

AGENDA

MEETING OF THE UTAH STATE BOARD OF REGENTS

November 7-8, 2002

**Utah State Board of Regents
Office of the Commissioner
of Higher Education
Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, Utah 84101-1284**

AGENDA
BOARD OF REGENTS MEETING
SNOW COLLEGE
NOVEMBER 2002

Thursday, November 7

4:00 p.m. INVESTITURE CEREMONY FOR PRESIDENT BENSON
5:30 p.m. RECEPTION
 Greenwood Student Center

6:30 p.m. DINNER
 Founders Hall, Noyes Building
 (by invitation)

Friday, November 8
All Meetings in Noyes Building

7:30 a.m. - REGENTS' EXECUTIVE SESSION
8:00 a.m. Lorenzo & Erastus Snow Conference Room

8:00 a.m. - BREAKFAST MEETING – STATE BOARD OF REGENTS, SNOW COLLEGE
9:30 a.m. TRUSTEES, PRESIDENT BENSON, COMMISSIONER FOXLEY
 Academy Room

- Open meeting
- Executive session

9:30 a.m. - COMMITTEE OF THE WHOLE
11:00 a.m. Founders Hall

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| 1. USHE – Preliminary Proposed Tuition Increases for 2003-2004 | Tab A |
| 2. Student Presentation | |
| 3. USHE – 2003 Priorities and Renaming of Board Committees | Tab B |
| 4. USHE – Proposed 2003-2004 Budget Request | Tab C |

11:00 a.m. - MEETINGS OF BOARD COMMITTEES
12:30 p.m.

Academic and Applied Technology Education Committee
Heritage Room

ACTION:

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| 1. Proposed Revisions to Policy R401, <i>Approval of New Programs, Program Additions</i>
or Program Changes | Tab D |
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| 2. Proposed New Policy R312, <i>Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles</i> | Tab E |
| 3. Proposed Exceptions to the Moratorium on New Programs | Tab F |

INFORMATION:

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| 4. Utah Valley State College – Name Change from Department of Humanities and Philosophy to Department of Philosophy and Humanities | Tab G |
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CONSENT:

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| 5. Utah Valley State College – Creation of Institute of Culinary Arts | Tab H |
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Finance and Facilities Committee
Room 101

ACTION:

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| 1. Snow College – Campus Master Plan | Tab I |
| 2. Southern Utah University – Revenue Bond for Student Housing | Tab J |
| 3. Snow College – Revenue Bond for Multi-Events Center in Richfield | Tab K |
| 4. USHE – Tuition for UCAT AAT Students in General Education Courses and Proposed Revisions to Regent Policy R510, <i>Tuition and Fees</i> | Tab L |

INFORMATION:

- | | |
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| 5. State Building Board's Capital Development Recommendations | Tab M |
| 6. USHE – Fall 2002-2003 Enrollment Report | Tab N |
| 7. Student Financial Aid – UHEAA Board of Directors Report | Tab O |

CONSENT:

- | | |
|--|-------|
| 8. Consent Calendar, Finance and Facilities Committee | Tab P |
| A. OCHE – Monthly Investment Report | |
| B. UofU and USU – Capital Facilities Delegation Reports | |
| C. University of Utah – Sale of Donated Property near Reno, Nevada | |

12:30 p.m. -
1:30 p.m.

WORKING LUNCH
Founders Hall

DFCM – Report on Condition Assessment Program, Facility Audit Program, and CMMS (Computerized Maintenance Management System) Program	Tab Q
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1:30 p.m. -
3:30 p.m.

REGULAR BUSINESS MEETING OF THE BOARD
Founders Hall

1. Utah College of Applied Technology – First Annual Report Tab R
2. Report of the Chair
3. Report of the Commissioner
4. Report of the Board Committees
 Academic and ATE Committee, Tabs D - H
 Finance and Facilities Committee, Tabs I - P
5. General Consent Calendar Tab S

Projected times for the various meetings are estimates only. The Board Chair retains the right to take action on any item at any time. In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify ADA Coordinator at 60 South 400 West, Salt Lake City, UT 84101 (801-321-7124), at least three working days prior to the meeting. TDD # 801-321-7130.

MEMORANDUM

October 31, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: USHE – Preliminary Proposed Tuition Increases for 2003-2004

Issue

During the November 8th meeting, Regents will be asked to consider and take action on a first-tier tuition rate increase for all USHE institutions for the 2003-2004 academic year. The increase considered at this meeting will apply uniformly to all USHE institutions. The Regents will be asked to consider a process for determining second tier increases for individual institutions during the upcoming months. This process was discussed by the 2002 Master Planning Task Force on Funding.

The Commissioner's Recommendation for a first-tier increase and process for determining second-tier increases, along with supporting information, will be hand carried to the meeting on November 8th.

Cecelia H. Foxley, Commissioner

CHF/MHS/BLM

October 30, 2002

MEMORANDUM

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: 1- USHE – 2003 Priorities
2- Renaming of Board Committees

Issue

The priorities below have emerged from the Board's work in updating the Master Plan. Ongoing focus on these priorities can be best accomplished by the Board's standing committees.

Priorities

1. **Funding Formula.** A balanced funding formula is needed to enable USHE institutions to increase quality and accountability as they meet the needs of students today and into the future.
2. **Student Success, Quality and Accountability.** The System's role in preparing students for success academically and in their eventual careers must be paramount. To accomplish this, Regents and institutions are committed to a sharper focus on student success, graduation efficiency, and accountability for the use of state resources.
3. **Institutional Roles and Missions.** Utahns are fortunate to have access to ten higher education institutions with a variety of roles to meet their diverse needs for post-secondary education and training. It is imperative that institutions focus on what they do best—their role in the Higher Education System—and not divert time, effort, or resources in aspiring to be something they are not. The roles and missions of institutions are being refined and clarified in order to avoid unnecessary duplication of efforts.

All of this adds up to one thought: "Higher Education Matters." In today's global knowledge-based economy, preparation of students to compete and succeed must be the foundation of every effort

of the Utah System of Higher Education. It is well established that for individuals, "more knowledge equates to higher earnings." And for the state as a whole, the education and training of tomorrow's workforce, coupled with the quality jobs that are a byproduct of university research and development, demonstrate the importance of higher education for the future economic health of the state. As Utah's elected representatives grapple with challenging economic times, state funding of higher education has eroded the past five years by an average of \$717 in real dollars per FTE student. Recognizing the budget constraints facing the state in a time of continued enrollment growth and demand for higher education, it has never been more important that the System makes every effort to ensure that all resources are spent wisely. At the same time, it is crucial that an agreement be reached with state policymakers to establish a more rational and consistent funding formula for ongoing support of higher education.

Renaming of Board Committees

Regents' Master Planning Task Forces have worked throughout the past year to address the priorities listed above. It is now time to incorporate the work of these task forces into the on-going efforts of the Board through its standing committees, and by doing so to increase the focus on accountability and the success of students in reaching their educational objectives. Therefore, the work of the Funding Task Force will be incorporated into the work of the Finance and Facilities Committee, which will be renamed the "Finance, Facilities and Accountability Committee." Renewed emphasis will be given to the Board's accountability for the precious resources invested by state taxpayers in the System of Higher Education. The work of both the Student Success Task Force and the Roles and Missions Task Force will be followed up by the Academic and Applied Technology Education Committee which will be renamed the "Academic, Applied Technology, and Student Success Committee." This will bring to the forefront the very reason we exist—to provide opportunities for students to be successful.

Chair Nolan Karras will lead the Regents and Presidents in a discussion of the priorities and themes listed above. Vice Chair Pamela Atkinson will expand on the rationale for the renaming of the Board's standing committees. Regents and Presidents are encouraged to offer suggestions for clarification and/or enhancement of these items.

Commissioner's Recommendation

It is the recommendation of the Commissioner that after discussion and revisions as appropriate, the Regents approve the overall USHE priorities for 2003. It is also recommended that the Board's standing committees be renamed the "Academic, Applied Technology, and Student Success Committee" and the "Finance, Facilities and Accountability Committee."

MEMORANDUM

October 31, 2002

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: USHE – Proposed 2003-2004 Budget Request

Issue

A major topic of discussion for the November 8 meeting will be Regent consideration of and action on the USHE 2003-2004 Operating Budget Request. The request will include the components of the Utah Higher Education Funding Formula, as refined by the 2002 Master Planning Task Force on Funding. Because final numbers and other information are presently being assembled and verified, it is necessary to hand-carry the Commissioner's recommendation to the Regents' meeting.

Cecelia H. Foxley, Commissioner

CHF/MHS/BLM

October 30, 2002

MEMORANDUM

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Policy R401, Approval of New Programs, Program Additions or Program Changes

Issue

Policy R401, Approval of New Programs, Program Additions or Program Changes, has been rewritten by the Commissioner's staff, in consultation with the Chief Academic Officers, to improve and add rigor to the program approval process. The Regents' request to receive more specific information earlier in the program approval process and have greater scrutiny of the proposed programs provided the impetus for the Policy's review.

Background

Policy R401 was presented to the Regents at the September meeting as an information item. Since that review the major changes to the policy include the following:

- (1) Three routes through the program approval process:
 - (a) Program proposals generating no questions or concerns by Commissioner's Staff, CAOs, or Program Review Committee do not have a second review.
 - (b) Program proposals generating questions and concerns have a second review by Commissioner's Staff, CAOs and PRC to address questions and concerns raised during the letter of intent review process.
 - (c) Fast Track Approval: for Applied Technology Education Certificates of Completion and Diplomas.
- (2) A two-year follow-up report is required for all approved programs.
- (3) Minors approved by Boards of Trustees are submitted to Commissioner's Office for information.
- (4) Stand-alone minors are submitted to the Board of Regents as an information agenda item.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Board approve Policy R401, Approval of New Programs, Program Additions or Program Changes.

Cecelia H. Foxley, Commissioner

CHF/DDW
Attachment

October 18, 2002

Draft

R401, Approval of New Programs, Additions, or Program Changes

R401-1. Purpose

To provide guidelines and procedures for Board approval and notification of new programs and programmatic and administrative changes in academic and applied technology education programs. In addition, this policy includes program-related items that institutions shall provide to the Office of the Commissioner.

R401-2. References

- 2.1.** Utah Code §53B-16-102 (Changes in Curriculum)
- 2.2.** Policy and Procedures R220, Delegation of Responsibilities to the President and Board of Trustees
- 2.3.** Policy and Procedures R315, Service Area Designations and Coordination of Off-Campus Courses and Programs
- 2.4.** Policy and Procedures R355, Planning, Funding, and Delivery of Courses and Programs via Statewide Telecommunications Networks
- 2.5.** Policy and Procedures R411, Review of Existing Programs
- 2.6.** Utah Code §53B-16-102 (Continuing Education and Community Service R430)
- 2.7.** Policy and Procedures R465, General Education
- 2.8.** Policy and Procedures R467, Lower Division Major Requirements

R401-3. Summary of Process. Institutions submitting program proposals for the Action Calendar shall adhere to the following process:

- 3.1. Letter of Intent** (link to)
- 3.2. Staff and Chief Academic Officers Review** (link to)
- 3.3. Submission to Program Review Committee** (link to)
- 3.4. Preparation of the Full Proposal** (link to)
- 3.5. Timetable for Submission** (link to)
- 3.6. Council of Chief Academic Officers** (link to)
- 3.7. Board of Regents Consideration** (link to)
- 3.8. Budgetary Consideration Separate from Approval** (link to)

R401-4. Programs Requiring Board Consideration. Programs inclusive of those in **R401-4** will have undergone institutional review and been approved by the institutional Board of Trustees prior to submission to the Office of the Commissioner. A definition follows each item.

- 4.1. Action Calendar.** Programs placed on the Action Calendar require Board approval upon recommendation of the Academic and Applied Technology Education Committee (See **R401-9.1** for Template for Letter of Intent). The following programs require action

by the Board:

4.1.1. New Certificates of Completion and Diplomas. A coherent sequence of courses 30 credit hours or 900 clock hours or greater, with general education requirements, or at least 600 clock hours and eligible for financial aid. These certificates are designed for entry-level employment or subsequent completion of an associate degree. For certificates developed in rapid response to business and industry, refer to **Fast Track, R401-7**. (link to)

4.1.2. New Associate of Arts and Associate of Science Degrees. Programs of study primarily intended to encourage exploration of academic options, provide a strong general education component, and prepare students to initiate upper-division work in baccalaureate programs or prepare for employment. A minimum of 60 and a maximum of 63 credit hours, which include 30 to 39 credit hours of general education course work, and other requirements as established by USHE institutions, are required for completion of an associate degree. The Associate of Arts Degree may have a foreign language requirement. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.3. New Specialized Associate - Associate of Pre-Engineering (APE Degree). Programs of study which include extensive specialized course work intended to prepare students to initiate upper-division work in baccalaureate programs. A minimum of 60 and a maximum of 63 credit hours, which include a minimum of 28 credit hours of preparatory, specialized course work, general education requirements that are less extensive than in AA or AS Degrees, and other requirements as established by USHE institutions, are necessary for completion of the degree. Because students do not fully complete an institution's general education requirements while completing a specialized associate degree, they are expected to satisfy remaining general education requirements in addition to upper-division baccalaureate requirements at the receiving institution.

4.1.4. New Associate of Applied Science Degrees. Programs of study intended to prepare students for entry-level careers. A minimum of 63 and a maximum of 69 credit hours are required. Additionally, general education requirements that are less extensive than in AA or AS Degrees and others, as established by USHE institutions, are required. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.5. New Associate of Applied Technology (AAT) Degrees. Programs of study intended to prepare students for entry-level careers. The AAT Degree is competency-based and offered on an open-entry/open-exit basis. A mastery of a series of identified competencies, general education course work that is less extensive than in AA and AS Degrees, and other requirements as established by

the Utah College of Applied Technology, regional boards, and program advisory committees, are necessary for completion of the degree. The average time to completion of the AAT Degree should fall within a range of 1890 to 2070 clock hours; however, open-entry/open-exit, competency-based instructional delivery allows students to complete their course of study at their own pace. Like the AAS Degree, the AAT Degree is designed to prepare students for direct entry into the workforce; however, the AAT Degree may also transfer directly into Bachelor of Applied Technology (BAT) Degree programs.

4.1.6. New Bachelor of Arts, Bachelor of Science and Professional Bachelor Degrees. Programs of study including general education, major course work, and other requirements as established by USHE institutions and accreditation standards. Credit requirements include completion of a minimum of 120 and a maximum of 126 credit hours. However, some professional Bachelor Degrees, such as the Bachelor of Business Administration or Bachelor of Fine Arts, may have additional requirements. Other disciplines such as engineering and architecture may exceed the minimum of 120 credit hours in order to meet accreditation requirements. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.6.1. Major. A sequenced set of courses within a Bachelor's Degree program that comprises study in an academic discipline. The Major is listed on the graduate credential and signifies that the recipient possesses the knowledge and skills expected of graduates in the discipline. (*Minor courses/programs within approved degree programs will be reviewed only by institutional Boards of Trustees and submitted to the Commissioner's Office.*)

4.1.7. New Master's Degrees. Graduate-level programs of study requiring a minimum of 30 and maximum of 36 credit hours of course work beyond the bachelor's degree, and other requirements as established by USHE institutions and accreditation standards. Professional master's degrees such as the Master of Business Administration or Master's of Social Work may require additional course work or projects. Specialized professional master's degrees typically require additional course work. Based on compelling reasons, exceptions to the maximum credit hour requirement may be granted by the Board.

4.1.8. New Doctoral Degrees. Graduate-level programs in an advanced, specialized field of study requiring competence in independent research and an understanding of related subjects.

4.1.9. New K-12 School Personnel Programs. Endorsement and licensure programs for teacher education, counselors, administrators, and other school

personnel and which are within existing major degree programs previously approved by the institutional Board of Trustees and the Board. These programs adhere to a parallel approval process which requires the following steps: review by the Office of Academic Affairs, the Chief Academic Officers, appropriate officials and faculty from USHE colleges and schools of education, and the Program Review Committee (PRC); review and approval by the Board; review and approval by the Educator Development Advisory Committee (EDAC); and review and approval by the State Board of Education. Institutionally-approved proposals may be submitted to the EDAC once they have been reviewed by the Office of Academic Affairs, CAOs, colleges and schools of education faculty and officials, and the Program Review Committee. However, approval by the EDAC is contingent upon approval by the full Board of Regents and the State Board of Education.

4.2. Consent Calendar. Board Consent, which follows approval of the Academic and Applied Technology Education Committee, is required for significant program and administrative changes. (See **R401-9.3** for Template for program submission). The following items require consent of the Board:

4.2.1. Reinstatement of Previously Eliminated Administrative Units and Instructional Programs. Programs and administrative units once discontinued and later believed to be necessary and viable.

4.2.2. Out of Service Area Delivery of Approved Programs. Programs, which require substantive change notification to the regional accreditation organization, and are offered outside of the institution's designated service area,

4.2.3. Permanent Approval of Centers, Institutes, or Bureaus. Administrative entities which perform primarily research, instructional, or technology transfer functions, and are intended to provide services to students, the community, businesses, or other external audiences, or to obtain external funds.

4.2.3.1. Temporary Approval and Temporary Sources of Funding. Requests to establish centers, institutes, bureaus, or other administrative entities which perform a primarily research, instructional, or technology transfer function, and are intended to provide external services and/or obtain external funds.

4.2.3.2. Modest Effort/Consistent with Roles/Affiliation/Three Year Limit. Institutions may seek temporary approval from the Commissioner for a center, institute, or bureau which is being established on an experimental or pilot basis. The Commissioner will evaluate and approve requests for temporary approval on the basis of the following criteria and conditions:

4.2.3.3. Temporary Source of Funds. Funding support is from temporary, non-public resources or from temporary institutional reallocation within a limited time frame.

4.2.3.4. Relatively Modest Effort. The proposed change requires a modest effort in terms of staff and space needs, normally with no permanent staff or no permanent facility assignment.

4.2.3.5. Consistent with Role. The activities involved are consistent with established institutional mission and role assignments.

4.2.3.6. Affiliation with Existing Program or Department. The administrative entity involved has programmatic affiliation with an existing academic program or department.

4.2.3.7. Three Year Limit. Temporary approval of centers, institutes, etc., may be granted for a period no longer than three years, after which an institution must request approval of the Board.

4.2.4. Certificates of Completion in which Instruction is Provided by an Outside Vendor and Requires Accreditation Review. The institution offers Certificates of Completion, credit or non-credit, for instruction provided by an organization outside of the USHE.

4.3. Information Calendar. Program Additions or Changes Requiring Notification on the Boards's Information Calendar. Board notification is required for changes to programs and administrative units, elimination of programs, institutional program reviews, and programs under development.(See **Template, R401-10.**)

4.3.1. Transfer, Restructuring, or Consolidation of Existing Programs or Administrative Units.

4.3.2. Discontinuation of Instructional Programs.

4.3.3. Name Changes of Existing Programs.

4.3.4. Institutional Program Review Report.

4.3.5. Programs under Development.

4.3.6. Stand-alone Minors. A coherent collection of courses, related to one another, that is not part of a previously approved Major or degree program. (Submission: as they are approved or eliminated by institutional Board of

Trustees.)

4.3.7. Interdisciplinary Minors. A coherent collection of courses, related to one another, from previously approved Majors or programs.

R401-5. Information to be Provided to the Office of the Commissioner. The USHE institutions shall submit to the Commissioner's Office the following items:

5.1. An annual list of scheduled program reviews, as defined in R411 including date of review. (Submission: September)

5.2. An annual list of credit and non-credit certificates not meeting the definition as defined in R401-4.1.1. (Submission: December)

5.3. A list of new Minors that are part of a degree or Major program, as they are approved by institutional boards of trustees. (Submission: as they are approved)

R401-6. Procedure for Submitting New Program or Program Changes for Board Approval

6.1. New Program and Program Changes as specified in the Action Calendar, R401-4.1. The process for the approval of new programs includes the submission of a Letter of Intent and the subsequent submission of a formal proposal to the Board of Regents. To help insure quality, institutions may wish to enlist the assistance of external consultants in developing the proposed program. Typically, applied technology education programs relate directly to the requirements of business and industry. Thus, programs submitted in this area should have the benefit of consultation from a program advisory committee regarding: (1) curriculum, including specific outcome-based competencies; (2) desired level of faculty qualifications; and (3) equipment and laboratory requirements.

6.1.1. Letter of Intent. Institutional Chief Academic Officers will submit a Letter of Intent electronically for each new program proposal to initiate the Regents' program approval process. The template provided in **R401- 9.1** will be used for the Letter of Intent. (Fast Track programs refer to **R401-7.**)

6.1.2. Staff and Chief Academic Officers (CAO) Review. USHE staff will review the Letter of Intent to assure that it is complete. Incomplete letters will be returned to the institution with suggestions. When Letters are determined to be complete, the Office of the Commissioner will advise the submitting institution to forward the Letter to the CAOs at all USHE institutions for review and comment. Within two weeks, the CAOs will identify issues related to the information provided in the Letter of Intent, including those that impact their institutions and/or programs, program quality, and other issues the CAOs believe to be pertinent. These comments will be sent electronically to the Commissioner's

Office and to all USHE institutions. *If no concerns are raised by Commissioner's staff or any institution, the Commissioner's staff will recommend to the Program Review Committee (PRC) (see **R401-6.1.3.**) that the program proposal is ready to be placed on the next Regents' agenda. The PRC may either accept or reject the staff's recommendation based upon its review. If the PRC accepts the recommendation, the proposing institution will prepare a full proposal in a timely manner so that it may be included on the subsequent Regents' agenda.*

6.1.3. Submission to Program Review Committee (PRC). Once the proposing institution addresses issues raised by the CAOs, the revised Letter of Intent and institutional issues that have and have not been resolved will be forwarded for review by the Program Review Committee (PRC). The role of the PRC is to assess the proposal based upon six elements (description, market/student demand, source of funding, mission fit, current availability of similar programs already offered in the USHE, and institutional ranking according to the priorities of the submitting institution. Confidential information may be submitted to the Commissioner under seal. (See Letter of Intent Template **R401-9.**) The PRC will review the Letter of Intent and accompanying information, raise questions, and request additional information as appropriate. Sitting with the PRC will be an institutional representative(s) appointed by the CAO, and Commissioner's staff. A member from the institution's Board of Trustees may be included.

6.1.4. Preparation of the Full Proposal. After the review process has been successfully completed, the proposing institution will develop a full proposal. The full proposal will follow the template in **R401-9.2.** and address issues raised by the CAOs and Reviewers.

6.2. Timetable for Submittal. Following the Letter of Intent review process, proposals will be submitted to the Commissioner's Office of Academic Affairs electronically, according to the annual schedule prepared by the Associate Commissioner for Academic Affairs, approximately two months before the date of the Regents' meeting when the proposal would be on the Regents' agenda for the first time. At the same time, the proposing institution's CAO will circulate the proposal to all USHE CAOs for review and evaluation. Once a proposal is evaluated by appropriate faculty at the other USHE institutions, comments and suggestions will be sent electronically to the Commissioner's Office and all CAOs at least one week prior to the CAO meeting where all proposals are discussed. The proposing institution will be responsible for addressing these concerns and any others in written communication electronically sent to the Commissioner's staff and all CAOs. If deemed necessary, the Office of Academic Affairs may request reviews from external evaluators.

6.3. Council of Chief Academic Officers (CAOs). The Council of Chief Academic Officers will meet prior to the Council of Presidents' and Regents' meetings. This meeting is for the purpose of discussing institutional proposals on the basis of comments

submitted by other USHE institutions, any external reviews that have been conducted, initial evaluation from the Office of Academic Affairs, and comments from the PRC. This discussion will be reported to the Council of Presidents and considered by the Commissioner's staff in preparing materials and recommendations for the Board's agenda. The Commissioner's review for the Board will address not only the readiness of the institution to offer the program and the need for the program, but also the impact of the program on other USHE institutions.

6.4. Board of Regents Consideration. Program proposals that have been reviewed according to the procedures described in **R401-6.** are placed on the Board agenda for consideration by the Regents. The Board's Academic and Applied Technology Education Committee reviews proposals for new programs or program changes and recommends action to the Board. The Board then takes action on the proposed program during the meeting of the Committee of the Whole. *Institutions with approved programs will be responsible for submitting a two-year report based upon quality indicators determined by the proposing institution and the Board.*

6.5. Votes for Approval. All new certificates of completion, diplomas, associate, and bachelor degree programs must be approved by a majority vote of the Board members in attendance. All new master's and doctoral degree programs require at least a two-thirds majority of the members in attendance to be approved.

6.6. Budgetary Considerations Separate from Approval. Program approval by the Board consists only of authorization to offer a program. Budget requests necessary to fund the program shall be submitted separately through the regular budget process.

R401-7. Fast Track Programs.

7.1. Fast-track Approval of Applied Technology Education Certificates of Completion and Diplomas. Credit or non-credit applied technology training programs, leading to certificates of completion, that meet the criteria in **R401-4.1.1** may be approved according to the fast track approval procedure outlined in **R401-7.2.** The procedure is designed to accommodate the need for rapid action by institutions in providing opportunities for students to be trained to meet changing job requirements of business and industry.

