assistant, Jackie Bulloch.

The meeting was adjourned at 10:25 a.m.

Joyce Cottrell CPS  
Executive Secretary

Date Approved