7.2. Fast-Track Program Approval Procedure. If programs meet the requirements in **R401-4.1.1.** and the Commissioner has previously approved the institution's internal program development and approval process, the Commissioner may preliminarily approve the program for two program cycles, effective immediately. To request preliminary approval, the proposing institution will submit a Letter of Intent to the Commissioner's Academic Affairs staff. The Commissioner will respond within 15 working days. For the program to continue beyond the two cycles, it must undergo full Board review. If the program is to continue, the full program proposal must be placed on

the **Action Calendar** of the Academic and Applied Technology Education Committee for final action by the Board. Fast-Track programs will not require institutional ranking.

R401-8. Programs Under Development/Consideration

8.1. Advance Information. Each institution shall submit to the Commissioner's Office of Academic Affairs an updated matrix of programs under development or consideration that may be brought to the Board for formal approval during the next thirty-six months. A compilation of this information will be included on the Information Calendar of each Board of Regents meeting. These planning documents will provide Regents with a continuously updated, system-wide view of the programs that may be brought to them for approval.

8.1.1. Two Time Periods. The information is presented in matrix format and includes two time periods: The first matrix provides information for a twelve-month period beginning with the month of the current Board agenda. The second matrix provides information for a subsequent 24-month period.

8.1.2. Information Updates. The information in each matrix is to be updated whenever the status of a program changes or a new program is being considered. This provides the Board ongoing information, for a thirty-six month period, regarding the status of programs as they progress through the institutional review process. Updated matrices should be submitted to the Commissioner's Office of Academic Affairs on the submission schedule for each Board of Regents agenda. Once a program has been approved by the Board, or is no longer under consideration at an institution, it should no longer appear in the matrix.

8.2. Matrix. In accordance with the existing program review schedule set by the Commissioner's Office, institutions will provide updated information to the Academic Affairs Office for programs under development or consideration. Changes to the matrix can be submitted electronically. The matrix will appear in the Information Calendar on each Board agenda.

R401-9. Template for Submitting Program Proposals. The templates request information and provide the format to be used when submitting program proposals for review and Board action. Please use Ariel Narrow 12 point font.

9.1. Template for Submission of Letter of Intent

9.1.1. Program Description. Present a short description of the program.

9.1.2. Market and Student Demand. Provide specific data on market and student demand for the program, including how the program will function if market demand changes.

9.1.3. Budget. Provide specific budget information, including the source of funding, and specify if enrollment growth funding is to be used. If internal reallocation is to be made, state which programs will need to be adjusted in order to support the proposed program. Confidential information may be sent to the Commissioner under seal.

9.1.4. Institutional Mission. Describe how the proposed program fits within the institutional mission.

9.1.5. Similar Programs Already Offered in the USHE. Identify similar programs already approved and functioning in USHE institutions and justify why the proposed program is needed in light of existing programs. Include need and Utah employment data.

9.1.6. Rank Order of Program within the Proposing Institution. The proposing institution will determine the rank order of the program submitted by institutional priority. A ranking of one (1) means that the program submission is a top priority. At the beginning of the academic year, each institution will be allotted two programs that reflect its top priority, three programs that might be ranked number two (2), and three programs that might be ranked number three (3). The rankings are made in accordance with program planning conducted by the institution and will be reported to the PRC. Institutions are not precluded from proposing a program that is not ranked number one (1). Justification for proposing the program should accompany the ranking. *In unusual and compelling circumstances, an institution may request the PRC to reconsider the original ranking identified by the institution.* The ranking system assists the Regents and institutions in making choices regarding which programs to bring forward and the timing of the Board review.

9.1.7. Signature Page to Accompany Letter of Intent. The Letter of Intent will include the signatures of the Chief Academic Officer and the appropriate dean and department chair.

9.2. Template for submission of proposals for new programs following the successful review of the Commissioner's Staff, PRC, and CAOs. This template provides the formats and information to be used when submitting program proposals for review and Board action and approval. Please use Ariel Narrows 12 point font.

9.2.1. Template for submission of proposals for new Certificates of Completion and Diplomas, AA/AS Degrees, AAS Degrees, AAT Degrees, specialized associate degrees, Bachelor's Degrees, Master's Degrees, Doctoral Degrees, K-12 School Personnel Programs.

SECTION I

The Request

[**Name of Institution**] requests approval to offer [Name of Degree] effective [Semester and Year]. This program has been approved by the institutional Board of Trustees on [Date].

SECTION II

Program Description

[**Complete Program Description** - Present the complete, formal program description.]

[**Purpose of Degree** - State why are you offering this degree, what are the expected outcomes.]

[**Admission Requirements** - List admission requirements specific to the proposed program.]

[**Student Advisement** - Describe the advising process for students in the proposed program.]

[**Justification for Number of Credits** - Provide justification if number of credit or clock hours exceeds 63 for AA or AS, 69 for AAS, 2070 clock hours for AAT, 126 credit hours for BA or BS; and 36 beyond the baccalaureate for MS.]

[**External Review and Accreditation** - Indicate whether any external consultants were involved in the development of the proposed program, and describe the nature of that involvement. For an applied technology education program, list the members and describe the activities of the program advisory committee. Indicate any special professional accreditation which will be sought; project a future date for a possible accreditation review; indicate how close the institution is currently to achieving the requirements, and what the costs will be to achieve them.]

[**Projected Enrollment** - For credit programs, project both student FTE enrollments and the mean student FTE-to-faculty FTE ratio for each of the first five years of the program. For non-credit programs, project student headcount enrollments and mean student-to-faculty ratio for each of the first five years of the program. If accreditation requirements specify a specific student-to-faculty ratio, indicate the ratio(s).]

[**Expansion of Existing Program** - If the proposed program is an expansion or extension of an existing program, present enrollment trends by headcount and also by student credit hours (if appropriate) produced in the current program for each of the past five years for each area of emphasis or concentration.]

[**Faculty** - Identify the need for additional faculty required in each of the first five years of the program. Describe the faculty development processes that will support this program.]

[Staff - List all additional staff needed to support the program in each of the first five years; e.g., administrative, secretarial, clerical, laboratory aides/ instructors, advisors, teaching/graduate assistants.]

[Library - Describe library resources required to offer a superior program. Does the institution currently have the needed library resources?]

[Learning Resources - Describe other learning resources required to support the program.]

SECTION III

Need

[Program Necessity - Clearly indicate why such a program should be initiated.]

[Labor Market Demand - Include local, state, and national data, and job placement information, what types of jobs have graduates from similar programs obtained.]

[Student Demand - Describe evidence of student interest and demand that supports potential program enrollment.]

[Similar Programs - Are similar programs offered elsewhere in the state or Intermountain Region? If yes, cite justifications for why the Regents should approve another program. How does the proposed program differ from similar program(s)? Be specific.]

[Collaboration with and Impact on Other USHE Institutions - Describe discussions that may have occurred regarding your institution's intent to offer the proposed program with other USHE institutions that are already offering the program, and any collaborative efforts that may have been proposed. Analyze the impact that the new program would have on other USHE institutions.]

[Benefits - State how the institution and the USHE benefit by offering the proposed program.]

[Consistency with Institutional Mission - Explain how the program is consistent with and appropriate to the institution's board-approved mission, roles and goals.]

SECTION IV

Program and Student Assessment

[Program Assessment - State the goals for the program and the measures that will be used in the program assessment process to determine if goals are being met.]

[Expected Standards of Performance - List the standards and competencies that the student will have met and achieved at the time of graduation. How or why were these standards and competencies chosen]

[Student Assessment - Describe the formative and summative assessment measures you will use to determine student learning.]

[Continued Quality Improvement - Describe how program and student assessment data will be used to strengthen the program.]

SECTION V

Finance

[Budget - For each category below, present the projected budget for an ongoing, quality program for each of the first five years:

Salaries and Wages
Benefits
Current Expense
Library
Equipment
Travel
TOTAL]

[Funding Sources - Describe how the program will be funded, i.e. new state appropriation, reallocation, enrollment growth, grants etc.]

[Reallocation - If program is to be supported through internal reallocation, describe in specific terms the sources of the funds.]

[Impact on Existing Budgets - If program costs are to be absorbed within current base budgets, what other programs will be affected and to what extent? Provide detailed information. Confidential information may be sent to the Commissioner under seal.]

Appendix A

Program Curriculum.

[New Courses to be Added in the Next Five Years - List all new courses to be developed in the next five years by prefix, number, title, and credit hours. Use the following format:]

Course Number	Title	Credit Hours
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[All Program Courses - List all courses, including new courses, to be offered in the proposed program by prefix, number, title, credit hours, or credit equivalences. Use the

following format: (please include all course descriptions in appendix.)]

Course Number	Title	Credit Hours
General Education		Sub-Total
Core Courses		Sub-Total
Elective Courses		Sub-Total
Track/Options (if applicable)		Sub-Total

Total Number of Credits

Appendix B

[**Program Schedule** - For each level of program completion, present, by semester, a suggested class schedule – by prefix, number, title and semester hours.]

Appendix C

[**Faculty**- List current faculty within the institution, with their qualifications, to be used in support of the program.]

9.2.2. Signature Page to Accompany Proposals Requiring Board Approval.

This signature page, with all appropriate signatures included, should be sent to the Commissioner's Office and kept on file at the proposing institution..

Institution Submitting Proposal: _____

College, School or Division in
Which Program Will Be Located: _____

Department(s) or Area(s) in
Which Program Will Be Located: _____

Program Title: _____

Recommended Classification of
Instructional Programs (CIP) Code: ____ . ____ _

Area(s) of Emphasis or Academic

Specialty: (if appropriate) _____

Certificate, Diploma and/
or Degree(s) to be Awarded: _____

Proposed Beginning Date: _____

Institutional Signatures (as appropriate):

Department Chair

Dean or Division Chair

Applied Technology Director

Graduate School Dean

Chief Academic Officer

President

Date

9.3. Template for Submission to the Consent Calendar of the Academic and Applied Technology Education Committee and Board action.

9.3.1. Template for Reinstatement of Previously Eliminated Administrative Units and Instructional Programs, Out of Service Area Delivery of Approved Programs, Certificates of Completion, and Proposals for Centers, Institutes, Bureaus.

**SECTION I
Request**

[**Request-** Briefly describe the change. Indicate the primary activities impacted, especially focusing on any instructional activities.]

**SECTION II
Need**

[**Need-** Indicate why such an administrative change, program, or center is justified. Reference need or demand studies if appropriate. Indicate the similarity of the proposed unit/program with similar units/programs which exist elsewhere in the state or Intermountain region.]

SECTION III

Institutional Impact

[Institutional Impact - Will the proposed administrative change or program affect enrollments in instructional programs of affiliated departments or programs? How will the proposed change affect existing administrative structures? If a new unit, where will it fit in the organizational structure of the institution? What changes in faculty and staff will be required? What new physical facilities or modification to existing facilities will be required? Describe the extent of the equipment commitment necessary to initiate the administrative change. If you are submitting a reinstated program, or program for off-campus delivery, respond to the previous questions as appropriate.]

SECTION IV

Finances

[Costs- What costs or savings are anticipated from this change? If new funds are required, describe in detail expected sources of funds. Describe any budgetary impact on other programs or units within the institution.]

9.3.2. Signature Page to Accompany Proposals Requiring Board Consent.

This signature page, with all appropriate signatures included, should be sent to the Commissioner's Office and kept on file at the proposing institution.

Institution Submitting Proposal: _____

College, School or Division in Which Program/Administrative
Unit Will Be Located: _____

Department(s) or Area(s) in Which Program
Will Be Located: _____

Program Title: _____

Recommended Classification of Instructional Programs (CIP) Code: ____ , ____ _

Area(s) of Emphasis or Academic
Specialty: (if appropriate) _____

Certificate, Diploma and/or
Degree(s) to be Awarded: _____

Proposed Beginning Date: _____

Institutional Signatures (as appropriate):

Department Chair

Dean or Division Chair

Applied Technology Director

Graduate School Dean

Chief Academic Officer

President

Date

9.4. Transfer, Restructuring or Consolidation of Existing Programs or Administrative Units, Stand Alone Minors, Interdisciplinary Minors, Discontinuations and Name Changes. (Approved by the Board of Trustees and sent to Board of Regents as an information item.)

SECTION I The Request

(Request- Briefly describe the change. Include a listing of courses and credits as appropriate.)

SECTION II Need

(Need- Indicate why the change is justified. Reference need or demand data if appropriate.)

SECTION III Institutional Impact

(Institutional Impact - Will the proposed recommendation affect enrollments in instructional programs of affiliated departments or programs? How will the proposed recommendations affect existing administrative structures? What(new) faculty, physical facilities or equipment will be impacted?)

SECTION IV Finances

(Costs - What costs are anticipated? Describe any budgetary impact, including cost savings, on other programs or units within the institution.)

9.4.1. Signature Page to Accompany Proposals Providing Board Notification.

This signature page, with all appropriate signatures included, must be attached to proposals submitted for Board notification.

Institution Submitting Proposal: _____

College, School or Division affected: _____

Department(s) or Areas(s) affected: _____

Change Description: _____

Proposed Beginning Date: _____

Institutional Signatures (as appropriate):

Department Chair

Dean or Division Chair

Chief Academic Officer

President

Date

October 30, 2002

MEMORANDUM

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles

Issue

Utah has been recognized as being one of the few states with “well-developed and long-standing mission-differentiation agreements.” However, the differences between and among the institutions are becoming blurred as institutions may aspire to move beyond their specified mission. The needs of the citizens of the state of Utah as well as the financial situation need to be recognized. What types of institutions does Utah need? How many of each type? Where are the best locations?

Background

R313, Institutional Categories and Accompanying Criteria was last revised in 1993. Much has happened in the state since that time. Population growth has occurred in certain areas of the state but not in all. This has an impact on the institutions of higher education and their ability to provide appropriate education for Utah’s citizens. Also, the economy in Utah has undergone dramatic changes resulting in reductions in funding to the institutions. Tuition has been raised. How can the citizens best be educated without experiencing undue financial hardships on students, families, and taxpayers?

With the addition of the Utah College of Applied Technology (UCAT) many questions remained unanswered. How can students attending this institution be appropriately served as intended by the legislature? Articulation efforts are necessary with the other USHE institutions.

Technology has had a major impact on education. Many courses as well as programs are delivered via technology or partially through technology. This has an impact on what programs are delivered by which institutions and has caused a rethinking of service areas. Technology knows no boundaries.

Should institutions be encouraged to be “upwardly mobile” or should they be motivated to remain the type of institution originally designated? Is the reward structure such that it stimulates institutions to move from two year community colleges to become four-year institutions? Are four-year institutions encouraged to become research institutions or can there be a rationale and mechanism to sustain and reward all institutions for being “the best in their class.” The mission that each performs is critical to the welfare of the state. A proliferation of institutions requesting a new type of category would

result in increased costs to the citizens of Utah. Limited state resources would be stretched even more than they are currently.

Is there a limit to the number of four-year degrees and masters' degrees the state can afford? An approach to adding new, upper division, masters degree programs could be through collaboration with institutions currently offering those programs. Institutions could then maintain their current designation and perform this important role while still providing needed educational opportunities to students in advanced programs.

To address these concerns the Regents' 2002 Master Planning Task Force on Missions and Roles recommends the development of a new Policy R312 (Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles) which combines policies R311(Institutional Missions and Roles) and R 313 (Institutional Categories and Accompanying Criteria). The new R312 is based on the new Carnegie Classification of Institutions of Higher Education with Utah's types of institutions as previously identified in R313 inserted and modified as appropriate. Also included in R312 will be each institution's updated mission and role statement which was originally contained in R311. Each institution will rewrite their mission and role based on the new R312 criteria, and after the appropriate approval of the respective Board of Trustees and the Board of Regents, it will be included in the policy.

Attached is a Draft of the proposed new policy R312, Institutional Categories, Accompanying Criteria and Institutional Missions and Roles, which is still undergoing review by the Missions and Roles Task Force. Additional revisions will be made as needed at the November 8, 2002 Board meeting. Consultation with the Institutional Board of Trustees regarding the new policy will follow.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Board review Policy R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles, make changes as appropriate, and give preliminary approval. It is further recommended that the Regents request the institutional Presidents to consult with their Boards of Trustees on the institutional categories and accompanying criteria sections of the policy, revise their institutional mission and role statements as needed, and submit their new mission statements to the Regents for final approval and inclusion in the policy.

Cecelia H. Foxley, Commissioner

CHF/DDW
Attachment

R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles

R312-1. Purpose

To provide provide institutional categories, criteria, and mission statements for the institutions in the Utah System of Higher Education.

R312-2. References

- 2.1. Utah Code §53B-6-101 (Master Plan for Higher Education)
- 2.2. Policy and Procedures R301, Master Plan Executive Summary
- 2.3. Policy and Procedures R310, Systemwide Vision and Mission Statement
- 2.4. Policy and Procedures R485, Faculty Workload Guidelines

R312-3. Definitions

- 3.1. **“Institutional Categories”** – types or categories of institutions adapted from the Carnegie Classification of Institutions of Higher Education: <http://www.carnegiefoundation>.
- 3.2. **“Mission Statements”** – the general purposes and functions of various institutions.
- 3.3. **“Roles and Scope”** – the types and levels of educational programs and services assigned to and offered by the institutions.
- 3.4. **“Faculty Workload”** – the institutional average teaching workload for full-time faculty at the various institutions.

R312-3. Doctorate-granting Institutions: Type I.

- 4.1. Type I institutions typically offer a wide range of baccalaureate programs and are committed to graduate education through the doctorate. Doctorate granting institutions in this category generally award 50 or more doctoral degrees per year across at least 15 disciplines. (University of Utah, Utah State University)
 - 4.1.1. **Mission** - The institution's mission is to discover, create, and transmit knowledge through education and training programs at the undergraduate and graduate/professional levels and through research and development, and service/extension programs associated with a major teaching and research university. Emphasis is placed on teaching, research, and service. The institution contributes to the quality of life and economic development of the state and the nation.

4.1.2. Land Grant Institution – Through its extension services, a land grant institution may fulfill a community college role in areas of need.

4.2. Programs

4.2.1. Instructional Programs - The institution offers baccalaureate programs, advanced professional training, graduate education of national significance and prominence at the master's and doctoral levels, and associate degrees where appropriate. A strong emphasis exists on research to complement the important teaching role.

4.2.2. Accreditation - National accreditation is a goal for all programs for which this accreditation is available.

4.2.3. Research Programs - High priority is given to research and professional programs which make scholarly and creative contributions to the various disciplines and which support master's and doctoral programs of excellence. High priority is also given to research which results in the development, transfer and potential commercialization of new technology, processes, and products.

4.2.4. Graduate Organization - Graduate study is a distinct organizational element within the institution.

4.3. Faculty

4.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted on the basis of:

4.3.1.1. evidence of effective teaching,

4.3.1.2. research/scholarly/creative contributions, and

4.3.1.3. service and extension activities.

4.3.2. Educational Preparation - Regular full time tenure track faculty will have earned the appropriate terminal degree for their field and specialty.

4.3.3. Teaching Loads and Research Activities - Average teaching loads are expected to be lower than that of faculty in Type II and Type III institutions, reflecting their necessary involvement with research/scholarly/creative contributions. Teaching loads will average 18 credit hour equivalents each year, or 9 credit hours each semester.

4.4. Student Admission - Students are admitted on the basis of their projected ability to succeed at the institution. Projected ability to succeed is based primarily on past performance, e.g., grade point average, and standardized test scores. Satisfactory completion of prerequisite courses and work experience may also be factors.

4.4.1. Land Grant Institution – When a land-grant institution is acting as a community college through its extension efforts, students are granted open admission to associate degree programs with appropriate academic preparatory support.

4.5. Support Services - The institution provides library services, support services, equipment, and other resources to support undergraduate and graduate programs, and student and faculty research.

4.6. University of Utah Institutional Mission Statement (being revised).

4.7. Utah State University Institutional Mission Statement (being revised)

R312-5. Master's Colleges and Universities:Type II.

5.1. Type II institutions typically offer a wide range of baccalaureate programs, and are committed to graduate education through the master's degree. Master's granting institutions generally award 40 or more master's degrees per year across three or more disciplines. (Weber State University, Southern Utah State University)

5.1.1. Mission - The institution's mission is to transmit knowledge and skills primarily through undergraduate programs. Emphasis is placed on teaching, scholarly/creative effort and community service. Scholarly/creative effort is complementary to the teaching role. The institution contributes to the quality of life and economic development of the state and the metropolitan area or region. Student success is supported through developmental programs and services associated with a comprehensive community college; education and training programs at the associate and baccalaureate levels, including applied technology education programs; and selected graduate programs in high demand areas.

5.2. Programs

5.2.1. Instructional Programs - The institution offers certificates, diplomas, general education, associate degrees including applied technology education, baccalaureate degree programs including those built upon strong associate degree programs, and selected professional master's programs. The institution also provides specialized training programs for business and industry. No doctoral programs are offered.

5.2.2. Accreditation - National, regional, or state accreditation is a goal for programs for which such accreditation is available and appropriate for the institution's mission and role.

5.2.3. Scholarly and Creative Efforts - Faculty scholarly and creative efforts which complement and support the teaching and regional/ community service and economic development functions are expected.

5.2.4. Community College Function – Within the organization of the institution there is evidence that the community college function within the institutional mission is identifiable and supported through programs and services. Oversight of and advocacy for this function are discrete components of position descriptions.

5.3. Faculty

5.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted primarily on the basis of evidence of effective teaching. Secondary criteria include scholarship/professional/creative efforts and service, which complement the teaching role.

5.3.2. Educational Preparation - Regular full time tenure track faculty will have earned/be working toward the appropriate terminal degrees for their field and specialty. Faculty in applied technology or professional fields also have practitioner work experience.

5.3.3. Teaching Loads - Average teaching loads are higher than those of faculty in Type I institutions and somewhat lower than those of faculty in Type III institutions. This is due to the institution having fewer graduate programs and less emphasis on research/scholarship than Type I institutions. Teaching loads will average 24 credit hour equivalents each year, or 12 credit hours each semester.

5.4. Student Admission - Students are granted admission primarily on the basis of their projected ability to succeed at the institution. Projected ability to succeed is based in part on past performance (i.e., grade point average) and standardized test scores. Satisfactory completion of developmental courses, prerequisite courses, and work experience may also be factors.

5.5. Support Services - The institution provides library services, support services, equipment, and other resources to support undergraduate programs, a limited number of master's programs, and the intellectual needs of students and faculty.

5.6. Weber State University Institutional Mission Statement (being revised).

5.7. Southern Utah University Institutional Mission Statement (being revised).

R312-6. Baccalaureate/Associate Colleges: Type III (A and B)

6.1. Type III institutions are primarily undergraduate colleges with a major emphasis on associate and baccalaureate programs. Certificate programs and business and industry training are also emphasized.

6.A.1. Type IIIA institutions generally award 500 or more baccalaureate degrees per year across at least 20 disciplines, continuing to offer select certificates and associate degrees in response to the requirements of business and industry and the community. (Utah Valley State College)

6.A.1.1. Mission - The institution's mission is to transmit knowledge and skills through education and training programs at the associate degree level, including applied technology education programs; and baccalaureate programs. Certificate programs are also offered. Emphasis is placed on teaching, training, and community service. The

institution contributes to the quality of life and economic development of the state and the community. Student success is supported through developmental programs and services associated with a comprehensive community college.

6.A.2. Programs

6.A.2.1. Instructional programs - The institution offers certificates, diplomas, general education, associate degrees including applied technology education, lower division major transfer programs, and baccalaureate degree programs including those built upon strong associate degree programs. Specialized training programs for business and industry are also provided. In addition, where need has been demonstrated and costs are not prohibitive, additional degree programs beyond the baccalaureate degree are offered on Type IIIA campuses by working with Type I and Type II institutions through cooperative agreements or university centers.

6.A.2.2. Accreditation - Regional, state and some specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role.

6.A.2.3. Community College Function – Within the organization of the institution there is evidence that the community college function within the institutional mission is identifiable and supported through programs and services. Oversight of and advocacy for this function are discrete components of position descriptions.

6.A.3. Faculty

6.A.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted primarily on the basis of evidence of effective teaching. Secondary criteria include scholarship/professional/creative efforts and service, which complement the teaching role.

6.A.3.2. Educational Preparation - Regular full time tenure track faculty will have earned/be working toward the appropriate terminal degrees for their field and specialty. Faculty in applied technology or professional fields also have practitioner work experience.

6.A.3.3. Teaching Loads - Average teaching loads are higher than those of faculty in Type I and Type II institutions and somewhat lower than those of faculty in Type IIIB institutions. Teaching loads will average 27 credit hour equivalents each year, or 15 credit hours in one semester and 12 credit hours in the alternate semester.

6.A.4. Student Admission - All incoming students are tested for course placement and advising purposes. Satisfactory completion of developmental and/or prerequisite courses and work experience may also be factors. Lower division courses are primarily open admissions, while students must meet admissions criteria for upper division courses and programs.

6.A.5. Support Services - The institution provides library services, support services, equipment, and other resources to support lower division programs in applied technology/vocational training and general education, selected baccalaureate programs, and the intellectual needs of students and faculty.

6.A.6. Utah Valley State College Institutional Mission Statement (being revised).

6.B.1. Type IIIB institutions generally award at least 30 baccalaureate degrees per year across at least three disciplines, with an ongoing emphasis on the community college mission. (Dixie State College of Utah)

6.B.1.1. Mission - The institution's mission is to transmit knowledge and skills primarily through education and training programs at the certificate and associate degree level, including applied technology education programs; and select baccalaureate programs in high demand areas. Emphasis is placed on teaching, training and community service. The institution contributes to the quality of life and economic development of the community and the state. Student success is supported through developmental programs and services associated with a comprehensive community college.

6.B.2. Programs

6.B.2.1. Instructional programs - The institution offers certificates, diplomas, general education, associate degrees including applied technology education, lower division major transfer programs, and high demand, baccalaureate degree programs including those built upon strong associate degree programs. Transfer programs are intended to prepare graduates to begin upper division work. Specialized training programs for business and industry are also provided. In addition, where need has been demonstrated and costs are not prohibitive, additional degree programs beyond the associate degree are offered on state college campuses by working with Type I and Type II institutions through cooperative agreements or university centers.

6.B.2.2. Accreditation - Regional, state and some specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role.

6.B.2.3. Community College Function – Within the organization of the institution there is evidence that the community college function within the institutional mission is identifiable and supported through programs and services. Oversight of and advocacy for this function are discrete components of position descriptions.

6.B.3. Faculty

6.B.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted primarily on the basis and evidence of effective teaching and training. Other criteria complementary to the teaching role include service and scholarly/professional/creative efforts.

6.B.3.2. Educational Preparation - Regular full time tenure track faculty will have the appropriate work experience and recognized professional credentials for their discipline and teaching level. To teach courses in general education or other special transfer programs, the master's degree is a standard requirement. Faculty teaching upper division courses will have earned/be working toward the appropriate terminal degrees for their field and specialty.

6.B.3.3. Teaching Loads - Teaching loads will average 30 credit hour equivalents each year, or 15 credit hours each semester, the same as those of faculty in Type IV institutions.

6.B.4. Student Admission - All incoming students are tested for course placement and advising purposes. Satisfactory completion of developmental and/or prerequisite courses and work experience may also be factors. Lower division courses are primarily open admissions, while students must meet admissions criteria for upper division courses and programs.

6.B.5. Support Services - The institution provides library services, support services, equipment, and other resources to support lower division programs in applied technology/vocational training and general education, selected baccalaureate programs, and the intellectual needs of students and faculty.

6.B.6. Dixie State College of Utah Institutional Mission (being revised).

R312.7. Associate Colleges: Type IV

7.1. Type IV institutions offer associate degrees and certificate programs. No upper division course work or awards above the associate degree-level is offered. (Snow College, College of Eastern Utah, Salt Lake Community College)

7.1.1. Mission - The institution's mission is to transmit knowledge and skills primarily through general education; education and training programs at the certificate, diploma, and associate degree levels, including applied technology education programs; and selected lower division major transfer programs. Transfer programs are intended to prepare graduates to begin upper division work. Emphasis is placed on teaching, training, and community service. The institution contributes to the quality of life and economic development of the state and the community. Student success is supported through developmental programs and services associated with a comprehensive community college.

7.2. Programs

7.2.1. Instructional Programs - The institution offers general education; certificates, diplomas, and less-than-baccalaureate associate degrees in applied technology education and, and lower division major transfer programs. Transfer programs are intended to prepare graduates to begin upper division work. Specialized training programs for business and industry are also provided. Where need has been demonstrated and costs are not prohibitive, selected degree programs beyond the associate degree are offered on

community college campuses by working with Type I and Type II institutions through cooperative agreements or university centers.

7.2.2. Accreditation - Regional, state and some specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role.

7.3. Faculty

7.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted primarily on the basis of evidence of effective teaching and training. Other criteria complementary to the teaching role include service and scholarly/professional/creative efforts.

7.3.2. Educational Preparation - Regular full time tenure track faculty will have the appropriate work experience and recognized professional credentials for their discipline and teaching level. To teach courses in general education or other special transfer programs, the master's degree is a standard requirement.

7.3.3. Teaching Loads - Average teaching loads are somewhat higher than those of faculty in Type II and Type IIIA institutions, because faculty are not involved in upper division and graduate level instruction. Teaching loads will average 30 credit hour equivalents each year, or 15 credit hours each semester, the same as those of faculty in Type IIIB institutions.

7.4. Student Admission - While comprehensive community colleges traditionally have open admissions, incoming students may be tested for course placement, advising, and the ability to benefit from specific courses for financial aid purposes. Satisfactory completion of other developmental and/or prerequisite courses, and work experience may also be factors.

7.5. Support Services - The institution provides library services, support services, equipment, and other resources to support lower division programs in applied technology and vocational training and general education, and the intellectual needs of students and faculty.

7.6. Snow College Institutional Mission Statement (being revised).

7.7. College of Eastern Utah Institutional Mission Statement (being revised).

7.8. Salt Lake Community College Institutional Mission Statement (being revised).

R313-8. Technical Colleges: Type V

8.1. Type V institutions award certificates and associate of applied technology degrees. No general education courses (or prerequisites), no upper division course work or awards above the associate degree-level are offered. (Utah College of Applied Technology)

8.1.1. Mission - The institution's mission is to transmit knowledge and skills primarily through education and training programs, both short-term and long-term, at the certificate and associate degree levels, through customized short-term training for business and industry, and by providing life-long learning opportunities designed to meet the individual needs of Utah's citizens. Programs are offered in an open-entry, open exit competency-based environment, as an alternative to traditional instruction.

8.2. Programs

8.2.1. Instructional Programs - The institution offers competency-based certificates and associate of applied technology degrees that result in appropriate licensing, certification, or skill training to qualify students for specific employment in business and industry. The general education components of the associate of applied technology degrees are offered by the other USHE institutions. The institution also provides rapid response to training needs of Utah employers through several programs including specifically designed custom fit training. Competency-based high school diplomas will be offered. In performing these responsibilities, the applied technology college cooperates with local school districts and other higher education institutions.

8.2.2. Accreditation - Regional, state and some specialized accreditation is a goal for programs appropriate for the institution's mission and role.

8.3. Faculty

8.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted primarily on the basis of evidence of effective teaching and training. Other criteria complementary to the teaching role include service and creative efforts.

8.3.2. Educational Preparation - Regular full time faculty will have the appropriate work experience and recognized professional credentials for their discipline and teaching level.

8.3.3. Teaching Loads - Teaching loads of technical faculty typically conform to a standard business day; and ongoing daily student contact is at a higher level than traditional academic instruction.

8.4. Student Admission - All applied technology colleges have open admissions, though incoming students may be tested for placement, advising, and the ability to benefit from specific courses for financial aid purposes.

8.5. Support Services - The institution provides support services, equipment, and other resources to support applied technology education programs.

8.6. Utah College of Applied Technology Mission Statement (to be inserted).

(Approved September 14, 1990, amended May 14, 1993. Proposed merger of Policies and Procedures R311 and R313, submitted November 8, 2002.

October 30, 2002

MEMORANDUM

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: Exceptions to the Moratorium on New Programs

Issue

Due to substantial budget reductions because of state revenue shortfalls, there is currently a moratorium on the approval of new program proposals. However, even with fiscal constraints, there may be compelling reasons why exceptions to this moratorium should be considered.

Background

In order to move program proposals forward that are supported by a clear and definable need, two categories were developed: Category I, Demonstrate Cost Savings and Efficiencies, and Category II, Accreditation. Three of the twelve programs currently under review when the moratorium was instituted were moved forward under Category II, Accreditation. A third category has been developed according to the intent of the Program Review Committee: Category III, Urgent Need.

To have program proposals considered based on "Urgent Need" they must also address Category I, Demonstrate Cost Savings and Efficiencies, as well as items A and B under Category III. Other criteria in Category III may be addressed in an effort to create a strong case for review of the program proposal by the Program Review Committee.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Board approve Category III, Urgent Need, to provide a third category for reviewing exceptions to the moratorium on new programs.

Cecelia H. Foxley, Commissioner

CHF/DDW
Attachment

EXCEPTIONS to the MORATORIUM on NEW PROGRAMS

At the present time the Program Review Committee (PRC) supports the moratorium on the approval of new program proposals. Exceptions will be reviewed and granted in cases when the situation is compelling and supported by credible data based on the three approved categories described below. Institutions will provide data that are accurate and comprehensive to support the program proposal being reviewed by the PRC prior to inclusion on the Regents' agenda.

Category I - Demonstrate Cost Savings and Efficiencies

Provide budgetary details (names, salary data, etc.) that demonstrate cost savings to the department or institution. Examples of cost savings and efficiencies may include: positions eliminated through attrition and consolidation, and consolidation of departments, programs, etc. Confidential information will be provided under seal to the Commissioner.

Category II - Accreditation

Demonstrate the necessity of moving these programs forward in order to meet accreditation requirements. Accreditation requirements include initial establishment of a new institution or a new program, a change in the required entry-level credential, substantive change and/or new accreditation standards, etc.

(The above two categories were approved by Regents, September 12, 2002)

DRAFT of NEW CATEGORY (10-22-02)

Category III - Urgent Need

Address financial issues identified in Category I, and the following criteria to develop a compelling case for consideration by the Program Review Committee during the moratorium. Each proposal must address A and B and selected others as appropriate.

- A. *Clear, sustained, and significant student expectation for program.*
- B. *Clearly defined relationship to highest institutional priority.*
- C. *Urgent need expressed by business, community and/or industry.*
- D. *Immediate new funding is available if program begins.*
- E. *Articulation efforts between and among institutions necessitate the request.*
- F. *Regional plans in which a program is terminated by one institution to be offered by another.*

MEMORANDUM

October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Information Calendar, Academic and Applied Technology Education Committee

The following item has been submitted by the designated institution for review by the Regents on the Information Calendar of the Academic and Applied Technology Education Committee. This item was previously approved by the institutional Board of Trustees.

Utah Valley State College

Department of Humanities Name Change

Officials at Utah Valley State College (UVSC) have approved a name change from the Department of Humanities and Philosophy to the Department of Philosophy and Humanities. The name change reflects the strength of the Philosophy Program, which has its own approved baccalaureate degree, a cadre of faculty with academic credentials in Philosophy, and more course offerings than does the Humanities Program. In addition, the current Department name causes some confusion with the name of the School of Humanities, Arts, and Social Sciences, both listing 'Humanities' first. UVSC officials believe that changing the name of the Department will eliminate this confusion.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents review the Information Calendar and raise questions, if needed. No action is required by the Board.

Cecelia H. Foxley, Commissioner

CHF/DDW/PCS

MEMORANDUM

October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Consent Calendar, Academic and Applied Technology Education Committee

The following request has been submitted by the designated institution for consideration by the Regents on the Consent Calendar of the Academic and Applied Technology Education Committee.

Utah Valley State College

Approval to create the Culinary Arts Institute as an independent, autonomous unit within the School of Business.

The Culinary Arts Program has always been a hybrid consisting of a core vocational program mixed with required academic and business courses. Currently, the School of Business is preparing for an accreditation visit by AACSB-International (The Association to Advance Collegiate Schools of Business). AACSB-International accredits only four-year programs; the Culinary Arts Program is two-years in length.

As resources, such as time, space, and finances, become increasingly more difficult to balance within the School of Business, independent status for the Culinary Arts Program, within the School of Business, would allow the faculty, staff, and students to compete for resources independent of the requirements of AACSB-International accreditation. Independent status would place what is one of the few remaining two-year programs within the School of Business into a category where issues such as faculty tenure, merit, and recruitment are based upon the needs of the Institute rather than that of the School. The entire structure of the Culinary Arts Program would remain in tact, including degree requirements, funding from both hard and soft money sources, and faculty and staff.

Enrollment in the Culinary Arts Institute would remain essentially the same. There is no less than a three-year waiting list for the 90 students wanting admission. Due to the lack of space within the McKay Events Center kitchen, only 10 to 12 new students can be admitted per semester.

UVSC has been approached by representatives from Temple Square Corporation and Marriott Hotels to start an externship for students in their fourth-semester cooking class. The externship would start in the Fall of 2003, which should result in a slight decrease of the waiting list; 10 to 12 new students would be admitted a semester earlier than under the current schedule.

Even with the State's financial challenges, the Culinary Arts Program enjoys high demand for its current and graduating students. The resorts and hotels in Utah continue to have a need for trained culinary arts professionals. Current estimates by the National Restaurant Association indicate that the demand for trained culinary professionals far exceeds the current and future supply in most areas of the country. High demand is expected to continue into the foreseeable future.

The impact of an independent Culinary Arts Institute on the School of Business would be positive. Little or no impact on other elements of UVSC is anticipated.

No additional hard funding is required at this time for faculty, staff, or current expenses. The Culinary Arts Program earns approximately \$300,000 per year in catering fees, contributing a profit which offsets the costs of educating Culinary Arts students. The income is used as follows.

- 25 percent to the McKay Event Center
- 20 to 25 percent for paid labor
- 25 to 30 percent food cost
- 5 to 10 percent equipment replacement/rentals
- 15 percent revenue to support the program

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents approve Utah Valley State College's request to rename the Culinary Arts Program, the Culinary Arts Institute, and to make it an independent entity within the School of Business.

Cecelia H. Foxley, Commissioner

CHF/DDW/PCS

MEMORANDUM

October 30, 2002

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: Snow College - Campus Master Plan

Issue

The Snow College Master Plan has requested to be placed on the agenda for the November 8, 2002 meeting of the Board of Regents. College Officials will be present during the Finance and Facilities Committee meeting to present the Master Plan and to respond to questions.

Commissioner's Recommendation

It is the Commissioner's recommendation that the Board of Regents review the Snow College Campus Master Plan, ask questions of Snow College representatives at the meeting, and if satisfied, approve the College's Master Plan.

Cecelia H. Foxley, Commissioner

Attachments

CHF/MS/JV

MEMORANDUM

October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Southern Utah University – Revenue Bond for Student Housing

Issue

Southern Utah University officials request that Regents approve an authorizing resolution for the issuance and sale of Auxiliary System and Student Building Fee Revenue and Refunding Bonds to finance the construction of on-campus student housing and to finance the refunding of all or a portion of Series 1993A bonds.

Background

At the request of the Regents, the 2002 Utah Legislature included in House Bill 2, *2002 General Obligation Bond and Capital Facilities Authorizations*, authorization for the State Board of Regents, on behalf of Southern Utah University, to issue revenue bonds “to finance the cost of acquiring, constructing, furnishing, and equipping a Student Living and Learning Facility.” The Regents also have authority to pursue refunding of revenue bonds without specific legislative action.

Regent revenue bonds for new construction are traditionally issued through a three-step process. Step one requires the Regents to obtain Legislative approval to exercise its statutory bonding authority. Step two, which the Regents are asked to take at this time, involves the approving of a “parameters resolution.” The attached resolution expresses the Regents’ intent to issue bonds so long as the final structuring of the bond issue falls within certain parameters. Step three involves final pricing, structuring and marketing of the bonds. As is provided by statute, final pricing, structuring and execution of the bonds (within the authorized parameters) is performed by the Chair or Vice-chair of the Board, or the Chair of the Board’s Finance and Facilities Committee.

Details of the proposed SUU 2003 bond issue are summarized in Attachment 1. The authorizing resolution is presented as Attachment 2. Parameters established are as follows: principal not to exceed \$12,000,000, with up to \$10,000,000 for project financing and up to an additional \$2,000,000 for refunding financing; coupon interest not to exceed 5.75; percent discount from par not to exceed 98.5 percent; optional redemption on or prior to the eleventh anniversary of the date of issuance at a redemption price not to exceed 100 percent; and final maturity not to exceed 21 years from date of issuance.

State Board of Regents
October 30, 2002
Page 2

Bond Counsel for this bond is Ballard Spahr. College officials have selected Wells Fargo as underwriters for the bonds. The underwriters have indicated it will likely be after January 1, 2003, before the bonds are sold. The bonds are therefore identified as Series 2003. The Southern Utah University Board of Trustees has approved this bond issuance.

Recommendation

It is the recommendation of the Commissioner that the Board adopt the authorizing resolution for the Southern Utah University Revenue Bonds, Series 2003, with the understanding that final pricing, structuring and execution of the bonds will be performed by the Chair or Vice-chair of the Board, or the Chair of the Board's Finance and Facilities Committee.

Cecelia H. Foxley, Commissioner

CHF/MHS
Attachments

\$10,360,000*
STATE BOARD OF REGENTS OF THE STATE OF UTAH
SOUTHERN UTAH UNIVERSITY
Auxiliary System and Student Building Fee Revenue and Refunding Bonds
SERIES 2003

SUMMARY OF FINANCING

Purpose:	To acquire, construct, furnish and equip a Student Living and Learning Facility on the University's campus (the "Project") and to refund all or a portion of the University's Series 1993A Bonds (the "Refunding") for purposes of securing debt service savings (Not less than 3% on a net-present-value basis).
Par Amount:	\$10,360,000*, not-to-exceed \$10,000,000 for financing the Project and \$2,000,000 for financing the Refunding.
Security:	Principal and interest on the bonds (the "Bonds") are payable from and secured solely by a pledge of "Net Revenues" which include net auxiliary revenues, certain student building fees and net investment earnings from the University's System Revenue Fund.
Ratings:	'AAA' by virtue of bond insurance, if economically feasible. Underlying ratings expected at 'AA' (Standard & Poor's) by virtue of the State's Moral Obligation Pledge.
Method of Sale:	Public offering through negotiation with Wells Fargo Brokerage Services, LLC (the "Underwriter") at a total discount of not-to-exceed 98.5% of par.
Interest Rate:	True interest cost currently estimated at 4.70 to 4.90%. Maximum coupon rate of not-to-exceed 5.75%, for premium bond consideration.
Payment Dates:	May 1 st and November 1 st , commencing May 1, 2003.
Maturity:	Not to exceed 26 years from date of issuance for Project financing, and May 1, 2007 for the Refunding bonds.
Redemption:	10 years at 100% expected (not-to-exceed 11 years at 100%).
Bond Counsel:	Ballard Spahr Andrews & Ingersoll, LLP

*Preliminary, subject to change

APPROVING RESOLUTION
SOUTHERN UTAH UNIVERSITY
AUXILIARY SYSTEM AND STUDENT BUILDING FEE
REVENUE AND REFUNDING BONDS

Ephraim, Utah
November 8, 2002

The State Board of Regents of the State of Utah met in regular session at Snow College in Ephraim, Utah on Friday, November 8, 2002, commencing at 9:30 a.m. The following members were present:

Nolan E. Karras	Chair
Pamela J. Atkinson	Vice Chair
Jerry C. Atkin	Member
Linnea S. Barney	Member*
Daryl C. Barrett	Member
Kim R. Burningham	Member*
Khay Douangdara	Member
David J. Grant	Member
L. Brent Hoggan	Member
James S. Jardine	Member
Michael R. Jensen	Member
Charles E. Johnson	Member
David James Jordan	Member
E. George Mantes	Member
Jed H. Pitcher	Member
Sara V. Sinclair	Member
Marlon O. Snow	Member
Maria Sweeten	Member

Absent:

Also Present:

Cecelia H. Foxley	Commissioner of Higher Education
Joyce Cottrell, C.P.S.	Secretary

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result, the Chair announced that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the State Board of Regents of the State of Utah, Southern Utah University Auxiliary System and Student Building Fee Revenue and Refunding Bonds, Series 2003.

* Non-voting member from State Board of Education

The following resolution was introduced in written form by Regent _____ and after full discussion, pursuant to motion made by Regent _____ and Seconded by Regent _____, was adopted by the following vote:

YEA:

NAY:

The resolution is as follows:

RESOLUTION

A RESOLUTION OF THE STATE BOARD OF REGENTS OF THE STATE OF UTAH AUTHORIZING THE ISSUANCE AND SALE OF ITS SOUTHERN UTAH UNIVERSITY AUXILIARY SYSTEM AND STUDENT BUILDING FEE REVENUE AND REFUNDING BONDS, SERIES 2003 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000; AUTHORIZING THE EXECUTION OF A FOURTH SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the “Board”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended; and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 1, Utah Code Annotated 1953, as amended, the Board is authorized to act as the governing authority of Southern Utah University (the “University”) for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code Annotated 1953, as amended and the specific authorization of Section 63B-11-701(3), Utah Code Annotated 1953, as amended (collectively, the “Authorizing Act”); and

WHEREAS, in order to provide funds for such purpose, the Board is duly authorized to issue and sell bonds pursuant to provisions of the Authorizing Act and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “Refunding Bond Act” and together with the Authorizing Act, the “Act”); and

WHEREAS, pursuant to the Act, the Board, for and on behalf of the University, is authorized to issue bonds payable from certain revenues of the University as may be deposited into a special fund; and

WHEREAS, pursuant to a General Indenture of Trust dated March 15, 1993 as heretofore amended and supplemented (the “General Indenture”) between the Board and Wells Fargo Bank Northwest, N.A. (formerly First Security Bank of Utah, N.A.), as trustee (the “Trustee”), the Board, acting for and on behalf of the University, issued (among others) its State Board of Regents of the State of Utah, Southern Utah University Auxiliary System and Student Building Fee Refunding Revenue Bonds, Series 1993A (the “Series 1993A Bonds”); and

WHEREAS, the General Indenture authorizes the issuance of Additional Bonds to be issued on a parity with all other outstanding bonds under the General Indenture; and

WHEREAS, in accordance with the provisions of the Act, the Board is authorized to issue revenue bonds for and on behalf of the University for the purpose of (i) acquiring, constructing, furnishing and equipping a Student Living and Learning Facility on the University's Campus (the "Project") and (ii) refunding all or a portion of the Series 1993A Bonds (the "Refunding"); and

WHEREAS, the Board intends to undertake the Refunding in the event market conditions are favorable; and

WHEREAS, the Board intends to issue revenue bonds for and on behalf of the University for the purpose of financing the Project and, in the event market conditions are favorable, the Refunding, and to pay costs of issuance and fund reserves, all pursuant to the General Indenture, as further supplemented and amended by a Fourth Supplemental Indenture of Trust (the "Fourth Supplemental Indenture" and together with the General Indenture, the "Indenture") between the Board and the Trustee, which bonds will be designated as the "State Board of Regents of the State of Utah, Southern Utah University Auxiliary System and Student Building Fee Revenue [and Refunding] Bonds, Series 2003" (the "Series 2003 Bonds") in an aggregate principal amount of not to exceed \$12,000,000, with (i) up to \$10,000,000 to be used for financing the Project and (ii) up to an additional \$2,000,000 for financing the Refunding; and

WHEREAS, the Series 2003 Bonds shall be payable solely from the revenues and other moneys pledged therefor and shall not constitute nor give rise to a general obligation or liability of the Board, the University or the State of Utah or constitute a charge against their general credit; and

WHEREAS, there has been presented to the Board at this meeting (i) a form of a Bond Purchase Agreement (the "Bond Purchase Agreement") among the Board, the University and Wells Fargo Brokerage Services, LLC, as underwriter for the Series 2003 Bonds (the "Underwriter"), (ii) a form of a Preliminary Official Statement relating to the Series 2003 Bonds (the "Preliminary Official Statement"), and (iii) a form of the Fourth Supplemental Indenture; and

WHEREAS, pursuant to Section 53B-21-102(3)(m) of the Act, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance and Facilities Committee of the Board (formerly the Budget and Finance Subcommittee) the authority to approve the final interest rates, principal amounts, terms, maturities, redemption provisions and purchase price at which the Series 2003 Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution; provided such terms do not exceed the parameters set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH, AS FOLLOWS:

Section 1. All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.

Section 2. All action heretofore taken (not inconsistent with the provisions of this resolution) by the Board and the University and the officers of the Board and the University directed toward the issuance of the Series 2003 Bonds are hereby ratified, approved and confirmed.

Section 3. The Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statement substantially in the form of the Preliminary Official Statement presented to the Board at this meeting in connection with the offering and sale of the Bonds. The Chair or Vice Chair of the Board and President or Vice President for Administrative and Financial Services of the University are hereby authorized to execute and deliver on behalf of the Board a final Official Statement (the "Official Statement") in substantially the same form and with substantially the same content as the form of the Preliminary Official Statement presented to this meeting with any such alterations, changes or additions as may be necessary to finalize the Official Statement. The preparation, use and distribution of the Official Statement are hereby authorized.

Section 4. The Fourth Supplemental Indenture in substantially the form presented to this meeting is in all respects authorized, approved and confirmed. The Chair or Vice Chair and Secretary of the Board and the President or Vice President for Administrative and Financial Services of the University are hereby authorized to execute and deliver the Fourth Supplemental Indenture in substantially the same form and with substantially the same content as the form of such document presented to this meeting for and on behalf of the Board and the University with such alterations, changes or additions as may be authorized by Section 8 hereof.

Section 5. For the purpose of providing funds to be used for (i) the financing of all or part of the Project, (ii) the financing of the Refunding, (iii) the funding of a deposit to a debt service reserve fund and (iv) paying costs of issuance, the Board hereby authorizes the issuance of the Series 2003 Bonds in the aggregate principal amount of not to exceed the sum of (a) \$10,000,000 for financing the Project and (b) an additional \$2,000,000 in the event the Refunding is undertaken. The Chair or Vice Chair of the Board or the Chair of the Finance and Facilities Committee of the Board and the President or Vice President for Administrative and Financial Services of the University are hereby authorized, in consultation with the Underwriter, to make a determination (i) as to the benefit of the Refunding and (ii) to include undertaking the Refunding as part of the issuance of the Series 2003 Bonds. Such determination to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Series 2003 Bonds shall mature on such date or dates, be subject to redemption and bear interest at the rates, as shall be approved by the Chair or Vice Chair of the Board or the Chair of the Finance and Facilities Committee, all within the parameters set forth on Schedule "A" attached hereto and incorporated herein by reference. The issuance of the Series 2003 Bonds shall be subject to the final advice of Bond Counsel and to the approval of the Attorney General of the State of Utah.

Section 6. The form, terms and provisions of the Series 2003 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the General Indenture, as amended and supplemented by the Fourth Supplemental Indenture. The Chair or Vice Chair and the Secretary of the Board and the President or Vice President for Administrative and Financial Services of the University are hereby authorized to execute and seal by manual or facsimile signature the Series 2003 Bonds and to deliver the Series 2003 Bonds to the Trustee for authentication. All terms and provisions of the General Indenture, the Fourth Supplemental Indenture and the Series 2003 Bonds are hereby incorporated in this resolution. The appropriate officials of the Board and the University are hereby authorized to execute and deliver to the Trustee the written order of the Board for authentication and delivery of the Series 2003 Bonds in accordance with the provisions of the Indenture.

Section 7. The Series 2003 Bonds shall be sold to the Underwriter with an Underwriter's discount of not to exceed 0.575% of the face amount of the Series 2003 Bonds (plus out of pocket expenses). The Bond Purchase Agreement in substantially the form presented to this meeting is hereby authorized, approved and confirmed. The Chair or Vice Chair of the Board or the Chair of the Finance and Facilities Committee and the President or Vice President for Administrative and Financial Services of the University are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the same form and with substantially the same content as the form of the Bond Purchase Agreement presented at this meeting for and on behalf of the Board with final terms as may be established for the Series 2003 Bonds within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 9 hereof. Pursuant to Section 53B-21-102(3)(m) of the Act, the Chair or Vice-Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President or Vice President for Administrative and Financial Services of the University are hereby authorized to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features and purchase price with respect to the Series 2003 Bonds for and on behalf of the Board and the University and any changes thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution, such approval to be conclusively established by the execution of the Bond Purchase Agreement and the Fourth Supplemental Indenture.

Section 8. The appropriate officials of the Board and the University, including without limitation the Chair or Vice Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President or Vice President for Administrative and Financial Services of the University are authorized to make any alterations, changes or additions to the General Indenture, the Fourth Supplemental Indenture, the Series 2003 Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States.

Section 9. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance and Facilities Committee, Commissioner of Higher Education and Secretary of the Board and the President and Vice President for Administrative and Financial Services of the University, are hereby authorized and directed to execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 10. The appropriate officers of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance and Facilities Committee, Commissioner of Higher Education and Secretary of the Board and the President and Vice President for Administrative and Financial Services of the University are hereby authorized to take all action necessary or reasonably required by the Indenture, the Official Statement or the Bond Purchase Agreement to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 11. Upon their issuance, the Series 2003 Bonds will constitute special limited obligations of the Board payable solely from and to the extent of the sources set forth in the Indenture. No provision of this Resolution, the Series 2003 Bonds, the Bond Purchase Agreement, the Official Statement, the Indenture, the Escrow Agreement or any other instrument, shall be construed as creating a general obligation of the Board or the University, or of creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Board, the University, the State of Utah or any political subdivision thereof.

Section 12. After any of the Series 2003 Bonds are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2003 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 13. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 14. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 15. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH THIS 8TH DAY OF NOVEMBER, 2002.

STATE BOARD OF REGENTS OF THE
STATE OF UTAH

Chair

(S E A L)

ATTEST:

Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and Seconded, adjourned.

Chair

(S E A L)

ATTEST:

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Joyce Cottrell, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on November 8, 2002 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 8th day of November, 2002.

Secretary

(S E A L)

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Joyce Cottrell, the undersigned, the duly qualified and acting Secretary of the State Board of Regents of the State of Utah, do hereby certify, according to the records of said State Board of Regents in my official possession, and upon my own knowledge and belief, that:

a. in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, I gave public notice of the agenda, date, time and place of the November 8, 2002 public meeting held by the Members of the State Board of Regents by causing a Notice of Public Meeting to be posted at the principal office of the State Board of Regents at 60 South 400 West, Suite 500, Salt Lake City, Utah, on _____, 2002, at least 24 hours prior to the convening of such meeting, in the form attached hereto as Exhibit "1"; said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the State Board of Regents until the convening of the meeting; and causing a copy of said Notice of Public Meeting in the form attached hereto as Exhibit "1" to be provided on _____, 2002 at least 24 hours prior to the convening of such meeting, to the Deseret News and The Salt Lake Tribune, newspapers of general circulation within the geographic jurisdiction of the State Board of Regents, and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the State Board of Regents; and

b. in accordance with the requirements of Section 52-4-6(1), Utah Code Annotated 1953, as amended, public notice of the 2002 Annual Meeting Schedule of the State Board of Regents was given specifying the date, time and place of the regular meetings of the State Board of Regents scheduled to be held during the year, by causing a Notice of Annual Meeting Schedule for the State Board of Regents in the form attached as Exhibit "2" to be posted on February 4, 2002 at the principal office of the State Board of Regents in Salt Lake City, Utah; such Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during the regular office hours of the undersigned until the date hereof; and causing a copy of such Notice of Annual Meeting Schedule to be provided on February 4, 2002, to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 8th day of November, 2002.

(S E A L)

Secretary

EXHIBIT “1”

Notice of Public Meeting
[See Transcript Document No. ____]

EXHIBIT “2”

Notice of Annual Meeting Schedule
[See Transcript Document No. ____]

SCHEDULE "A"

Parameters

Principal amount not to exceed (with up to \$10,000,000 for Project financing and up to an additional \$2,000,000 for Refunding financing)	\$12,000,000
Coupon Interest rates not to exceed	5.75%
Discount from par not to exceed	98.5%
Optional Redemption on or prior to the eleventh anniversary of the date of issuance at a redemption price of not to exceed	100%
Final Maturity not to exceed	21 years from date of issuance

MEMORANDUM

October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Snow College – Revenue Bond for Multi-Events Center at the Richfield Campus

Issue

Snow College officials request that Regents approve an authorizing resolution for the issuance of revenue bonds to provide part of the funds for the construction of the Multi-Events Center (MEC) at the Snow College Richfield Campus.

Background

At the request of the Regents, the 2002 Utah Legislature included in House Bill 2, *2002 General Obligation Bond and Capital Facilities Authorizations*, authorization for the State Board of Regents, on behalf of Snow College, to issue up to \$2.5 million in revenue bonds “to finance the cost of acquiring, constructing, furnishing, and equipping a Multi-Event Center in Richfield.”

Regent revenue bonds for new construction are traditionally issued through a three-step process. Step one requires the Regents to obtain Legislative approval to exercise its statutory bonding authority. Step two typically involves the approving of a “parameters resolution.” Step three involves final pricing, structuring and marketing of the bonds. As is provided by statute, final pricing, structuring and execution of the bonds (within the authorized parameters) can be performed by the Chair or Vice-chair of the Board, or the Chair of the Board’s Finance and Facilities Committee. (In this case, pricing and structuring has been accomplished through the Community Impact Board’s (CIB) agreement to purchase the bonds as 20-year serial bonds carrying an annual interest rate of 2.5 percent.) The authorizing resolution for this bond issue, along with appropriate Schedules and Exhibits, and an Attorney General certificate, is presented as Attachment 1.

Bond Counsel for this bond is Ballard Spahr. The CIB has already approved a revenue bond loan in the amount of \$2.5 million for the Multi-Event Center. As such, it is anticipated that the bonds issued will be sold to the CIB. Debt service for this bond issue will come fees charged participating entities and from general operating revenues of the facility. The Snow College Board of Trustees has approved this bond issuance.

State Board of Regents
October 30, 2002
Page 2

The MEC is being built with funds received from Sevier County, Richfield City, several foundations, and at least one private donor. The \$2.5 million from this revenue bond is the final piece of the funding package for this project.

Recommendation

It is the recommendation of the Commissioner that the Board adopt the authorizing resolution for the Snow College Bonds, Series 2002, with the understanding that final execution of the bonds will be performed by the Chair or Vice-chair of the Board, or the Chair of the Board's Finance and Facilities Committee.

Cecelia H. Foxley, Commissioner

CHF/MHS
Attachments

BOND RESOLUTION
SNOW COLLEGE
MULTI-EVENTS CENTER

Ephraim, Utah
November 8, 2002

The State Board of Regents of the State of Utah met in regular session at Snow College in Ephraim, Utah on November 8, 2002, commencing at 10:00 a.m. The following members were present:

Nolan E. Karras	Chair
Pamela J. Atkinson	Vice Chair
Jerry C. Atkin	Member
Linnea S. Barney	Member*
Daryl C. Barrett	Member
Kim R. Burningham	Member*
Khay Douangdara	Member
David J. Grant	Member
L. Brent Hoggan	Member
James S. Jardine	Member
Michael R. Jensen	Member
Charles E. Johnson	Member
David James Jordan	Member
E. George Mantes	Member
Jed H. Pitcher	Member
Sara V. Sinclair	Member
Marlon O. Snow	Member
Maria Sweeten	Member

Absent:

Also Present:

Cecelia H. Foxley	Commissioner of Higher Education
Joyce Cottrell, C.P.S.	Secretary

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result and after other matters not pertinent to this resolution had been discussed, the Secretary presented to the Board a Certificate of Compliance With Open Meeting Law with respect to this November 8, 2002 meeting, a

* Non-voting member from State Board of Education

copy of which is attached hereto. The Chair then announced that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the State Board of Regents of the State of Utah, Snow College Richfield Events Center Revenue Bonds, Series 2002.

The following resolution was introduced in written form and after full discussion, pursuant to motion made by Regent _____ and seconded by Regent _____, was adopted by the following vote:

YEA:

NAY:

The resolution is as follows:

RESOLUTION

A RESOLUTION OF THE STATE BOARD OF REGENTS OF THE STATE OF UTAH AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF ITS SNOW COLLEGE RICHFIELD EVENTS CENTER REVENUE BONDS, SERIES 2002 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,500,000 FOR THE PURPOSE OF DEFRAYING A PORTION OF THE COST OF CONSTRUCTING A MULTI-EVENTS CENTER AND RELATED EQUIPMENT AND IMPROVEMENTS (THE “PROJECT”); PRESCRIBING THE FORM OF BONDS, THE TERMS AND CONDITIONS OF ISSUANCE AND RETIREMENT AND THE SECURITY THEREFOR; PROVIDING FOR THE COLLECTION, HANDLING AND DISPOSITION OF THE REVENUES TO BE DERIVED FROM THE PROJECT AND REVENUES PLEDGED FOR THE BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS BOND RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the “Board”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended and is vested with the control, management and supervision of institutions of higher education in the State of Utah, including Snow College; and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 21, and Title 63B, Chapter 11, Section 701(4), Utah Code Annotated 1953, as amended, the Board is duly authorized to issue, sell and deliver revenue bonds to defray a portion of the cost of constructing a multi-events center and related equipment and improvements at Snow College South in Richfield, Utah (the “Project”); and

WHEREAS, the Board desires to construct the Project, and desires to finance in part, the Project by issuing its Snow College Richfield Events Center Revenue Bonds, Series 2002 in the total principal amount of \$2,500,000 (the “Bonds”); and

WHEREAS, the Board has been advised that the Project will generate sufficient revenues when combined with additional Pledged Revenues (as defined herein) to pay for debt service on all proposed and outstanding obligations secured by the Pledged Revenues, including the Bonds authorized herein; and

WHEREAS, the State of Utah acting through the Permanent Community Impact Fund Board (the “Community Impact Board”) has offered to purchase at par the Bonds in the total principal amount of \$2,500,000 and bearing interest at the rate of two and one-half percent (2.5%) per annum on the unpaid principal amount thereof; and

WHEREAS, the Board desires to accept the offer of the Community Impact Board and to confirm the sale of the Bonds to the Community Impact Board; and

WHEREAS, the Bonds shall be payable solely from the revenues and other moneys pledged therefor and shall not constitute nor give rise to a general obligation or liability of the Board or of the State of Utah or constitute a charge against its general credit or taxing powers.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH, AS FOLLOWS:

ARTICLE I

DEFINITIONS

As used in this resolution, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Annual Debt Service” means the annual payment of principal, premium or penalty, if any, and interest to be paid by the Board during any Sinking Fund Year on the Bonds and all outstanding bonds or other forms of indebtedness issued on a parity with the Bonds and which are secured by the Pledged Revenues.

“Board” means the State Board of Regents of the State of Utah, or its successors.

“Bond or Bonds” means the State Board of Regents of the State of Utah Snow College Richfield Events Center Revenue Bond, Series 2002 in the total principal amount of \$2,500,000 purchased by the Community Impact Board.

“Bondholder” or “Registered Owner” means the registered holder of any Bond.

“Community Impact Board” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“Debt Service Reserve Requirement” means, in relation to the Bonds, an amount equal to \$161,050.

“Depository Bank” means a “Qualified Depository” as defined in the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated, 1953, as amended, selected by the Board to receive deposits for the Revenue Fund as herein described, the deposits of which Bank shall be insured by the Federal Deposit Insurance Corporation.

“Escrow Account” means an account to be held in escrow by the Escrow Agent pursuant to the Escrow Agreement, said account to be used for the purpose of depositing the proceeds of the sale of the Bonds and accounting for said proceeds pursuant to the terms of the Escrow Agreement.

“Escrow Agent” means the Utah State Treasurer, who shall so act pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means the agreement entered into among the Board, the Community Impact Board, and the Escrow Agent.

“Event Expenses” means all expenses reasonably incurred in connection with the holding of events at the Project, including all expenses for scheduling of

events, set-up, security, take-down and cleanup, any repairs and replacements for damage in connection with events, reasonable overhead charges, and generally all expenses which under generally accepted accounting practices are properly allocable to specific events of the Project.

“Event Revenues” means all gross income and revenues of any kind, from any source whatsoever, derived from the holding of events at the Project, including, without limitation, all fees, rates, rentals, other charges, and revenues from the Project and from extensions or improvements hereafter constructed or acquired.

“Exchange Bonds” means the fully registered Bonds issued in substantially the form set forth in Exhibit “B”, in exchange for the State Bonds representing the Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“Fiscal Year” means the twelve-month period used by Snow College for its general accounting purposes, as the same may be changed from time to time.

“Fully Registered Bond” means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the applicable Bonds authorized herein.

“Net Revenues” means the Event Revenues after provision has been made for the payment therefrom of Event Expenses.

“Operation and Maintenance Expenses” means all expenses, other than Event Expenses, reasonably incurred in connection with the operation and maintenance of the Project, including repairs and renewals necessary to keep the Project in efficient operating condition, the cost of audits hereinafter required, payment of premiums for insurance on the Project hereafter required and, generally, all expenses, exclusive of depreciation, which under generally accepted accounting practices are properly allocable to operation and maintenance of the Project.

“Paying Agent” means the person or persons authorized by the Board to pay the principal of and interest on the Bonds on behalf of the Board. The initial paying agent for the Bonds is the Vice President.

“Pledged Revenues” means, collectively, the Net Revenues, the Student Building Fees and all other funds committed or allocated to the Project (other than funds committed for the initial Construction of the Project), whether by Sevier County, Richfield City, other governmental entities, or private individuals or organizations, or otherwise, including contracts, grants, donations, contributions, and all interest earned by and profits derived from the sale of investments made with the income and Pledged Revenues and from the funds created hereunder.

“Project” means the acquisition and construction of a multi-events center and related equipment and improvements at Snow College South, in Richfield, Utah including all equipment and necessary appurtenances thereof.

“Registrar” means the person or persons authorized by the Board to maintain the registration books with respect to the Bonds on behalf of the Board. The initial Registrar for the Bonds is the Vice President.

“Revenue Fund” means the State Board of Regents of the State of Utah Snow College Richfield Events Center Revenue Fund established in Section 3.4 herein.

“Sinking Fund” means the State Board of Regents of the State of Utah Snow College Richfield Events Center Revenue Bond Sinking Fund established in Section 3.2 herein.

“Sinking Fund Year” means the twelve-month period corresponding to the Fiscal Year provided, however, that the first Sinking Fund Year will begin on the delivery date of the Bond and will end at the completion of the next Sinking Fund Year.

“Snow College” means Snow College, a state school and institution of higher learning of the State of Utah, as the term Snow College is used in Title 53B, Utah Code Annotated 1953, as amended.

“Snow College South” means the campus of Snow College located in Richfield, Utah.

“State Bonds” means the fully registered Bonds issued in substantially the form set forth in Exhibit “A” in the denominations equal to the aggregate principal amount of the Bonds.

“Student Building Fees” means the student building fees which Snow College has heretofore and will hereafter impose against and collect from each regular student in attendance at Snow College South for the use and availability of the Project and related facilities. The Student Building Fees to be assessed against students attending Snow College shall be fixed from time to time by the Board, all as required under the provisions of this Resolution.

“Vice President” means the Vice President for Finance/Facilities of Snow College South.

ARTICLE II

ISSUANCE OF BONDS

Section 2.1 Principal Amount, Designation, Series and Interest Rate. The Bonds are hereby authorized for issuance for the purpose of providing funds (i) to finance a portion of the costs of the Project and (ii) to pay costs incurred in connection with the issuance of the Bonds. The Bonds shall be limited to \$2,500,000 in aggregate principal amount, shall be issued (i) if issued as a State Bond(s), in the form set forth in Exhibit "A" and (ii) if issued as Exchange Bonds, in the form set forth in Exhibit "B", in fully registered form, shall bear interest from its delivery date at the rate of two and one-half percent (2.5%) per annum on the unpaid balance of the principal sum and shall be payable as specified herein. If issued as Exchange Bonds, the Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Bonds shall be designated as, and shall be distinguished from the bonds of all other series by the title, "State Board of Regents of the State of Utah Snow College Richfield Events Center Revenue Bonds, Series 2002".

Section 2.2 Date and Maturities. The Bonds shall be dated as of their date of delivery shall be in the denomination of One Thousand Dollars (\$1,000) each or any integral multiple thereof and shall be paid as provided in this Section 2.2. The Bonds shall be initially issued as one fully registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. Payment of interest shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Board maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

So long as the Community Impact Board is the Registered Owner of the State Bonds, payments of principal and interest shall be made by check or draft and mailed to the Community Impact Board as the Registered Owner at the address shown on the registration books maintained by the Secretary. So long as the Community Impact Board is the Registered Owner of the State Bond, in lieu of presentation or the surrender of the State Bond to the Paying Agent for notations by the Paying Agent of such payments, the Community Impact Board by its Chair or his designee, shall endorse such payments upon the State Bond.

Interest on the unpaid principal balance of the Bond shall begin accruing on April 1, 2003, at the rate of 2.5% per annum. The Board shall make the principal payments stated for each year, together with accrued but unpaid interest on the total principal sum

outstanding, beginning April 1, 2004, and continuing on each April 1 thereafter until the \$2,500,000 shall be paid in full, as follows:

<u>April 1</u>	<u>Principal Maturing</u>	<u>April 1</u>	<u>Principal Maturing</u>
2004	\$ 98,000	2014	\$125,000
2005	101,000	2015	129,000
2006	103,000	2016	132,000
2007	105,000	2017	135,000
2008	108,000	2018	138,000
2009	111,000	2019	142,000
2010	114,000	2020	145,000
2011	116,000	2021	149,000
2012	119,000	2022	153,000
2013	122,000	2023	155,000

Section 2.3 Optional Redemption and Redemption Prices. Each principal payment of the Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Board, in inverse order of the due dates thereof, and by lot selected by the Board if less than all of the State Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.4 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Community Impact Board with respect to the State Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption.

Section 2.4 Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.4. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Exchange Bonds, including series, to be redeemed, the identification numbers of the Exchange Bonds being redeemed;

(ii) any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bonds;

(iii) in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and

(vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of such a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given, not more than forty-five (45) days nor less than thirty (30) days prior to the redemption date, to Registered Owners of the Exchange Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Bonds receives the notice. Receipt of such notice, shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Section 2.5 Execution and Delivery of the Bonds. The Chair is hereby authorized to execute by manual or facsimile signature the Bonds and the Secretary to countersign by manual or facsimile signature the Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Bonds the official seal of the Board.

The President of Snow College is authorized to execute by manual or facsimile signature the Bonds on behalf of Snow College. The Vice President is hereby authorized to deliver to the Community Impact Board the Bonds upon payment to the Board of the proceeds of the Bonds.

Section 2.6 Delinquent Payment. Payments of principal and/or interest on the Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from said due date until paid in full.

Section 2.7 Exchange of State Bonds. As long as the Community Impact Board is the sole Registered Owner of the Bonds, the Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit "A". It is recognized that the Community Impact Board may sell or otherwise transfer the Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Community Impact Board determines to sell or otherwise transfer all or a portion of the Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 2.7 and Section 3.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.1 hereof. Any Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Community Impact Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit "B", and shall be executed pursuant to authorization contained in Section 2.5 hereof. Each principal payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Board and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Board to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the Community Impact Board pay or cause to be paid all costs and other charges incident to such exchange and the Board shall have no obligation to pay any such costs or charges.

Section 2.8 Designation of Paying Agent. The Vice President is hereby designated as the initial Paying Agent for the Bonds.

ARTICLE III

REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 3.1 Execution of and Registration of Bonds; Persons Treated as Owners. The Bonds shall be signed by the Board and the Board shall cause books for the registration and for the transfer of the Bonds to be kept by the Vice President who is hereby appointed the Registrar of the Board with respect to the Bonds. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Board shall execute and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity and series for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Bonds of the same series or other authorized denominations and the same maturity. The execution by the Board of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Bond. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Bond for redemption.

Bonds surrendered for payment, redemption or exchange, shall be promptly canceled and destroyed by the Board.

The Board, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Board, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Board may require the payment by the Registered Owner requesting exchange or transfer of Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 3.2 Deposit of Bond Proceeds. The proceeds from the sale of the Bonds shall be deposited upon delivery in the Escrow Account and shall be disbursed

pursuant to the provisions of the Escrow Agreement, the execution of which Escrow Agreement by the Chair of the Board is hereby authorized. All monies deposited in the Escrow Account shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuance of the Bonds. Any unexpended balance remaining in the Escrow Account after completion of the Project shall be paid immediately into the “Richfield Events Center Sinking Fund”, hereinafter referred to herein as the “Sinking Fund” established hereunder, and shall be used only for the prepayment of the Bonds. Principal last to become due shall be prepaid first, and in the event less than all of the principal amount of the State Bonds maturing on the last due date are to be redeemed, the Board shall by lot select those State Bonds to be prepaid. Proceeds from the sale of the Bonds on deposit in the Escrow Account, may at the discretion of the Board, be invested by the Escrow Agent as provided in the Escrow Agreement. Following the transfer of unexpended funds from the Escrow Account to the Sinking Fund, the Escrow Account will be closed.

Section 3.3 The Bonds Constitute Special Limited Obligations. The Bonds shall be a valid claim of the respective Registered Owners thereof only against the Pledged Revenues and other moneys in funds and accounts held hereunder and, except as provided herein, the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Bonds, and the Pledged Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized herein. The Bonds shall not constitute a debt or obligation of the State, nor shall payment therefor be enforceable out of any funds of the Board or Snow College other than Pledged Revenues pledged thereto under this Resolution. The Bonds shall not constitute an indebtedness of the State, the Board or Snow College within the meaning of any State constitutional provision or statutory limitation nor constitute or give rise to a general obligation or liability of, or a charge against the general credit of Snow College or the Board, or the general credit or taxing powers of the State or any other political subdivision thereof. This Resolution does not pledge or mortgage any property constituting part of Snow College.

The Board may, in its sole discretion, but without obligation and subject to the Constitution, laws, and budgetary requirements of the State of Utah, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay the Bonds; provided however, the Board has not covenanted and cannot covenant to make said funds available and has not pledged any of such funds for such purpose.

Section 3.4 Flow of Funds. From and after the delivery date of the Bonds and until all the Bonds have been fully paid, the Event Revenues and all other Pledged Revenues shall be set aside into the Revenue Fund, established hereunder, to be held by the Depository Bank. Within the Revenue Fund the Event Revenues shall be accounted for separately from all other Pledged Revenues. The Board will thereafter make accounting allocations of the funds deposited in said Revenue Fund for the following purposes and in the following priority:

(a) From Event Revenues in the Revenue Fund there shall first be paid all Event Expenses. For this purpose the Board shall establish on its books an account known as the "Expense Account" to which shall be allocated monthly, on or before the tenth day of each month, such portion of the Revenue Fund as is estimated to be required for Event Expenses for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts as may be required to make payments of Event Expenses for which the amounts theretofore allocated to the Expense Account are insufficient. At the end of each Sinking Fund Year all amounts in the Expense Account in excess of that required to pay Event Expenses then due shall be transferred to the Sinking Fund established as hereinafter provided.

(b) All amounts in the Revenue Fund not allocated to the Expense Account shall be allocated to the Sinking Fund from and after the earlier of the delivery date of the Bonds, and until all the Bonds have been fully paid:

(i) Of the amounts allocated to the Sinking Fund there shall be allocated the following amounts to the following accounts: to a subaccount established on the books of the Board known as the "Bond Account" such amounts as will assure, to the extent of the availability of Pledged Revenues, the prompt payment of the principal and interest on the Bonds as shall become due. The amount to be so set aside with respect to the Bonds shall, as nearly as may be practicable, be set aside and allocated to the Bond Account monthly, on or before the tenth day of each month, beginning April 10, 2003, one-twelfth (1/12) of the amount of the principal and interest falling due on the next succeeding payment date to the end that there will be sufficient moneys allocated to the Bond Account to pay the principal and interest, if any, on the Bonds as and when the same become due. Amounts allocated to the Bond Account shall be used solely for the purpose of paying principal and interest on the Bonds and shall not be reallocated, transferred or paid out for any other purpose; and

(ii) Of the amounts allocated to the Sinking Fund after there shall have been allocated the amounts required to be allocated under (i) above, there shall be allocated monthly on or before the tenth day of each month, beginning April 10, 2003, to the Reserve Account established on the books of the Board the sum of \$2,235 plus such additional amount as may be required to meet any monthly installment to the Reserve Account not theretofore made in whole or in part, such allocations shall continue until there shall have been accumulated in the Reserve Account an amount equal to the Debt Service Reserve Requirement. Amounts allocated to the Reserve Account shall be used to pay the principal and interest falling due on the Bonds at any time when there are not sufficient funds in the Bond Account to pay the same, but pending such use may be invested as hereafter provided. When the Debt Service Reserve Requirement has been accumulated in the Reserve Account, no further allocations to the Reserve Account need be made unless payments from the Reserve

Account have reduced the same below the amount required by this paragraph, in which event allocations shall be resumed until such deficiency has been remedied; and

(iii) All remaining funds, if any, in the Sinking Fund after all of the payments required to be made into the Bond Account and Reserve Account have been made, may be used by the Board (a) to prepay or redeem the Bonds in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the Project, or (c) to be applied to any other lawful purpose.

(c) If at any time, the Pledged Revenues shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the Board shall make good the amount of such deficiency by making additional payments out of the first available Pledged Revenues.

Section 3.5 Investment of Funds. Any funds allocated to the Revenue Fund, the Bond Account and the Reserve Account may, at the discretion of the Board, be invested in accordance with the State Money Management Act. All income derived from the investment of the funds of the Bond Account shall be maintained in said fund and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Reserve Account shall at the end of each Sinking Fund Year be transferred by the Board to the Bond Account so long as the Reserve Account after said transfer has funds equaling the Debt Service Reserve Requirement. Should the Reserve Account have less than Debt Service Reserve Requirement, then said income shall be maintained in the Reserve Account until total deposits in the Reserve Account equals the Debt Service Reserve Requirement. There shall not be required to be in the Bond Account and the Reserve Account at any time more than the total amount required to pay the total principal outstanding of the Bonds. Whenever the money in the Bond Account and the Reserve Account equal the total principal amount of the Bonds outstanding, the money in said Accounts shall be used to prepay all of the Bonds.

Section 3.6 Legislative Appropriation. In order to (i) assure the maintenance of the Reserve Account in an amount equal to the Debt Service Reserve Requirement, and (ii) assure the payment of the principal of and interest on the Bonds, the Board shall cause the Chair, not later than the first day of December in each year, to certify to the Governor and Director of Finance of the State, the amount, if any, required to (y) restore the Reserve Account to the Debt Service Requirement, or (z) meet any projected shortfalls of payment of principal or interest or both for the following year on any Bonds issued hereunder. The Governor may request from the Legislature an appropriation of the amount so certified in the second preceding sentence. All sums appropriated by the Legislature, if any, and paid to the Board pursuant to the foregoing procedure shall be deposited respectively in the Reserve Account or in the Bond Account, as applicable.

ARTICLE IV

COVENANTS

Section 4.1 Covenants of Board. The Board hereby covenants and agrees with each and every holder of the Bonds the following:

(a) The rates for Student Building Fees and for use of the Project, when combined with other Pledged Revenues shall be sufficient for the payment of principal and interest on Bonds, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. Such rates and amounts as shall be adequate to provide Pledged Revenues sufficient to meet the debt service payments on the Bonds and any Parity Bonds (as defined in 4.2) when due, and to make available for purposes having priority junior to the Sinking Fund in the application of the Pledged Revenues in each Sinking Fund Year, at least twenty-five percent (25%) of the Annual Debt Service for each such year. All Pledged Revenues shall be subject to distribution for payment of the Bonds, as hereinabove provided.

(b) Each Bondholder shall have a right, in addition to all other rights afforded it by the laws of Utah, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Board to charge and collect reasonable rates for Student Building Fees and for use of the Project when combined with other Pledged Revenues, sufficient to meet all requirements of this Bond Resolution.

(c) The Board will maintain the Project in good condition and operate the same in an efficient manner and at reasonable cost. The Board anticipates that the State of Utah will, in the Board's annual State funded budget, provide for payment of Operation and Maintenance Expenses. The Board covenants to budget, in the general operation budget for Snow College, for all estimated Operation and Maintenance Expenses to be paid hereunder, such that Snow College shall have sufficient funds on hand to pay all Operation and Maintenance Expenses without drawing on any Pledged Revenues. Notwithstanding the foregoing, the Board may pay for Operation and Maintenance Expenses from Event Revenues in the event amounts necessary for Operation and Maintenance Expenses in any Fiscal Year exceed the funding Snow College receives for such expenses.

(d) So long as any Bonds remain outstanding, proper books of record and account will be kept by the Board separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the Project and all properties constituting the Project. Except as otherwise provided herein, the Board further agrees that it will within one hundred eighty (180) days following the close of each Sinking

Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Project, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the Community Impact Board is the Registered Owner of the State Bonds, each such audit will be supplied to the Community Impact Board as soon as completed without prior request therefor by the Community Impact Board. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

- (i) A statement in detail of the income and expenditures associated with the Project for such Sinking Fund Year;
- (ii) A balance sheet as of the end of such Sinking Fund Year;
- (iii) The accountant's comments regarding the manner in which the Board has carried out the requirements of this Bond Resolution, and the accountant's recommendations for any change or improvement in the operation of the Project;
- (iv) A list of the insurance policies in force at the end of the Sinking Fund Year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy;
- (v) An analysis of all funds and accounts created in this Bond Resolution, setting out all deposits and disbursements made during the Sinking Fund Year and the amount in each fund or account at the end of the Sinking Fund Year;
- (vi) All Event Revenue, Student Building Fees and Pledged Revenues for such Sinking Fund Year;
- (vii) All schedules of rates and charges imposed for use of the Project and Student Building Fees during the Sinking Fund Year.

The Bondholder may, upon written request from the Board setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular Sinking Fund Year set forth in this Section 4.1(d), provided, however, that such waiver shall not apply to the reporting requirements of the Board set forth in Section 4.1(e) herein.

(e) In addition to the reporting requirements set forth in Section 4.1(d) above, the Board shall submit to the Community Impact Board within one hundred eighty (180) days following the close of each Sinking Fund Year, a summary report substantially in the form as provided by the Community Impact Board to the Board upon purchase of the Bonds.

All expenses incurred in compiling the information required by this section shall be regarded and paid as an Operation and Maintenance Expense. If a Bondholder is other than the Community Impact Board, the Board agrees to furnish a copy of such information to such Bondholder at its request after the close of each Sinking Fund Year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(f) The Bondholder shall have the right at all reasonable times to inspect the Project, and all records, accounts and data of the Board relating thereto, and upon request, the Board will furnish to it financial statements and other information relating to the Board and the Project as it may from time to time reasonably require.

(g) The Board, in its operation of the Project, will carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating educational facilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the Project. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Sinking Fund.

(h) The Board will not sell, lease, mortgage, encumber, or in any manner dispose of the Project or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Bonds have been paid in full, except that the Board may sell any portion of said property which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the Project, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale shall be paid into the Sinking Fund.

(i) The Board will establish procedures to collect Event Revenues and Student Building Fees consistent with similar revenues of educational institutions. The Board covenants to take all action legally available and reasonably necessary to collect other funds to be dedicated to the Project and to repayment of the Bonds.

(j) The Board shall commence and complete the acquisition and construction of the Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(k) The Board will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the Project or any part thereof or upon the Pledged Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the Project or the Pledged Revenues or any

part thereof or which might impair the security of the Bonds, except when the Board in good faith contests its liability to pay the same.

(l) Snow College, in order to assure the efficient management and operation of the Project and to assure the Bondholders from time to time that the Project will be operated on sound business principles, will employ competent and experienced management for the Project, will use its best efforts to see that the Project is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

(m) All payments falling due on the Bonds shall be made to the Bondholder thereof at par and all charges made by the Depository Bank for its services shall be paid by the Board.

(n) The Board and Snow College will maintain their identities, will make no attempt to cause their existence to be abolished and will resist all attempts to annex all or any part of their facilities now or hereafter served by the Project.

(o) The Chair and Secretary of the Board and Vice President are hereby authorized and directed to execute such certificates as shall be necessary to establish that the Bond is not an “arbitrage bond” within the meaning of Section 148 of the Code and the regulations promulgated or proposed in relation thereto. The Board covenants and certifies to and for the benefit of the Registered Owners of the Bonds that no use will be made of the proceeds from the issue and sale of the Bonds, or any funds or accounts of the Board which may be deemed to be gross proceeds of the Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Board obligates itself to comply throughout the term of the Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated with respect thereto.

(p) The Board further covenants and agrees to and for the benefit of the Registered Owners of the Bonds that the Board (i) will not take any action that would cause interest on the Bonds to become includible in gross income for purposes of federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Bonds to become includible in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on such Bonds.

Section 4.2 Additional Indebtedness. No additional indebtedness, bonds or notes of the Board payable on a priority superior to the Bonds out of the Pledged

Revenues shall be created or incurred by the Board without the prior written consent of all holders of the Bonds. Furthermore, the Bonds shall not be entitled to any priority one over the other in application of the Pledged Revenues, regardless of the time or times of their issuance, it being the intention of the Board that there shall be no priority among the Bonds authorized to be issued pursuant to this Bond Resolution regardless of the fact that they may be actually issued and delivered at different times. It is expressly agreed and covenanted that the Board will not hereafter issue any bonds or obligations payable from the Pledged Revenues, or any part thereof, or which constitutes a lien on such Pledged Revenues or on the Project until all Bonds have been paid in full unless such additional bonds are issued in such manner that they are in all respects subordinate to the Bonds.

The provisions of the foregoing paragraph are subject to the following two exceptions:

(1) The Bonds or any part thereof may be refunded. The refunding bonds so issued shall enjoy a lien on the Pledged Revenues on a parity with the Bonds except that if fewer than all of the Bonds outstanding at the time are so refunded, no refunding bonds shall bear interest at a rate higher or mature at a date earlier than the corresponding Bond refunded thereby without the consent of the owners and holders of all of the unrefunded Bonds. In all other respects, refunding bonds may be secured in such manner and may be payable from such sources and be subject to other terms and provisions that may be provided in the resolution authorizing their issuance. Refunding bonds may be exchanged with the consent of the Bondholder for not less than a like principal amount of the Bonds authorized to be refunded, may be sold or may be exchanged in part or sold in part. If sold, the proceeds of the sale not required for the payment of expenses shall be used to refund that portion of the Bonds refunded.

(2) Additional bonds may be issued on a parity with the Bonds herein authorized if all of the following conditions are met at the time of the issuance of such additional bonds (herein referred to as "Parity Bonds"):

(i) The Pledged Revenues in the Sinking Fund Year preceding the year in which the Parity Bonds are to be issued were 125% of the average Annual Debt Service on all of the Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued; provided, this limitation may be waived or modified by the written consent of the registered owners and holders of 100% of the principal amount of the Bonds and Parity Bonds then outstanding.

(ii) All payments required by this Bond Resolution to be made into the Sinking Fund must have been made in full and there must be in each reserve fund the full amount required by this Bond Resolution to be accumulated therein.

(iii) The Parity Bonds must be payable as to principal on April 1 of each year in which principal falls due.

(iv) The proceedings authorizing such Parity Bonds must raise the amount to which the respective reserve accounts for the Bonds and such Parity Bonds shall be accumulated to an amount no less than the highest future Annual Debt Service of all Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued and must require the accumulation of such amount in the respective reserve accounts to be accomplished within six (6) years after delivery of such Parity Bonds.

(v) The proceeds of the Parity Bonds must be used for the making of improvements, extensions, renewals, replacements or repairs to the Project or related facilities.

ARTICLE V

MISCELLANEOUS

Section 5.1 Default and Remedies. Failure of the Board to perform any covenant or requirement of the Board under this Bond Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure, shall constitute an event of default hereunder and shall allow each Bondholder to take the following enforcement remedies:

(a) The Bondholder may require the Board to pay an interest penalty equal to eighteen percent (18%) per annum of the outstanding principal amount on the Bonds, said interest penalty to accrue from the date of the notice of the Bondholder to the Board referenced hereinabove until the default is cured by the Board. Said interest penalty shall be paid on each succeeding payment date until the default is cured by the Board.

(b) The Bondholder may appoint a trustee bank to act as a receiver of the Event Revenues and the Pledged Revenues for purposes of applying said revenues toward the allocations required in Section 3.4 herein and in general, protecting and enforcing each Bondholder's rights thereto, in which case, all administrative costs of the trustee bank in performing said function shall be paid by the Board.

No remedy conferred herein is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to each Bondholder hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon a default shall impair any such right, power or remedy or shall be construed to be a waiver of any default or acquiescence therein; and every such right, power or remedy may be exercised from time to time as may be deemed expedient.

Section 5.2 Amendments to Bond Resolution. Provisions of this Bond Resolution shall constitute a contract between the Board and the Bondholder; and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this Bond Resolution shall be made in any manner until such time as all of the Bonds have been paid in full except as hereinafter provided.

The Bondholders shall have the right from time to time to consent to and approve the adoption by the Board of resolutions modifying or amending any of the terms or provisions contained in this Bond Resolution in the manner and to the extent set out below.

Whenever the Board shall propose to amend or modify this Bond Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Bonds then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed

amendatory resolution is on file in the office of the Secretary for public inspection. Should a Bondholder consent to the proposed amendment to this Bond Resolution, it shall submit to the Board a written instrument which shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof. Upon receipt of Bondholder consents representing at least 75% of the principal of Bonds outstanding, the governing body of the Board may adopt said amendatory resolution, and it shall become effective, provided, however, that nothing in this Section 5.2 shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on delinquent payments, without the consent of the Bondholder of such Bonds, or (b) a reduction in the amount or extension of the time of any payment required by any Fund or account established hereunder without the consent of the Bondholders of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Bondholders of which are required to consent to any such waiver or a mandatory resolution, or (d) affect the rights of the Bondholders of less than all Bonds then outstanding, without the consent of the Bondholders of all the Bonds at the time outstanding which would be affected by the action to be taken.

If a Bondholder at the time of the adoption of such amendatory resolution shall have consented to and approved the adoption thereof as herein provided, said Bondholder shall not have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provision therein contained or to the operation thereof or to enjoin or restrain the Board from taking any action pursuant to the provisions thereof. Any consent given by a Bondholder pursuant to the provisions of this section shall be conclusive and binding upon all successive Bondholders.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 5.3 Maintenance of Proceedings. A certified copy of this Bond Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the Secretary where it shall be made available for inspection by any Bondholder or his agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Bond Resolution, any amendatory or supplemental ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Bond Resolution to be done or performed by the Board. Nothing contained herein, however, shall be construed as imposing on the Board any duty or obligation to levy any tax either to pay the principal of or interest, if any, on the Bonds authorized herein or to meet any obligation contained herein concerning the Bonds.

Section 5.4 Defeasance of Bonds. If the Board shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered Owner of the Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Bond Resolution and any and all estate, right, title and interest in and to any of the funds and accounts created hereunder (except moneys or securities held by a Depository Bank for the payment of the Bonds) shall be cancelled and discharged.

Any Bond shall be deemed to be paid within the meaning of this section when payment of the Bonds (whether such due date be by reason of maturity or upon prepayment or redemption as provided herein) shall have been made in accordance with the terms thereof. At such time as the Bonds shall be deemed to be paid hereunder, they shall no longer be secured by or entitled to the benefits hereof (except with respect to the moneys and securities held by a Depository Bank for the payment of the Bonds).

Section 5.5 Sale of Bonds Approved. The sale of the Bonds to the Community Impact Board, at par, is hereby ratified, confirmed and approved.

Section 5.6 Bondholders not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Board in the acquisition or construction of the Project or for the failure of the Project to function successfully after completion of the Project.

Section 5.7 Additional Certificates, Documents, and Other Papers. The appropriate officials of the Board, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Board any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Bond Resolution and the documents authorized and approved herein.

Section 5.8 Severability. If any section, paragraph, clause or provision of this Bond Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Resolution.

Section 5.9 Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE STATE
OF UTAH THIS 8TH DAY OF NOVEMBER, 2002.

STATE BOARD OF REGENTS OF THE
STATE OF UTAH

Chair

(S E A L)

ATTEST:

Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

Chair

(S E A L)

ATTEST:

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Joyce Cottrell, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on November 8, 2002 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 8th day of November, 2002.

Secretary

(S E A L)

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Joyce Cottrell, the undersigned, the duly qualified and acting Secretary of the State Board of Regents of the State of Utah, do hereby certify, according to the records of said State Board of Regents in my official possession, and upon my own knowledge and belief, that:

(a) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended I gave public notice of the agenda, date, time and place of the November 8, 2002 public meeting held by the Members of the State Board of Regents by causing a Notice of Public Meeting to be posted at the principal office of the State Board of Regents at 60 South 400 West, in Salt Lake City, Utah, on _____, 2002, at least 24 hours prior to the convening of such meeting, in the form attached hereto as Schedule "1"; said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the State Board of Regents until the convening of the meeting; and causing a copy of said Notice of Public Meeting in the form attached hereto as Schedule "1" to be provided on _____, 2002, at least 24 hours prior to the convening of such meeting, to the Deseret News and The Salt Lake Tribune, newspapers of general circulation within the geographic jurisdiction of the State Board of Regents, and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the State Board of Regents; and

(b) that in accordance with the requirements of Section 52-4-6(1), Utah Code Annotated 1953, as amended, public notice of the 2002 Annual Meeting Schedule of the State Board of Regents was given specifying the date, time and place of the regular meetings of the State Board of Regents scheduled to be held during the year, by causing a Notice of Annual Meeting Schedule for the State Board of Regents (in the form attached as Schedule “2”) to be posted on February 4, 2002, at the principal office of the State Board of Regents in Salt Lake City, Utah and causing a copy of such Notice of Annual Meeting Schedule to be provided on February 4, 2002 to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 8th day of November, 2002.

Secretary

(S E A L)

SCHEDULE "1"
NOTICE OF MEETING

SCHEDULE “2”

NOTICE OF ANNUAL MEETING SCHEDULE

EXHIBIT "A"

FORM OF STATE BONDS

UNITED STATES OF AMERICA
 STATE BOARD OF REGENTS OF THE STATE OF UTAH
 SNOW COLLEGE RICHFIELD EVENTS CENTER REVENUE BONDS,
 SERIES 2002

\$2,500,000

The State Board of Regents of the State of Utah (the "Board"), a body politic duly created of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner hereof or registered assigns, the principal amount of \$2,500,000, together with interest accruing on the unpaid principal balance at the rate of two and one-half percent (2.5%) per annum (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on April 1 of each year, with interest beginning to accrue on April 1, 2003, and principal installments beginning April 1, 2004. Principal together with accrued but unpaid interest, shall be payable in registered installments on April 1 of each of the years as set forth in the following Repayment Schedule:

REPAYMENT SCHEDULE

<u>April 1</u>	<u>Principal Maturing</u>	<u>April 1</u>	<u>Principal Maturing</u>
2004	\$ 98,000	2014	\$125,000
2005	101,000	2015	129,000
2006	103,000	2016	132,000
2007	105,000	2017	135,000
2008	108,000	2018	138,000
2009	111,000	2019	142,000
2010	114,000	2020	145,000
2011	116,000	2021	149,000
2012	119,000	2022	153,000
2013	122,000	2023	155,000

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Vice President for Finance/Facilities of Snow College South, the Paying Agent, or of any successor Paying Agent. Payments of interest shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Board maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the State of Utah Permanent Community Impact Fund Board (the “Community Impact Board”) is the registered holder of this Bond, installment payments of principal and interest shall be made by check or draft mailed to the Community Impact Board as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond principal and interest is not paid when due and payable, the Board shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

This Bond is payable solely from a special fund designated “State Board of Regents of the State of Utah Snow College Richfield Events Center Revenue Bond Sinking Fund”, into which fund and into a reserve therefor, to the extent necessary to assure prompt payment of this Bond, shall be pledged 100% of the Pledged Revenues (as defined in the Bond Resolution herein described), all as more fully described and provided in the Resolution adopted by the governing body of the Board on the 8th day of November, 2002 (the “Bond Resolution”).

This Bond is issued pursuant to (i) the Bond Resolution, and (ii) Title 53B, Chapter 21, and Title 63B, Chapter 11, Section 701(4), Utah Code Annotated, 1953, as amended, for the purpose of financing the cost of a multi-events center and related equipment and improvements at Snow College South in Richfield, Utah, including all equipment and necessary appurtenances thereof. This Bond is a special limited obligation of the Board payable solely from the Pledged Revenues and does not constitute an indebtedness of the Board within the meaning of any state constitutional or statutory limitation.

THIS BOND, TOGETHER WITH INTEREST HEREON, IS NOT AN INDEBTEDNESS OF THE STATE OF UTAH, THE BOARD OR SNOW COLLEGE, BUT IS A SPECIAL LIMITED OBLIGATION OF THE BOARD PAYABLE SOLELY FROM AND SECURED SOLELY BY THE PLEDGED REVENUES AND OTHER MONEYS IN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE RESOLUTION. THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE BOARD OR SNOW COLLEGE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY LIMITATION. THE RESOLUTION DOES NOT PLEDGE ANY PROPERTIES OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS AND ACCOUNTS AS DESCRIBED IN THE RESOLUTION.

As provided in the Bond Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds,

notes and other obligations issued and to be issued under the Bond Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Bond Resolution.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Board in inverse order of the due date of the principal installments hereof and by lot selected by the Board if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Board, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Board.

Subject to the provisions of the Bond Resolution, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

The Board covenants and agrees that it will fix rates for Student Building Fees and Event Revenues, when combined with other Pledged Revenues sufficient to pay when due this Bond, and the principal and interest on all bonds issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Pledged Revenues to be received for such service, and will set aside one hundred percent (100%) of the Pledged Revenues to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Bond Resolution, the Bond Resolution may be modified or amended by action on behalf of the Board taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Bond Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

This Bond shall be registered in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the Vice President for Finance/Facilities of Snow College South who shall be the Registrar. This Bond is transferable only by notation upon said book by the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Board, duly executed by the registered

owner or his attorney duly authorized in writing; thereupon, this Bond shall be delivered to and registered in the name of the transferee.

This Bond is one of a Series of Bonds which were certified as legal obligations by the Attorney General of the State of Utah on November 8, 2002.

It is hereby declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Pledged Revenues have been pledged and that an amount therefrom will be set aside into a special fund by the Board sufficient for the prompt payment of this Bond and all bonds issued on a parity with this Bond, if any, and that with the exception of the Pledged Revenues for the payment of the Outstanding Bonds, said Pledged Revenues are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all bonds issued on a parity with this Bond, if any.

IN TESTIMONY WHEREOF, the Board has caused this Bond to be signed by its Chair and countersigned by its Secretary under the corporate seal of said Board this ____ day of _____, 2002.

/s/ (Do Not Sign)
Chair

Countersigned:

/s/ (Do Not Sign)
Secretary

(S E A L)

/s/ (Do Not Sign)
President, Snow College

REGISTRATION CERTIFICATE

(No writing to be placed herein except by
the Bond Registrar)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
	State of Utah Permanent Community Impact Fund Board	

EXHIBIT "B"

FORM OF EXCHANGE BOND

UNITED STATES OF AMERICA
STATE BOARD OF REGENTS OF THE STATE OF UTAH
SNOW COLLEGE RICHFIELD EVENTS CENTER REVENUE BONDS,
SERIES 2002

\$2,500,000

INTEREST RATE	MATURITY DATE	ISSUE DATE
2.5%		_____, 2002

Registered Owner: _____

Principal Amount: _____ Dollars

The State Board of Regents of the State of Utah (the "Board"), a body politic duly created of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Interest at the Interest Rate specified above on the Principal Amount hereof (calculated on the basis of a year of 360 days comprised of twelve 30-day months) shall be payable by check or draft mailed by the Vice President for Finance/Facilities of Snow College South (the "Paying Agent") to the Registered Owner hereof beginning April 1, _____, and on each April 1 thereafter until this Bond is paid in full. Principal and redemption price of this Bond shall be payable upon presentation of this Bond to the Paying Agent, or its successor as such paying agent, for payment at maturity.

If this Bond or any installment of interest hereon is not paid when due and payable, the Board shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars (\$_____), issued in exchange for the conversion of the Board's Snow College Richfield Events Center Revenue Bond, Series 2002 dated _____, 2002, in the total principal sum of \$2,500,000, authorized by a Bond Resolution of the Board duly adopted on November 8, 2002 (the "Bond Resolution"). This Bond and the issue of Bonds of which it is a part is issued pursuant to

(i) the Bond Resolution and (ii) Title 53B, Chapter 21, and Title 63B, Chapter 11, Section 701(4), Utah Code Annotated, 1953, as amended, for the purpose of financing the cost of a multi-events center and related equipment and improvements at Snow College in Richfield, Utah. This Bond is a special limited obligation of the Board payable solely from the Pledged Revenues (as defined in the Bond Resolution) of the Project and does not constitute an indebtedness of the Board within the meaning of any state constitutional or statutory limitation.

THIS BOND, TOGETHER WITH INTEREST HEREON, IS NOT AN INDEBTEDNESS OF THE STATE OF UTAH, THE BOARD OR SNOW COLLEGE, BUT IS A SPECIAL LIMITED OBLIGATION OF THE BOARD PAYABLE SOLELY FROM AND SECURED SOLELY BY THE PLEDGED REVENUES AND OTHER MONEYS IN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE RESOLUTION. THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE BOARD OR SNOW COLLEGE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY LIMITATION. THE RESOLUTION DOES NOT PLEDGE ANY PROPERTIES OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS AND ACCOUNTS AS DESCRIBED IN THE RESOLUTION.

As provided in the Bond Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Bond Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Bond Resolution.

The Bonds are subject to redemption prior to maturity at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Board in inverse order of maturity and by lot within each maturity if less than the full amount is redeemed, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a redemption price equal to 100% of the principal amount of each Bond to be redeemed. Notice of redemption shall be mailed by the Board, postage prepaid, to the registered owners of said Bonds addressed to such owners at their address appearing on the registration books maintained by the Board.

Subject to the provisions of the Bond Resolution, the Bonds (as defined in the Bond Resolution) are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 or any integral multiple thereof.

The Board covenants and agrees that it will fix rates for Student Building Fees and Event Revenues, when combined with other Pledged Revenues, sufficient to pay this Bond when due and principal and interest on all bonds issued on a priority to or parity

with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Pledged Revenues to be received for such service, and will set aside one hundred percent (100%) of the Pledged Revenues to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Bond Resolution, the Bond Resolution may be modified or amended by action on behalf of the Board taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution. The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Bond Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Vice President for Finance/Facilities of Snow College (the "Registrar"), but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

This Bond is one of a Series of Bonds which were certified as legal obligations by the Attorney General of the State of Utah on November 8, 2002.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Pledged Revenues, including any future improvements, additions and extensions to the Project, have been pledged and will be set aside into said special fund by the Board to be used for the payment of this Bond and the issue of which it forms a part and all bonds issued on a parity with this Bond, if any, and that said Pledged Revenues are not pledged, hypothecated or anticipated in any way other than by the issue of Bonds of which this Bond is one and all bonds issued on a parity with this Bond, if any.

IN WITNESS WHEREOF, the Board has caused this Bond to be signed by its Chair and countersigned by its Secretary with the seal of said Board affixed, all as of the ____ day of _____, 2002.

By /s/ (Do Not Sign)
Chair

COUNTERSIGNED:

/s/ (Do Not Sign)
Secretary

(S E A L)

By /s/ (Do Not Sign)
President, Snow College

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

_____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

CERTIFICATE OF THE ATTORNEY GENERAL
OF THE STATE OF UTAH

I, Mark Shurtleff, the duly qualified and acting Attorney General of the State of Utah, do hereby certify that the resolutions and proceedings of the State Board of Regents of the State of Utah authorizing the issuance and confirming the sale of the State Board of Regents of the State of Utah, Snow College Richfield Events Center Revenue Bonds, Series 2002, in the aggregate principal amount of not to exceed \$2,500,000 (the "Bonds") have been submitted to the Office of the Attorney General for examination. Based upon examination of pertinent documents in accordance with my requirements, I hereby certify that the Bonds are legal obligations of the State Board of Regents of the State of Utah pursuant to presently existing laws of the State of Utah.

In accordance with the provisions of the Utah Code Annotated, Section 53B-21-106 the printing, execution and delivery of the Bonds with the following recital on the face of each of the Bonds is hereby authorized and approved:

"This Bond is one of a Series of Bonds which were
certified as legal obligations by the Attorney General of the
State of Utah on November 8, 2002."

Issued this 8th day of November, 2002.

MARK SHURTLEFF
Attorney General of the State of Utah

MEMORANDUM

October 31, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: USHE -- Tuition for UCAT AAT Degree Students in General Education Courses and Proposed Revisions to Regent Policy R510, *Tuition and Fees*

Issue

At the September Board meeting, Regents approved the offering of three Associate of Applied Technology (AAT) Degrees by the Utah College of Applied Technology (UCAT). By state statute and by Regents policy, the general education courses required to complete these programs are to be offered by other USHE institutions. At this time, the Regents are asked to establish a tuition rate and policy for UCAT students enrolled in AAT Degree programs taking general education courses from another USHE institution.

Background

Due to the authorizing legislation for the Utah College of Applied Technology, a number of conditions create the need for the Regents to determine a separate tuition rate for UCAT students taking courses from other USHE institutions. First of all, UCAT regional colleges have the statutory responsibility to "offer competency-based associate of applied technology degrees approved by the State Board of Regents." However, statute forbids UCAT from offering "courses other than applied technology education."

Because accreditation standards for awards of more than one-year require basic education in computation, communications, and human relations, other USHE institutions must provide the general education component of the AAT Degree. Options for UCAT students to complete general education requirements include enrolling in a course (1) on another USHE campus, (2) via distance delivery, or (3) on a UCAT campus in a course provided by another USHE institution.

Another condition of the UCAT section of the Utah code specifies that regional colleges offer "curriculum at low cost." This requirement raises questions regarding how tuition should be assessed for UCAT students in AAT Degree programs taking general education courses at another USHE institution. Eight of the nine other USHE institutions have a plateau tuition schedule where students carrying less than 10 to 12 hours pay a front-loaded amount. For a UCAT AAT Degree student likely enrolling in only one or two classes a term, this front-loaded amount from the regular tuition schedule would appear to be more than the statutorily required "low-cost." Another alternative that has been adopted temporarily includes charging UCAT AAT Degree students the same tuition rate as the Utah Electronic College. Although the

Regents' tuition policy for the Utah Electronic College is based on a single-per-credit hour rate without front-loads, this amount may also be considered greater than "low cost" for a UCAT student because the amount varies depending on the mission of an institution and an additional per-credit-hour technology fee. At the other end of the tuition spectrum, UCAT charges a base tuition rate of \$0.95 per membership hour. While this amount certainly represents low cost to the student, it is not practical for USHE institutions to offer the instruction for that low of a rate because UCAT receives a greater state tax funds subsidy to cover the costs of instruction.

To balance the interests of low tuition for UCAT students while appropriately covering the instructional costs for USHE institutions, the Regents are asked to determine a uniform per-credit-hour tuition rate for all UCAT AAT Degree students taking general education courses from another USHE institution. The recommended amount for this rate is \$65 per credit hour. In addition, it is recommended that the Regents set a one-time application fee of \$30. Currently, USHE institutions assess a one-time application fee ranging from \$25 to \$35.

The amount of \$65 per credit hour is based on the 2002-2003 average tuition per credit hour at the eight other USHE institutions, excluding the University of Utah, for the number of general education credit hours that a UCAT AAT Degree student must complete. Degree requirements for the AAT Degree specify that a student complete 13 credit hours. The average resident tuition for 13 credit hours in one semester at these 8 institutions is \$840, or \$65 per credit hour. Using this rationale, UCAT AAT Degree students may complete the general education requirements for the same cost as if they had enrolled in all classes during a single semester, thus avoiding the extra front-loaded amounts a student would regularly pay by completing 13 credit hours over multiple terms. For comparison, the average eight-institution cost per credit hour at the one credit hour level is \$120. Also for comparison, the average USHE lower division general education direct instructional cost per credit hour in 2000-2001 was \$69. As is consistent with Regent policy, the non-resident rate is recommended to be 3.5 times the resident rate, or \$195 per credit hour.

In addition, it is recommended that UCAT students be exempt from paying other general student fees at the institution where they enroll in general education courses. Because of this, they may be denied access to benefits or activities supported by student fee revenue. This is consistent with how students taking classes through the Utah Electronic College are treated. Institutions may choose to make these benefits or activities available for an additional cost.

To support the instructional costs at the USHE institution, UCAT AAT Degree students enrolled in general education courses would be counted as budget-related FTE, which qualifies them for state enrollment growth funding. When new student enrollment cost calculations are made, the amount of tuition generated by these UCAT AAT Degree students will be calculated accordingly. This has the effect of increasing the state support for these students, similar to the proportion of state support that is received for instruction in UCAT. However, it should be noted that the increased state support would only occur when enrollment growth is fully funded.

Board of Regents
October 30, 2002
Page 3

Policy Implications

The attached draft additions to Regents' Policy R510, *Tuition and Fees*, (Attachment 1) are recommended to facilitate the determination and implementation of this distinct tuition rate for UCAT AAT Degree students in general education courses. The following points summarize the policy provisions:

- Regents are to determine a uniform, per-credit-hour, low-cost, tuition rate for UCAT AAT Degree students taking general education courses from other USHE institutions based on such inputs as the direct cost of instruction, other lower division tuition rates, and other market analyses.
- Regional UCAT campuses are to verify that students qualifying for this tuition rate are in UCAT AAT Degree programs and are taking the course to complete degree requirements.
- Regents are to determine a one-time application fee for the student.
- UCAT AAT Degree students are to be exempt from general student fees when enrolling in general education courses to complete AAT Degree requirements at USHE institutions.
- Enrollment funding for USHE institutions is to reflect the tuition generated specifically for UCAT AAT Degree students enrolled in general education courses.

The policy does not differentiate AAT Degree general education tuition between secondary and adult students. UCAT treats secondary students separately from adult students in assessing tuition because state law mandates that secondary students should receive extra-secondary applied technology training for no cost. However, because the general education component of the AAT Degree is equivalent to post-secondary academic training, both secondary and adult students would be expected to pay the same rate. However, secondary students in many instances may have access to general education courses at no cost through concurrent enrollment courses at their high school.

Recommendation

It is the recommendation of the Commissioner that the Regents establish a uniform, per-credit-hour tuition rate of \$65 for UCAT AAT Degree students taking general education courses at other USHE institutions and that Regents establish a one-time application fee of \$30 for these students. It is also the recommendation of the Commissioner that the Regents approve the revised additions to Policy R510, *Tuition and Fees*.

CHF/MHS/BLM
Attachment

Cecelia H. Foxley, Commissioner

DRAFT

R510, Tuition and Fees

R510-1. Purpose

To establish the conditions and methods for approval by the Board of the tuition and fees to be charged to the students at the institutions.

...

R510-2. References

...

2.6. Utah Code 53B-2a-106 (Regional Applied Technology Colleges – Duties)

...

R510-4. Tuition Charges

...

4.17. Tuition for Utah College of Applied Technology Students Taking General Education Courses Offered by Another USHE Institution to Complete the Requirements for an Associate of Applied Technology Degree – To ensure that tuition for general education courses offered by USHE institutions to students enrolled in Regents-approved Utah College of Applied Technology (UCAT) Associate of Applied Technology (AAT) Degree programs meet the requirements of Utah Code 53B-2a-106 to be low cost, tuition for these courses should be assessed as follows:

4.17.1. Uniform per-Credit-Hour, Low-Cost Tuition Rate – Tuition for general education courses offered by other USHE institutions for students in UCAT AAT Degree programs should be assessed a uniform, low-cost, Regent-approved, per-credit-hour rate based on residency status. In establishing the resident student rate, the board may consider factors such as the direct cost of instruction for lower division general education courses, tuition rates charged by USHE institutions for lower division instruction, or other market analyses. The non-resident rate shall be set at 3.5 times the resident tuition rate.

4.17.2. Verification of Enrollment in AAT Degree Programs – Regional UCAT campuses shall provide the delivering USHE institution certified verification that students qualifying for this tuition rate are enrolled in Regents-approved AAT Degree programs and are taking the course to meet the requirements for the AAT Degree.

4.17.3. One-time Application Fee – Upon enrollment in general education courses from another USHE institution, UCAT students enrolled in an AAT Degree program shall pay a one-time application fee to the USHE institution. The amount of this fee is to be determined by the Board of Regents and should approximate other application fees paid when enrolling in USHE institutions.

4.17.4. Exemption from General Student Fees at the Institution Delivering General Education Instruction – UCAT AAT Degree program students taking general education courses shall be exempt from paying general student fees to the institution delivering the general education instruction. Because of this, they may be denied access to benefits or activities supported by student fee revenue at that institution. An institution may choose to make these benefits or activities available for an additional cost.

4.17.5. Adjusted Tuition Off-set – In the likely event that the tuition revenue collected from UCAT AAT Degree students is less than what is typically collected from lower division students at the delivering USHE institution, the Board of Regents will include in their funding request for new student growth a lower tuition offset for the delivering institution to reflect the tuition revenue generated by the UCAT AAT Degree students in general education courses.

...

(Approved October 24, 1986; amended June 19, 1987, August 7, 1987, July 27, 1990, March 21, 1992, September 18, 1992, November 6, 1992, September 24, 1993, September 23, 1994, November 4, 1994, June 23, 1995, November 3, 1995, August 1, 1996, September 11, 1997, November 13, 1998, January 21, 2000, March 17, 2000, March 16, 2001, March 14, 2002 and July 2, 2002. Proposed amendments November 8, 2002.)

October 30, 2002

MEMORANDUM

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: State Building Board Capital Development Recommendations

Issue

Each year at this time the State Building Board produces a ranked list of Capital Development Projects as well as an unranked list of Nonstate Funded Projects which it forwards to the Governor and the Legislature for their consideration. This year's list is included as Attachment 1 for the information of the Regents.

Background

The Utah State Building Board, working in conjunction with the State Division of Facilities Construction Management (DFCM), has statutory oversight responsibility for state buildings and property. Included in the Board's role is an assignment to review and prioritize requests for new state-funded buildings which state agencies, including higher education, intend to submit for funding from the Legislature. The Building Board held a meeting on Tuesday, October 1, to hear presentations regarding twenty-two proposed capital development projects. The Building Board and DFCM staff had previously made site visits to many of the proposed projects.

At the conclusion of its hearings on October 1, Building Board members took a straw poll to establish a preliminary ranking of projects. The Board met again at its next regularly scheduled meeting, October 16, to discuss the preliminary ranking, make some adjustments, and then adopt its ranked list. The first ranked item is the general request for Capital Improvement Funding, of which a substantial portion will likely be devoted to improvements in higher education facilities. Starting with item two, individual projects are ranked two through twenty-two. Although several higher education projects received a high ranking, the order established by the Building Board deviates somewhat from the ranking established by the Board of Regents. On Attachment 1, we have inserted into the Building Board document a new third column indicating the Regents' ranking for each higher education project.

State Board of Regents
October 30, 2002
Page 2

We note that the Building Board has given a high ranking to some higher education projects, but we will continue to present the full list of critical higher education needs to the Governor and the Legislature. We will forward to the Governor and to the Legislative Capital Facilities Appropriations Subcommittee the Board of Regents' prioritized list of Capital Development Project requests.

Recommendation

No action is needed. This is an information item only.

Cecelia H. Foxley, Commissioner

Attachment

CHF/MHS

Building Board
Capital Development Recommendations
October 16, 2002

Tab M, Page 3 of 3-Atch 1

BB Rank	Agency/ Institution	SBR Rank	Project	Project Amount	State Funds Requested	Cumulative Total
1	Statewide	--	Capital Improvement Funding	\$ 52,143,500	\$ 52,143,500	\$ 52,143,500
2	DAS		Archives Admin. & Permanent Storage	9,367,600	9,367,600	61,511,100
3	USU	1	Merrill Library Replacement	43,000,000	42,200,000	103,711,100
4	Dixie (B)	8	Health Sciences Bldg (Program Only)	15,716,100	140,000	103,851,100
5	WSU	3	Swenson Gymnasium Renovation	8,499,300	5,499,300	109,350,400
6	SUU	7	Teacher Education Building	15,295,800	15,295,800	124,646,200
7	Multi-Agency		St. George Regional Center (D)	7,566,000	7,516,000	132,162,200
8	Multi-Agency		New Ogden Regional Center (D)	11,728,700	11,678,700	143,840,900
9	UofU	2	Marriott Library Renovation	58,189,300	41,189,300	185,030,200
10	CEU	4	Fine Arts Complex	12,491,400	11,491,400	196,521,600
11	Courts		Tooele Courthouse (E)	6,570,400	6,570,400	203,092,000
12	UCAT	(C)	UBATC/USU Vernal Campus	10,524,500	10,524,500	213,616,500
13	Courts		West Jordan District & Juvenile Court	18,020,500	11,045,500	224,662,000
14	National Guard		Salt Lake/Davis Readiness Center	10,438,100	2,542,000	227,204,000
15	DNR/Corrections		Special Forces Facility Replacement	1,304,600	996,600	228,200,600
16	Courts		Cedar Court Land Purchase	281,000	281,000	228,481,600
17	UVSC	5	Vineyard School & Alpine Ctr Purchase	9,000,000	9,000,000	237,481,600
18	SLCC	6	Health Sciences Building	19,154,700	19,154,700	256,636,300
19	Dixie (B)	8	Health Sciences Building (Full Project)	15,716,100	15,716,100	272,352,400
20	Snow	9	Classroom Building	5,222,900	4,472,900	276,825,300
21	UCAT	(C)	BATC Advanced Technology Bldg.	6,691,900	6,691,900	283,517,200
22	DNR		Parks - Four New Campgrounds	5,000,000	5,000,000	288,517,200
(A) Capitol Pres. Brd. Capitol Building Renovation Partial Funding				20,000,000	20,000,000	308,517,200
TOTALS				\$ 361,922,400	\$ 308,517,200	

Notes:

- (A) The Building Board expressed its support for this project but did not include it in its rankings due to the unique circumstances of the project with this amount being a phase of funding on a project that is already underway.
- (B) The Building Board ranked the Dixie State College Health Sciences Building fourth to fund programming and nineteenth to fund the entire project.
- (C) UCAT projects were not included in SBR rankings because by law, they can be submitted directly to the Building Board and the Legislature.
- (D) These projects could be financed on a lease revenue bond using existing rent budgets to cover debt service.
- (E) Courts have proposed that this project be a lease purchase with Tooele County providing the financing.

Nonstate Funded Projects:

USU	Lab Animal Research Center Addition	\$ 600,000
USU	Biology/Natural Resources Bldg. Add.	1,900,000
Public Safety	West Valley Driver License Replace	1,242,400
DWS	New Logan Office	2,421,700
UDOT	Land Purchase for Two Maint. Stns.	500,000
DNR	DWR Great Salt Lake Field Station	552,500
Total Nonstate Funded Projects		\$ 7,216,600

MEMORANDUM

October 30, 2002

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: USHE – Fall 2002-2003 Enrollment Report

Issue

The attached report summarizes the 2002-03 USHE Summer, and Fall 3rd week enrollment figures for all institutions except UCAT. UCAT's open-entry, open-exit, competency-based education precludes them from reporting at Fall 3rd Week. Excluding UCAT, total budget-related and self-supporting student FTE for Fall 2002 at 3rd week was 98,089. The 98,089 FTE represents system growth of 3,391 FTE -- a 3.6% overall increase in FTE when compared with the same period last year. The system headcount for Fall Semester at 3rd week was 137,078 students -- a 1.6% increase over last year.

Background

Summer and Fall 3rd week enrollments are arrayed in the attached report and tables. Enrollments have been reported in compliance with Board policy. Budget-related and self-supporting figures for both Summer and Fall 3rd Week Semesters are included. Estimated annualized numbers for 2002-2003 are included as well. These estimates, found in Table 1 of the report, will be incorporated into the USHE 2003-2004 operating budget request.

This item is for information only. No action is required.

Cecelia H. Foxley, Commissioner

CHF/MHS/NM

**UTAH SYSTEM OF HIGHER EDUCATION
2002-2003 Fall Semester 3rd Week Enrollment Report**

Methodology

After the end of Summer Semester, and after the fifteenth day of Fall Semester, USHE institutions (excluding UCAT) send data files to Commissioner's Office containing headcount and FTE enrollment data. From these data, OCHE staff members prepare reports summarizing institutional and system-wide enrollments for the two semesters. Actual Fall and Summer Semester figures are used to estimate academic year FTE by utilizing weighted historical ratios.

This report complies with Board policy requiring institutions to report budget-related and self-supporting enrollments according to a prescribed set of enrollment definitions. The report also complies with other system-wide enrollment definitions and standards. Table one shows budget-related student enrollments only while table two reflects self-supporting student enrollments. Tables three through six report both budget-related, and budget-related and self-supporting, student enrollments arrayed in various meaningful formats. Only budget-related student enrollment projections (found on Table 1) are used for requesting state operating funding.

Summary Information

Budget-related FTE enrollments for Fall 2002 Semester compared to Fall 2001 Semester are summarized below.

**Budget-Related FTE Enrollment
Fall 2001 Compared to Fall 2002**

Institution	Fall 2001	Fall 2002	% Change
UofU	21,968	23,099	5.1%
USU	16,022	15,974	-0.3%
WSU	11,688	12,448	6.5%
SUU	5,029	4,762	-5.3%
Snow	2,895	2,682	-7.3%
DSC	4,017	4,061	3.6%
CEU	1,996	1,949	-2.3%
UVSC	13,847	14,882	7.5%
SLCC	13,604	14,062	3.4%
Total	91,066	94,020	3.2%

Self-supporting enrollments for the same period are summarized below. Self-supporting courses include correspondence courses, certain contract courses, conferences, workshops, out-of-state courses, external instruction courses, certain concurrent enrollment courses, and remedial courses at UofU, USU and SUU. No state operating funding is requested for these courses.

Self-Supporting FTE Enrollment
Fall 2001 Compared to Fall 2002

Institution	Fall 2001	Fall 2002	% Change
U of U	197	117	-40.6%
USU	867	1,136	31.0%
WSU	439	601	36.9%
SUU	143	199	39.2%
Snow	329	300	-8.8%
DSC	70	99	28.6%
CEU	86	71	-17.4%
UVSC	1,316	1,379	4.8%
SLCC	185	168	-9.2%
Total	3,632	4,070	12.1%

Total enrollment, consisting of both budget-related and self-supporting enrollments, has increased over last year. The following table summarizes the increases in both headcount and FTE enrollments.

Total Enrollment
Headcount and FTE Summary
Fall 2001 Compared to Fall 2002

Institution	Headcount			FTE		
	Fall 2001	Fall 2002	% Change	Fall 2001	Fall 2002	% Change
UofU	27,664	28,374	2.6%	22,165	23,216	4.7%
USU	23,001	22,848	-0.7%	16,889	17,110	1.3%
WSU	17,258	18,654	8.1%	12,127	13,049	7.6%
SUU	6,095	5,881	-3.5%	5,172	4,961	-4.1%
Snow	4,096	3,768	-8.0%	3,224	2,982	-7.5%
DSC	7,255	7,473	3.0%	4,087	4,260	4.2%
CEU	2,746	2,646	-3.6%	2,082	2,020	-3.0%
UVSC	22,609	23,609	4.4%	15,163	16,261	7.2%
SLCC	24,215	23,825	-1.6%	13,789	14,231	3.2%
Total	134,939	137,078	1.6%	94,698	98,089	3.6%

Detailed Information

The attached tables provide the following information:

Table 1	2002-2003 Budget-Related FTE Enrollments for Summer and Fall Semesters with 2002-2003 Academic Year FTE Projections and Annualized Year FTE Projections
Table 2	2002-2003 Self-Supporting FTE Enrollments for Summer and Fall Semesters with 2002-2003 Academic Year FTE Projections and Annualized Year FTE Projections
Table 3	Budget-Related FTE Enrollments: Fall Semester 2002 Compared to Fall Semester 2001
Table 4	Total Budget-Related and Self-Supporting FTE Enrollments: Fall Semester 2002 Compared to Fall Semester 2001 with Academic Year FTE Projections and Annualized Year FTE Projections
Table 5	Total Budget-Related and Self-Supporting Headcount Enrollments: Fall Semester 2002 Compared to Fall Semester 2001
Table 6	Total Budget-Related and Self-Supporting FTE Enrollments: Summer Semester 2002 Compared to Summer Semester 2001
Table 7	Total Budget-Related and Self-Supporting Headcount Enrollments: Summer Semester 2002 Compared to Summer Semester 2001

Table 1
Utah System of Higher Education
2002-2003 Budget-Related FTE Enrollments for Summer and Fall Semesters
with 2002-2003 Academic Year FTE Projections and Annualized Year FTE Projections

Institutions	Summer 2002 Budget-Related FTE			Fall 2002 Budget-Related FTE			Projected Budget-Related 2002-2003 Academic Year FTE			Projected Budget-Related 2002-03 Annualized Year FTE		
	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
University of Utah												
Education and General	5,537.50	1,050.51	6,588.01	18,910.16	3,308.31	22,218.47	18,728	3,173	21,901	21,497	3,698	25,195
School of Med (MD)	4.00	3.00	7.00	352.00	67.00	419.00	333	63	396	335	65	400
School of Med (Non-MD)	58.67	50.87	109.54	229.43	158.90	388.33	209	144	353	238	169	407
School of Med (PA)	55.00	17.00	72.00	59.00	14.00	73.00	50	13	63	78	22	100
Total U of U	5,655.17	1,121.38	6,776.55	19,550.59	3,548.21	23,098.80	19,320	3,393	22,713	22,148	3,954	26,102
Utah State University												
Education and General	2,091.03	645.13	2,736.16	11,833.00	2,138.59	13,971.59	11,719	2,027	13,746	12,765	2,350	15,115
Southeast UT CE Center	57.87	0.60	58.47	104.57	0.00	104.57	106	0	106	135	0	135
Uintah Basin CE Center	279.10	1.00	280.10	759.13	0.00	759.13	876	0	876	1,016	1	1,017
Utah Electronic College (UEC)	0.00	0.00	0.00	2.40	0.00	2.40	2	0	2	2	0	2
Brigham City	121.60	2.57	124.17	318.50	2.87	321.37	324	3	327	385	4	389
Tooele	445.30	7.57	452.87	814.60	0.30	814.90	820	0	820	1,043	4	1,047
Total USU	2,994.90	656.87	3,651.77	13,832.20	2,141.76	15,973.96	13,847	2,030	15,877	15,346	2,359	17,705
Weber State University												
Education and General	2,760.27	171.13	2,931.40	11,747.23	701.17	12,448.40	11,582	664	12,246	12,962	750	13,712
Southern Utah University												
Education and General	940.83	117.40	1,058.23	4,270.43	492.03	4,762.46	4,292	476	4,768	4,762	535	5,297
Snow College												
Education and General	128.80	17.40	146.20	2,214.23	257.10	2,471.33	2,148	253	2,401	2,212	262	2,474
Utah Electronic College (UEC)	0.80	2.40	3.20	2.53	2.53	5.06	4	3	7	4	4	8
Snow South Postsecondary	46.17	0.00	46.17	203.73	1.40	205.13	216	1	217	239	1	240
Total Snow	175.77	19.80	195.57	2,420.49	261.03	2,681.52	2,368	257	2,625	2,455	267	2,722
Dixie State College												
Education and General	473.00	47.09	520.09	3,754.40	405.07	4,159.47	3,607	378	3,985	3,844	402	4,246
Utah Electronic College (UEC)	0.00	0.00	0.00	1.60	0.00	1.60	2	0	2	2	0	2
Total DSC	473.00	47.09	520.09	3,756.00	405.07	4,161.07	3,609	378	3,987	3,846	402	4,248
College of Eastern Utah												
Education and General	201.70	11.53	213.23	1,566.40	63.73	1,630.13	1,549	57	1,606	1,650	63	1,713
San Juan CE Center	115.23	1.00	116.23	317.87	1.47	319.34	329	3	332	387	4	391
Total CEU	316.93	12.53	329.46	1,884.27	65.20	1,949.47	1,878	60	1,938	2,037	67	2,104
Utah Valley State College												
Education and General	3,472.22	755.03	4,227.25	13,194.27	1,685.03	14,879.30	13,337	1,624	14,961	15,073	2,002	17,075
Utah Electronic College (UEC)	1.07	2.67	3.74	0.53	1.67	2.20	1	2	3	2	3	5
Total UVSC	3,473.29	757.70	4,230.99	13,194.80	1,686.70	14,881.50	13,338	1,626	14,964	15,075	2,005	17,080
Salt Lake Community College												
Education and General	4,041.13	271.07	4,312.20	13,674.93	365.13	14,040.06	13,571	343	13,914	15,592	479	16,071
Utah Electronic College (UEC)	13.07	7.73	20.80	14.94	7.40	22.34	25	8	33	32	12	44
Total SLCC	4,054.20	278.80	4,333.00	13,689.87	372.53	14,062.40	13,596	351	13,947	15,624	491	16,115
TOTAL USHE W/OUT MEDICINE	20,840.36	3,179.70	24,020.06	83,993.88	9,606.70	93,600.58	83,497	9,172	92,669	93,920	10,765	104,685
TOTAL USHE WITH MEDICINE	20,844.36	3,182.70	24,027.06	84,345.88	9,673.70	94,019.58	83,830	9,235	93,065	94,255	10,830	105,085

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Table 2
Utah System of Higher Education
2002-2003 Self-Supporting FTE Enrollments for Summer and Fall Semesters
with 2002-2003 Academic Year FTE Projections and Annualized Year FTE Projections

Institutions	Summer 2002 Self-Supporting FTE			Fall 2002 Self-Supporting FTE			Projected Self-Supporting 2002-2003 Academic Year FTE			Projected Self-Supporting 2002-2003 Annualized Year FTE		
	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
University of Utah												
Education and General	1,300.55	204.11	1,504.66	94.90	21.94	116.84	476	155	631	1,126	257	1,383
School of Med (MD)	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
School of Med (Non-MD)	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
School of Med (PA)	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
Total U of U	1,300.55	204.11	1,504.66	94.90	21.94	116.84	476	155	631	1,126	257	1,383
Utah State University												
Education and General	596.71	26.24	622.95	980.47	11.03	991.50	1,466	15	1,481	1,764	28	1,792
Southeast UT CE Center	3.70	0.10	3.80	1.06	0.00	1.06	6	0	6	8	0	8
Uintah Basin CE Center	3.73	0.00	3.73	11.20	0.00	11.20	10	0	10	12	0	12
Utah Electronic College (UEC)	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
Brigham City	6.80	0.00	6.80	100.67	0.00	100.67	101	0	101	104	0	104
Tooele	146.17	0.46	146.63	31.93	0.00	31.93	32	0	32	105	0	105
Total USU	757.11	26.80	783.91	1,125.33	11.03	1,136.36	1,615	15	1,630	1,993	28	2,021
Weber State University												
Education and General	627.57	177.30	804.87	265.70	334.86	600.56	962	353	1,315	1,276	442	1,718
Southern Utah University												
Education and General	810.64	2.13	812.77	188.44	10.27	198.71	408	18	426	813	19	832
Snow College												
Education and General	4.47	0.13	4.60	283.87	0.00	283.87	180	0	180	182	0	182
Utah Electronic College (UEC)	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
Snow South Postsecondary	0.00	0.00	0.00	16.20	0.00	16.20	16	0	16	16	0	16
Total Snow	4.47	0.13	4.60	300.07	0.00	300.07	196	0	196	198	0	198
Dixie State College												
Education and General	38.47	8.51	46.98	94.73	1.60	96.33	134	2	136	153	6	159
Utah Electronic College (UEC)	0.20	0.60	0.80	0.00	2.20	2.20	0	2	2	0	2	2
Total DSC	38.67	9.11	47.78	94.73	3.80	98.53	134	4	138	153	8	161
College of Eastern Utah												
Education and General	0.00	0.00	0.00	52.20	0.00	52.20	43	0	43	43	0	43
San Juan CE Center	0.00	0.00	0.00	18.40	0.00	18.40	27	0	27	27	0	27
Total CEU	0.00	0.00	0.00	70.60	0.00	70.60	70	0	70	70	0	70
Utah Valley State College												
Education and General	192.97	201.58	394.55	1,010.83	368.50	1,379.33	828	436	1,264	924	537	1,461
Utah Electronic College (UEC)	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
Total UVSC	192.97	201.58	394.55	1,010.83	368.50	1,379.33	828	436	1,264	924	537	1,461
Salt Lake Community College												
Education and General	47.78	1.00	48.78	164.67	3.94	168.61	1,436	22	1,458	1,460	23	1,483
Utah Electronic College (UEC)	0.00	0.00	0.00	0.13	0.00	0.13	0	0	0	0	0	0
Total SLCC	47.78	1.00	48.78	164.80	3.94	168.74	1,436	22	1,458	1,460	23	1,483
TOTAL USHE W/OUT MEDICINE	3,779.76	622.16	4,401.92	3,315.40	754.34	4,069.74	6,125	1,003	7,128	8,013	1,314	9,327
TOTAL USHE WITH MEDICINE	3,779.76	622.16	4,401.92	3,315.40	754.34	4,069.74	6,125	1,003	7,128	8,013	1,314	9,327

Table 3
Utah System of Higher Education
Budget-Related FTE Enrollments
Fall Semester 2002 Compared to Fall Semester 2001

Institutions	Fall Semester 2001			Fall Semester 2002			2002 Difference From 2001			2002 Percent Difference From 2001		
University of Utah	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
Education and General	17,988	3,117	21,105	18,910.16	3,308.31	22,218.47	922.16	191.31	1,113.47	5.1%	6.1%	5.3%
School of Med (MD)	349	62	411	352.00	67.00	419.00	3.00	5.00	8.00	0.9%	8.1%	1.9%
School of Med (Non-MD)	239	149	388	229.43	158.90	388.33	-9.57	9.90	0.33	-4.0%	6.6%	0.1%
School of Med (PA)	45	19	64	59.00	14.00	73.00	14.00	-5.00	9.00	31.1%	-26.3%	14.1%
Total U of U	18,621	3,347	21,968	19,550.59	3,548.21	23,098.80	929.59	201.21	1,130.80	5.0%	6.0%	5.1%
Utah State University												
Education and General	12,100	2,092	14,192	11,833.00	2,138.59	13,971.59	-267.00	46.59	-220.41	-2.2%	2.2%	-1.6%
Southeast UT CE Center	105	0	105	104.57	0.00	104.57	-0.43	0.00	-0.43	-0.4%	n/a	-0.4%
Uintah Basin CE Center	610	0	610	759.13	0.00	759.13	149.13	0.00	149.13	24.4%	n/a	24.4%
Utah Electronic College (UEC)	0	0	0	2.40	0.00	2.40	2.40	0.00	2.40	n/a	n/a	n/a
Brigham City	300	5	305	318.50	2.87	321.37	18.50	-2.13	16.37	6.2%	-42.6%	5.4%
Tooele	810	0	810	814.60	0.30	814.90	4.60	0.30	4.90	0.6%	n/a	0.6%
Total USU	13,925	2,097	16,022	13,832.20	2,141.76	15,973.96	-92.80	44.76	-48.04	-0.7%	2.1%	-0.3%
Weber State University												
Education and General	10,971	717	11,688	11,747.23	701.17	12,448.40	776.23	-15.83	760.40	7.1%	-2.2%	6.5%
Southern Utah University												
Education and General	4,516	513	5,029	4,270.43	492.03	4,762.46	-245.57	-20.97	-266.54	-5.4%	-4.1%	-5.3%
Snow College												
Education and General	2,434	225	2,659	2,214.23	257.10	2,471.33	-219.77	32.10	-187.67	-9.0%	14.3%	-7.1%
Utah Electronic College (UEC)	1	0	1	2.53	2.53	5.06	1.53	2.53	4.06	153.0%	n/a	406.0%
Snow South Postsecondary	229	6	235	203.73	1.40	205.13	-25.27	-4.60	-29.87	-11.0%	-76.7%	-12.7%
Total Snow	2,664	231	2,895	2,420.49	261.03	2,681.52	-243.51	30.03	-213.48	-9.1%	13.0%	-7.4%
Dixie State College												
Education and General	3,629	384	4,013	3,754.40	405.07	4,159.47	125.40	21.07	146.47	3.5%	5.5%	3.6%
Utah Electronic College (UEC)	1	3	4	1.60	0.00	1.60	0.60	-3.00	-2.40	60.0%	-100.0%	-60.0%
Total DSC	3,630	387	4,017	3,756.00	405.07	4,161.07	126.00	18.07	144.07	3.5%	4.7%	3.6%
College of Eastern Utah												
Education and General	1,622	88	1,710	1,566.40	63.73	1,630.13	-55.60	-24.27	-79.87	-3.4%	-27.6%	-4.7%
San Juan CE Center	285	1	286	317.87	1.47	319.34	32.87	0.47	33.34	11.5%	47.0%	11.7%
Total CEU	1,907	89	1,996	1,884.27	65.20	1,949.47	-22.73	-23.80	-46.53	-1.2%	-26.7%	-2.3%
Utah Valley State College												
Education and General	12,143	1,656	13,799	13,194.27	1,685.03	14,879.30	1,051.27	29.03	1,080.30	8.7%	1.8%	7.8%
Utah Electronic College (UEC)	27	21	48	0.53	1.67	2.20	-26.47	-19.33	-45.80	-98.0%	-92.0%	-95.4%
Total UVSC	12,170	1,677	13,847	13,194.80	1,686.70	14,881.50	1,024.80	9.70	1,034.50	8.4%	0.6%	7.5%
Salt Lake Community College												
Education and General	13,002	576	13,578	13,674.93	365.13	14,040.06	672.93	-210.87	462.06	5.2%	-36.6%	3.4%
Utah Electronic College (UEC)	9	17	26	14.94	7.40	22.34	5.94	-9.60	-3.66	66.0%	-56.5%	-14.1%
Total SLCC	13,011	593	13,604	13,689.87	372.53	14,062.40	678.87	-220.47	458.40	5.2%	-37.2%	3.4%
TOTAL USHE W/OUT MED	81,066	9,589	90,655	83,993.88	9,606.70	93,600.58	2,927.88	17.70	2,945.58	3.6%	0.2%	3.2%
TOTAL USHE WITH MED	81,415	9,651	91,066	84,345.88	9,673.70	94,019.58	2,930.88	22.70	2,953.58	3.6%	0.2%	3.2%

Table 4
Utah System of Higher Education
Total Budget-Related and Self-Supporting FTE Enrollments
Fall Semester 2002 Compared to Fall Semester 2001 with Academic Year FTE Projections and Annualized Year FTE Projection:

Institutions	Fall Semester 2001			Fall Semester 2002			2002 Difference From 2001			2002 Percent Difference From 2001			Projected Total 2002-2003 Academic Year FTE			Projected Total 2002-2003 Annualized Year FTE		
	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
University of Utah																		
Education and General	18,149	3,147	21,296	19,005.06	3,330.25	22,335.31	856.06	183.25	1,039.31	4.7%	5.8%	4.9%	19,204	3,328	22,532	22,623	3,955	26,578
School of Med (MD)	349	62	411	352.00	67.00	419.00	3.00	5.00	8.00	0.9%	8.1%	1.9%	333	63	396	335	65	400
School of Med (Non-MD)	245	149	394	229.43	158.90	388.33	-15.57	9.90	-5.67	-6.4%	6.6%	-1.4%	209	144	353	238	169	407
School of Med (PA)	45	19	64	59.00	14.00	73.00	14.00	-5.00	9.00	31.1%	-26.3%	14.1%	50	13	63	78	22	100
Total U of U	18,788	3,377	22,165	19,645.49	3,570.15	23,215.64	857.49	193.15	1,050.64	4.6%	5.7%	4.7%	19,796	3,548	23,344	23,274	4,211	27,485
Utah State University																		
Education and General	12,822	2,117	14,939	12,813.47	2,149.62	14,963.09	-8.53	32.62	24.09	-0.1%	1.5%	0.2%	13,185	2,042	15,227	14,529	2,378	16,907
Southeast UT CE Center	106	0	106	105.63	0.00	105.63	-0.37	0.00	-0.37	-0.3%	n/a	-0.3%	112	0	112	143	0	143
Uintah Basin CE Center	610	0	610	770.33	0.00	770.33	160.33	0.00	160.33	26.3%	n/a	26.3%	886	0	886	1,028	1	1,029
Utah Electronic College (UEC)	0	0	0	2.40	0.00	2.40	2.40	0.00	2.40	n/a	n/a	n/a	2	0	2			
Brigham City	406	5	411	419.17	2.87	422.04	13.17	-2.13	11.04	3.2%	-42.6%	2.7%	425	3	428	489	4	493
Tooele	823	0	823	846.53	0.30	846.83	23.53	0.30	23.83	2.9%	n/a	2.9%	852	0	852	1,148	4	1,152
Total USU	14,767	2,122	16,889	14,957.53	2,152.79	17,110.32	190.53	30.79	221.32	1.3%	1.5%	1.3%	15,462	2,045	17,507	17,339	2,387	19,726
Weber State University																		
Education and General	11,171	956	12,127	12,012.93	1,036.03	13,048.96	841.93	80.03	921.96	7.5%	8.4%	7.6%	12,544	1,017	13,561	14,238	1,192	15,430
Southern Utah University																		
Education and General	4,654	518	5,172	4,458.87	502.30	4,961.17	-195.13	-15.70	-210.83	-4.2%	-3.0%	-4.1%	4,700	494	5,194	5,575	554	6,129
Snow College																		
Education and General	2,750	225	2,975	2,498.10	257.10	2,755.20	-251.90	32.10	-219.80	-9.2%	14.3%	-7.4%	2,328	253	2,581	2,394	262	2,656
Utah Electronic College (UEC)	1	0	1	2.53	2.53	5.06	1.53	2.53	4.06	153.0%	n/a	406.0%	4	3	7	4	4	8
Snow South Postsecondary	242	6	248	219.93	1.40	221.33	-22.07	-4.60	-26.67	-9.1%	-76.7%	-10.8%	232	1	233	255	1	256
Total Snow	2,993	230	3,224	2,720.56	261.03	2,981.59	-272.44	31.03	-242.41	-9.1%	13.5%	-7.5%	2,564	257	2,821	2,653	267	2,920
Dixie State College																		
Education and General	3,698	385	4,083	3,849.13	406.67	4,255.80	151.13	21.67	172.80	4.1%	5.6%	4.2%	3,741	380	4,121	3,997	408	4,405
Utah Electronic College (UEC)	1	3	4	1.60	2.20	3.80	0.60	-0.80	-0.20	60.0%	-26.7%	-5.0%	2	2	4	2	2	4
Total DSC	3,699	388	4,087	3,850.73	408.87	4,259.60	151.73	20.87	172.60	4.1%	5.4%	4.2%	3,743	382	4,125	3,999	410	4,409
College of Eastern Utah																		
Education and General	1,682	88	1,770	1,618.60	63.73	1,682.33	-63.40	-24.27	-87.67	-3.8%	-27.6%	-5.0%	1,592	57	1,649	1,693	63	1,756
San Juan CE Center	311	1	312	336.27	1.47	337.74	25.27	0.47	25.74	8.1%	47.0%	8.3%	356	3	359	414	4	418
Total CEU	1,993	89	2,082	1,954.87	65.20	2,020.07	-38.13	-23.80	-61.93	-1.9%	-26.7%	-3.0%	1,948	60	2,008	2,107	67	2,174
Utah Valley State College																		
Education and General	13,291	1,658	14,949	14,205.10	2,053.53	16,258.63	914.10	395.53	1,309.63	6.9%	23.9%	8.8%	14,165	2,060	16,225	15,997	2,539	18,536
Utah Electronic College (UEC)	32	182	214	0.53	1.67	2.20	-31.47	-180.33	-211.80	-98.3%	-99.1%	-99.0%	1	2	3	2	3	5
Total UVSC	13,323	1,840	15,163	14,205.63	2,055.20	16,260.83	882.63	215.20	1,097.83	6.6%	11.7%	7.2%	14,166	2,062	16,228	15,999	2,542	18,541
Salt Lake Community College																		
Education and General	13,174	580	13,754	13,839.60	369.07	14,208.67	665.60	-210.93	454.67	5.1%	-36.4%	3.3%	15,007	365	15,372	17,052	502	17,554
Utah Electronic College (UEC)	14	21	35	15.07	7.40	22.47	1.07	-13.60	-12.53	7.6%	-64.8%	-35.8%	25	8	33	32	12	44
Total SLCC	13,188	601	13,789	13,854.67	376.47	14,231.14	666.67	-224.53	442.14	5.1%	-37.4%	3.2%	15,032	373	15,405	17,084	514	17,598
TOTAL USHE W/OUT MED	84,227	10,059	94,287	87,309.28	10,361.04	97,670.32	3,082.28	302.04	3,383.32	3.7%	3.0%	3.6%	89,622	10,175	99,797	101,933	12,079	114,012
TOTAL USHE WITH MED	84,576	10,121	94,698	87,661.28	10,428.04	98,089.32	3,085.28	307.04	3,391.32	3.6%	3.0%	3.6%	89,955	10,238	100,193	102,268	12,144	114,412

Table 5
Utah System of Higher Education
Total Budget-Related and Self-Supporting Headcount Enrollments
Fall Semester 2002 Compared to Fall Semester 2001

Institutions	Fall Semester 2001			Fall Semester 2002			2002 Difference From 2001			2002 Percent Difference From 2001		
	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
University of Utah												
Education and General	23,401	3,516	26,917	24,026	3,657	27,683	625	141	766	2.7%	4.0%	2.8%
School of Med (MD)	349	62	411	352	67	419	3	5	8	0.9%	8.1%	1.9%
School of Med (Non-MD)	496	203	699	524	209	733	28	6	34	5.6%	3.0%	4.9%
School of Med (PA)	45	19	64	59	14	73	14	-5	9	31.1%	-26.3%	14.1%
Less Duplicates^	-344	-83	-427	-438	-96	-534	-94	-13	-107	27.3%	15.7%	25.1%
Total U of U*	23,947	3,717	27,664	24,523	3,851	28,374	576	134	710	2.4%	3.6%	2.6%
Utah State University												
Education and General	16,658	2,362	19,020	16,012	2,413	18,425	-646	51	-595	-3.9%	2.2%	-3.1%
Southeast UT CE Center	204	0	204	221	0	221	17	0	17	8.3%	n/a	8.3%
Uintah Basin CE Center	1,420	0	1,420	1,830	0	1,830	410	0	410	28.9%	n/a	28.9%
Utah Electronic College (UEC)	0	0	0	10	0	10	10	0	10	n/a	n/a	n/a
Brigham City	1,067	17	1,084	1,214	12	1,226	147	-5	142	13.8%	-29.4%	13.1%
Tooele	1,665	1	1,666	1,664	1	1,665	-1	0	-1	-0.1%	0.0%	-0.1%
Less Duplicates^	-375	-18	-393	-516	-13	-529	-141	5	-136	37.6%	-27.8%	34.6%
Total USU	20,639	2,362	23,001	20,435	2,413	22,848	-204	51	-153	-1.0%	2.2%	-0.7%
Weber State University												
Education and General	15,997	1,261	17,258	17,302	1,352	18,654	1,305	91	1,396	8.2%	7.2%	8.1%
Southern Utah University												
Education and General	5,569	526	6,095	5,360	521	5,881	-209	-5	-214	-3.8%	-1.0%	-3.5%
Snow College												
Education and General	3,611	233	3,844	3,285	264	3,549	-326	31	-295	-9.0%	13.3%	-7.7%
Utah Electronic College (UEC)	4	0	4	10	10	20	6	10	16	150.0%	n/a	400.0%
Snow South Postsecondary	375	7	382	326	2	328	-49	-5	-54	-13.1%	-71.4%	-14.1%
Less Duplicates^	-133	-1	-134	-128	-1	-129	5	0	5	-3.8%	0.0%	-3.7%
Total Snow	3,857	239	4,096	3,493	275	3,768	-364	36	-328	-9.4%	15.1%	-8.0%
Dixie State College												
Education and General	6,578	659	7,237	6,715	740	7,455	137	81	218	2.1%	12.3%	3.0%
Utah Electronic College (UEC)	4	14	18	8	11	19	4	-3	1	100.0%	-21.4%	5.6%
Less Duplicates^	0	0	0	-1	0	-1	-1	0	-1	n/a	n/a	n/a
Total DSC	6,582	673	7,255	6,722	751	7,473	140	78	218	2.1%	11.6%	3.0%
College of Eastern Utah												
Main Campus	2,258	84	2,342	2,113	61	2,174	-145	-23	-168	-6.4%	-27.4%	-7.2%
San Juan CE Center	442	1	443	505	1	506	63	0	63	14.3%	0.0%	14.2%
Less Duplicates^	-39	0	-39	-34	0	-34	5	0	5	-12.8%	n/a	-12.8%
Total CEU	2,661	85	2,746	2,584	62	2,646	-77	-23	-100	-2.9%	-27.1%	-3.6%
Utah Valley State College												
Education and General	20,218	2,059	22,277	21,067	2,537	23,604	849	478	1,327	4.2%	23.2%	6.0%
Utah Electronic College (UEC)	59	277	336	3	8	11	-56	-269	-325	-94.9%	-97.1%	-96.7%
Less Duplicates^	-3	-1	-4	0	-6	-6	3	-5	-2	-100.0%	500.0%	50.0%
Total UVSC	20,274	2,335	22,609	21,070	2,539	23,609	796	204	1,000	3.9%	8.7%	4.4%
Salt Lake Community College												
Education and General	23,271	812	24,083	23,150	591	23,741	-121	-221	-342	-0.5%	-27.2%	-1.4%
Utah Electronic College (UEC)	56	78	134	62	23	85	6	-55	-49	10.7%	-70.5%	-36.6%
Less Duplicates^	-2	0	-2	0	-1	-1	2	-1	1	-100.0%	n/a	-50.0%
Total SLCC	23,325	890	24,215	23,212	613	23,825	-113	-277	-390	-0.5%	-31.1%	-1.6%
TOTAL USHE W/OUT MED	122,502	12,026	134,528	124,349	12,310	136,659	1,847	284	2,131	1.5%	2.4%	1.6%
TOTAL USHE WITH MED	122,851	12,088	134,939	124,701	12,377	137,078	1,850	289	2,139	1.5%	2.4%	1.6%

^ Duplicated headcounts between line items are subtracted from the total in order to obtain an unduplicated total.

* For the past three years U of U Headcount has not included students enrolled in non-credit courses.

Table 6
Utah System of Higher Education
Total Budget-Related and Self-Supporting FTE Enrollments
Summer Semester 2002 Compared to Summer Semester 2001

Institutions	Summer Semester 2001			Summer Semester 2002			2002 Difference From 2001			2002 Percent Difference From 2001		
	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
University of Utah												
Education and General	5,960.00	1,215.00	7,175.00	6,838.05	1,254.62	8,092.67	878.05	39.62	917.67	14.7%	3.3%	12.8%
School of Med (MD)	15.00	6.00	21.00	4.00	3.00	7.00	-11.00	-3.00	-14.00	-73.3%	-50.0%	-66.7%
School of Med (Non-MD)	60.00	54.00	114.00	58.67	50.87	109.54	-1.33	-3.13	-4.46	-2.2%	-5.8%	-3.9%
School of Med (PA)	41.00	20.00	61.00	55.00	17.00	72.00	14.00	-3.00	11.00	34.1%	-15.0%	18.0%
Total U of U	6,076.00	1,295.00	7,371.00	6,955.72	1,325.49	8,281.21	879.72	30.49	910.21	14.5%	2.4%	12.3%
Utah State University												
Education and General	2,459.00	744.00	3,203.00	2,687.74	671.37	3,359.11	228.74	-72.63	156.11	9.3%	-9.8%	4.9%
Southeast UT CE Center	69.00	0.00	69.00	61.57	0.70	62.27	-7.43	0.70	-6.73	-10.8%	n/a	-9.8%
Uintah Basin CE Center	235.00	1.00	236.00	282.83	1.00	283.83	47.83	0.00	47.83	20.4%	0.0%	20.3%
Utah Electronic College (UEC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	n/a	n/a
Brigham City	143.00	2.00	145.00	128.40	2.57	130.97	-14.60	0.57	-14.03	-10.2%	28.5%	-9.7%
Tooele	551.00	1.00	552.00	591.47	8.03	599.50	40.47	7.03	47.50	7.3%	703.0%	8.6%
Total USU	3,457.00	748.00	4,205.00	3,752.01	683.67	4,435.68	295.01	-64.33	230.68	8.5%	-8.6%	5.5%
Weber State University												
Education and General	3,154.00	305.00	3,459.00	3,387.84	348.43	3,736.27	233.84	43.43	277.27	7.4%	14.2%	8.0%
Southern Utah University												
Education and General	1,590.00	111.00	1,701.00	1,751.47	119.53	1,871.00	161.47	8.53	170.00	10.2%	7.7%	10.0%
Snow College												
Education and General	149.00	22.00	171.00	133.27	17.53	150.80	-15.73	-4.47	-20.20	-10.6%	-20.3%	-11.8%
Utah Electronic College (UEC)	1.00	1.00	2.00	0.80	2.40	3.20	-0.20	1.40	1.20	-20.0%	140.0%	60.0%
Snow South Postsecondary	82.00	1.00	83.00	46.17	0.00	46.17	-35.83	-1.00	-36.83	-43.7%	-100.0%	-44.4%
Total Snow	232.00	24.00	256.00	180.24	19.93	200.17	-51.76	-4.07	-55.83	-22.3%	-17.0%	-21.8%
Dixie State College												
Education and General	535.00	68.00	603.00	511.47	55.60	567.07	-23.53	-12.40	-35.93	-4.4%	-18.2%	-6.0%
Utah Electronic College (UEC)	0.00	0.00	0.00	0.20	0.60	0.80	0.20	0.60	0.80	n/a	n/a	n/a
Total DSC	535.00	68.00	603.00	511.67	56.20	567.87	-23.33	-11.80	-35.13	-4.4%	-17.4%	-5.8%
College of Eastern Utah												
Main Campus	256.00	16.00	272.00	201.70	11.53	213.23	-54.30	-4.47	-58.77	-21.2%	-27.9%	-21.6%
San Juan CE Center	102.00	0.00	102.00	115.23	1.00	116.23	13.23	1.00	14.23	13.0%	n/a	14.0%
Total CEU	358.00	16.00	374.00	316.93	12.53	329.46	-41.07	-3.47	-44.54	-11.5%	-21.7%	-11.9%
Utah Valley State College												
Education and General	3,028.00	735.00	3,763.00	3,665.19	956.61	4,621.80	637.19	221.61	858.80	21.0%	30.2%	22.8%
Utah Electronic College (UEC)	17.00	104.00	121.00	1.07	2.67	3.74	-15.93	-101.33	-117.26	-93.7%	-97.4%	-96.9%
Total UVSC	3,045.00	839.00	3,884.00	3,666.26	959.28	4,625.54	621.26	120.28	741.54	20.4%	14.3%	19.1%
Salt Lake Community College												
Education and General	3,743.00	308.00	4,051.00	4,088.91	272.07	4,360.98	345.91	-35.93	309.98	9.2%	-11.7%	7.7%
Utah Electronic College (UEC)	16.00	13.00	29.00	13.07	7.73	20.80	-2.93	-5.27	-8.20	-18.3%	-40.5%	-28.3%
Total SLCC	3,759.00	321.00	4,080.00	4,101.98	279.80	4,381.78	342.98	-41.20	301.78	9.1%	-12.8%	7.4%
TOTAL USHE W/OUT MEDICINE	22,191.00	3,721.00	25,912.00	24,620.12	3,801.86	28,421.98	2,429.12	80.86	2,509.98	10.9%	2.2%	9.7%
TOTAL USHE WITH MEDICINE	22,206.00	3,727.00	25,933.00	24,624.12	3,804.86	28,428.98	2,418.12	77.86	2,495.98	10.9%	2.1%	9.6%

Table 7
Utah System of Higher Education
Total Budget-Related and Self-Supporting Headcount Enrollments
Summer Semester 2002 Compared to Summer Semester 2001

Institutions	Summer Semester 2001			Summer Semester 2002			2002 Difference From 2001			2002 Percent Difference From 2001		
	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total	Resident	Nonres	Total
University of Utah												
Education and General	14,166	2,122	16,288	15,119	2,200	17,319	953	78	1,031	6.7%	3.7%	6.3%
School of Med (MD)	15	6	21	4	3	7	-11	-3	-14	-73.3%	-50.0%	-66.7%
School of Med (Non-MD)	145	104	249	118	78	196	-27	-26	-53	-18.6%	-25.0%	-21.3%
School of Med (PA)	41	20	61	55	17	72	14	-3	11	34.1%	-15.0%	18.0%
Less Duplicates^	-34	-11	-45	-23	-4	-27	11	7	18	-32.4%	-63.6%	-40.0%
Total U of U	14,333	2,241	16,574	15,273	2,294	17,567	940	53	993	6.6%	2.4%	6.0%
Utah State University												
Education and General	6,218	1,323	7,541	6,597	1,190	7,787	379	-133	246	6.1%	-10.1%	3.3%
Southeast UT CE Center	209	0	209	194	3	197	-15	3	-12	-7.2%	n/a	-5.7%
Uintah Basin CE Center	629	1	630	777	2	779	148	1	149	23.5%	100.0%	23.7%
Utah Electronic College (UEC)	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a
Brigham City	427	8	435	476	11	487	49	3	52	11.5%	37.5%	12.0%
Tooele	1,695	2	1,697	2,468	27	2,495	773	25	798	45.6%	1250.0%	47.0%
Less Duplicates^	-306	-11	-317	-466	-43	-509	-160	-32	-192	52.3%	290.9%	60.6%
Total USU	8,872	1,323	10,195	10,046	1,190	11,236	1,174	-133	1,041	13.2%	-10.1%	10.2%
Weber State University												
Education and General	7,883	681	8,564	8,078	769	8,847	195	88	283	2.5%	12.9%	3.3%
Southern Utah University												
Education and General	4,503	234	4,737	5,082	243	5,325	579	9	588	12.9%	3.8%	12.4%
Snow College												
Education and General	424	62	486	397	42	439	-27	-20	-47	-6.4%	-32.3%	-9.7%
Utah Electronic College (UEC)	7	5	12	4	11	15	-3	6	3	-42.9%	120.0%	25.0%
Snow South Postsecondary	191	2	193	121	0	121	-70	-2	-72	-36.6%	-100.0%	-37.3%
Less Duplicates^	-44	-1	-45	-33	0	-33	11	1	12	-25.0%	-100.0%	-26.7%
Total Snow	578	68	646	489	53	542	-89	-15	-104	-15.4%	-22.1%	-16.1%
Dixie State College												
Education and General	1,586	155	1,741	1,670	134	1,804	84	-21	63	5.3%	-13.5%	3.6%
Utah Electronic College (UEC)	1	1	2	1	3	4	0	2	2	0.0%	200.0%	100.0%
Less Duplicates^	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a
Total DSC	1,587	156	1,743	1,671	137	1,808	84	-19	65	5.3%	-12.2%	3.7%
College of Eastern Utah												
Main Campus	653	23	676	488	19	507	-165	-4	-169	-25.3%	-17.4%	-25.0%
San Juan CE Center	181	0	181	221	5	226	40	5	45	22.1%	n/a	24.9%
Less Duplicates^	-35	0	-35	-18	-5	-23	17	-5	12	-48.6%	n/a	-34.3%
Total CEU	799	23	822	691	19	710	-108	-4	-112	-13.5%	-17.4%	-13.6%
Utah Valley State College												
Education and General	9,716	1,159	10,875	9,910	1,468	11,378	194	309	503	2.0%	26.7%	4.6%
Utah Electronic College (UEC)	34	196	230	5	12	17	-29	-184	-213	-85.3%	-93.9%	-92.6%
Less Duplicates^	-5	-13	-18	0	-6	-6	5	7	12	-100.0%	-53.8%	-66.7%
Total UVSC	9,745	1,342	11,087	9,915	1,474	11,389	170	132	302	1.7%	9.8%	2.7%
Salt Lake Community College												
Education and General	10,003	590	10,593	10,150	547	10,697	147	-43	104	1.5%	-7.3%	1.0%
Utah Electronic College (UEC)	57	47	104	55	30	85	-2	-17	-19	-3.5%	-36.2%	-18.3%
Less Duplicates^	-3	0	-3	-1	-1	-2	2	-1	1	-66.7%	n/a	-33.3%
Total SLCC	10,057	637	10,694	10,204	576	10,780	147	-61	86	1.5%	-9.6%	0.8%
TOTAL USHE W/OUT MED	58,342	6,699	65,041	61,445	6,752	68,197	3,103	53	3,156	5.3%	0.8%	4.9%
TOTAL USHE WITH MED	58,357	6,705	65,062	61,449	6,755	68,204	3,092	50	3,142	5.3%	0.7%	4.8%

^ Duplicated headcounts between line items are subtracted from the total in order to obtain an unduplicated total.

MEMORANDUM

October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: **INFORMATION:** UHEAA--Board of Directors Report

Since its last (September, 2002) report to the Regents, the UHEAA Board of Directors met on October 8, 2002. A copy of the agenda for the meeting is attached as Exhibit A. The Board took the following actions:

1. Approved minutes for the Board's meeting on June 20, 2002 (attached as Exhibit B).
2. Adopted a schedule of regular meetings for Calendar Year 2003, as follows–

Tuesday, January 14
Thursday, April 3
Thursday, June 26 (Budget Meeting)
Thursday, September 4
Thursday, November 13.

Regular meeting times are from 10:00 A.M. to 1:00 P.M., with luncheon provided.

The Board also changed its scheduled meeting for November 2002 from November 13 to November 14. The November 14 meeting subsequently was changed from a Board Meeting to a special meeting of the Student Finance Subcommittee, to review and make recommendations on tentatively-approved additional investment options for the Utah College Savings Plan Trust (UESP). (See below.)

3. Reviewed and approved Monthly Investment Reports for April, May and June, 2002, and Quarterly Investment Reports for the Quarter ending June 30, 2002, for the Student Loan Guarantee Program (LGP), the SBR Loan Purchase Program (LPP), the Utah Educational Savings Plan Trust (UESP), the Utah Tuition Assistance Program (UTAP), and the Utah Engineering and Computer Science Loan Forgiveness Program (UECLP).

4. Discussed a proposal to add two additional investment options for UESP, and voted to authorize development of the additional options, subject to more intensive review by and recommendations from the Student Finance Subcommittee, which functions as the investment committee for UESP. As noted above, the Subcommittee will meet on November 14, 2002. Its recommendations will be presented to the Board of Directors for further consideration at the January 14 meeting of the Board.

5. Appointed Mark Spencer and Arnold Combe to membership on the Student Finance Subcommittee (SFC). With these appointments, the membership of the SFC includes John F. Goddard, Chair; Ed Alter (Utah State Treasurer); Elva M. Barnes; Arnold Combe (University of Utah Vice President for Administrative Services); Walter P. Gnemi (retired University of Utah Vice President for Administrative Services); Regent David J. Grant; Regent L. Brent Hoggan; Stephen D. Nadauld (Brigham Young University Professor of Finance); Associate Commissioner C. Gail Norris; Associate Commissioner Mark Spencer; Fred Stringham; and Regent Maria Sweeten. Board of Regents Policy R610 (Section 3.6.3) provides that "The UHEAA Board of Directors . . . shall establish a Student Finance Subcommittee from its membership, which shall be directly responsible to the Board of Regents, through its Finance and Facilities Committee, for oversight and advice regarding bond issues and other financing arrangements for the Loan Purchase Program." In addition, the Board of Directors, or the Executive Director, from time to time, also request the SFC to consider and make recommendations on other issues relating to financial aspects of UHEAA programs.

6. Discussed a comprehensive report regarding current status, recent history, and calculations relevant to a proposed FY 2004 appropriation request for Student Financial Aid. Following the discussion, the Board approved submission to the Board of Regents of the calculated needs for Student Financial Aid line item increases needed to avoid loss of purchasing power for current financial aid recipients at various levels of tuition increases, and a recommendation "that consideration be given to maintaining the relationship between tuition increases and student financial aid increases which is suggested in current Board of Regents' Policy R510."¹

Attached as Exhibit C is a table summarizing the net results of the FY 2002 and FY 2003 appropriated budget reductions based on the calculation methodology described in Policy R510. Student Financial Aid absorbed FY 2002 and FY 2003 appropriation reductions at the same level as the institutional operating budgets. As shown in Exhibit C, Column (6), Line 8, the total available appropriation amount for need-based financial aid was reduced by \$429,703, or 7.21%. After applying available funds to a first priority of providing needed matching funds for federal campus-based programs (USHE only) and LEAP/SLEAP, the amount available for UCOPE was reduced by \$800,910, or 29.45%

¹Policy R510, Section 3.8, reads as follows: **"Student Financial Aid Appropriation Requests Related to Tuition Increases** - When the Board's higher education appropriation recommendations contemplate tuition rate increases, the Board will consider including a request for a related appropriation increase for the Utah Centennial Opportunity Program for Education (UCOPE). The amount considered for such a request will be calculated to offset, in conjunction with any anticipated increases in federal need-based grant and work-study programs, the costs of tuition and fee increases for resident students receiving need-based financial aid from both federal and state sources, in eligible institutions in the preceding fiscal year."

To fulfill the goal represented by Policy R510, Section 3.8, given average USHE tuition increases (both phase I and phase II), the increase in UCOPE for FY 2003 would need to have been an estimated \$6,994,000. Adding together the needed increase and the actual decrease, the UCOPE amount fell \$7,794,910 below what was needed [Column (5), Line F in Exhibit C]. Of this total amount, \$7,015,419 [Line G] was attributable to USHE institutions. However, as shown in Exhibit C, this need was partially offset by a projected \$937,000 resulting from allocation of one-half percentage point of the tuition increases for need-based financial aid as directed by the Board of Regents, and by a \$225,000 increase in UHEAA's allocation of LPP current operating revenues for UHEAA (need-based) Scholarships for USHE institutions. The resulting net shortfall is estimated at \$5,853,419, as shown in Exhibit C [Line J, Column (5)]. Actual utilization of the Student Financial Aid line item (exclusive of Minority Scholarships, New Century Scholarships, and UTAP) is shown in the attached Exhibit E, provided as background information.

The attached Exhibit D provides summary information on the normal two parts of the appropriation increase request (again, exclusive of non-need-based scholarship amounts). The two parts are: (1) funds needed to match available federal fund allocations to USHE institutions for campus-based need-based programs; and (2) an increase in UCOPE funding. As shown in Exhibit D, Line B4, the total calculation for matching of federal funds, which historically has been treated as a mandated cost similar to fuel and power and physical plant operations and maintenance, is \$175,000 on the basis of very preliminary information about probable federal appropriation provisions.

Four scenarios are provided in Exhibit D regarding increased UCOPE funding needed to meet the ideal represented in Policy R510, Section 3.8. The four scenarios show the calculated requirement (again, based on preliminary information about probable federal appropriation provisions) at four different levels of average combined phase I and phase II tuition increases in USHE institutions—4.5%, 6%, 8%, and 10%.

Although it clearly is recognized that current state revenue conditions do not provide a basis for hope to fully fund the R510 policy ideal of increasing need-based aid commensurately with tuition and fee increases, the scenarios show not only the additional amount needed at various FY 2004 tuition increase levels but also the \$5,853,000 (rounded) shortfall from FY 2003. This is equivalent to including unfunded enrollment growth from the previous year in the current year's request calculation. Using the 4.5% and 10% average tuition increase scenarios as bookends, the needed increases for UCOPE and for the total need-based portion of the Student Aid line item, would be within the ranges shown below—

	4.5% Ave Tuition Increases	10% Ave Tuition Increases
Base Adjustment for Matching	\$ 175,000	\$ 175,000
UCOPE for FY 2003 Shortfall	\$5,853,000	\$ 5,853,000
<u>UCOPE for FY 2004 Increases</u>	<u>\$1,799,000</u>	<u>\$ 7,552,000</u>
TOTAL	\$7,827,000	\$13,580,000
TOTAL Without Shortfall Catch-up	\$1,974,000	\$ 7,727,000

Additional background information on longer-term trends and numbers of students affected will be available at the Board of Regents meeting and can be reviewed if time permits.

7. Received two information reports, copies of which are attached–

A. UtahMentor Implementation and Future Development Plans–Exhibit F.

B. Loan Program Participation Under UHEAA Rule R765-612–Exhibit G.

Cecelia H. Foxley, Commissioner

Attachments (Exhibits A through G)

CHF/CGN

AGENDA

MEETING OF THE UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS

**BOARD OF REGENTS BUILDING, THE GATEWAY
60 SOUTH 400 WEST
FIFTH FLOOR BOARD ROOM
SALT LAKE CITY, UTAH**

Tuesday, October 8, 2002

10:00 A.M. - 1:00 P.M.

**(In compliance with the Americans with Disabilities Act (ADA),
individuals needing special accommodations (including
auxiliary communicative aids and services) during this
meeting should notify Stacey Fabros, ADA Coordinator, at the
Board of Regents Building, The Gateway, 60 South 400 West,
Salt Lake City, UT 84101 or at 321-7211 at least
three working days prior to the meeting.)**

1. Calling of the Roll & Welcome
 - a. New Regent Member, Jed Pitcher, SBR Chair of Budget and Finance, ex officio
 - b. Regent Brent Hoggan reappointed as Chair of UHEAA Board, replacing Regent Sara Sinclair
3. Approval of Minutes of the June 20, 2002 Meeting
4. Motion for Executive Session at Next Meeting (if needed)
5. Consideration of Board Reports

- | | | |
|-----------|-----------------------------|---|
| #1 | ACTION | Proposed Board Meetings Schedule for Calendar Year 2003, and Rescheduling Meeting From November 13, 2002 |
| #2 | ACTION | Money Management Investment Reports |
| #3 | ACTION | Additional Investment Options for Utah Educational Savings Plan Trust (UESP) |
| #4 | ACTION | Appointment to Student Finance Subcommittee |
| #5 | ACTION | Student Financial Aid Appropriation Request for Fiscal Year 2004 |
| #6 | INFORMATION CALENDAR | |
| | A. | UtahMentor Implementation and Future Development Plans |
| | B. | Loan Program Participation Under UHEAA Rule R765-612 |
| | C. | OTHER INFORMATION ITEMS (Presented at Meeting) |

5. Executive Session (if needed)

**UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS
MINUTES**

**Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284**

June 20, 2002

Members Present

Mr. Ed Alter
Ms. Elva Barnes
Mr. Arnold Combe
Ms. Carrie Flamm
Dr. Cecelia Foxley
Mr. Walter Gnemi
Mr. Jack Goddard
Mr. David Grant
Mr. Brent Hoggan
Ms. Peggy Leavitt
Ms. Judy LeCheminant
Mr. Chalmers Gail Norris
Dr. Mark Spencer
Mr. Ford Stevenson
Ms. Maria Sweeten
Mr. Ammon Van Orden

UHEAA Staff Present

Mr. Philip Bernal
Mr. Scott Brown
Ms. Nancy Caldwell
Ms. Brenda Cox
Mr. Richard Davis
Ms. Cinda Eresuma
Mr. Brad Ewell
Ms. Stacey Fabros
Mr. David Feitz
Mr. Scott Gilmore
Mr. Jim Ginos
Dr. Dale Hatch
Mr. Michael Johnson
Mr. Bob McRae
Ms. Geri Petersen
Ms. Lynda Reid
Ms. Alice Schaelling
Mr. Dave Schwanke

Chairman Hoggan called the meeting of the UHEAA Board of Directors to order. He noted that Dr. Nadauld, Ms. Sinclair, and Mr. Stringham were excused.

Dr. Foxley gave a brief introduction of Dr. Mark Spencer, the newest member of the UHEAA Board of Directors, who replaced Dr. Norm Tarbox as Associate Commissioner of Finance and Facilities in the Office of the Commissioner for Higher Education.

Chairman Hoggan asked the Board to consider the minutes of the April 30, 2002 UHEAA Board of Directors meeting.

It was moved by Mr. Goddard and seconded by Ms. Sweeten to approve the minutes of the April 30, 2002 UHEAA Board of Directors meeting. The motion carried unanimously.

Chairman Hoggan asked for a motion to approve an Executive Session at the next Board meeting, if needed.

It was moved by Ms. Barnes and seconded by Mr. Gnemi to hold an Executive Session at the August 27, 2002 meeting, if needed¹. The motion carried unanimously.

The first item considered was UHEAA Board Report One, Money Management Investment Reports.

Mr. Davis reviewed the investment reports and attachments for: the State Board of Regents Loan Purchase Program (LPP); the Utah Student Loan Guarantee Program (LGP); the Utah Educational Savings Plan Trust (UESP); Utah Tuition Assistance Program (UTAP); and the Utah Engineering and Computer Science Loan Forgiveness Program (UECLP) for the month of March 2002 and for the quarter ending March 31, 2002.

Mr. Gnemi asked if there has been a decline in UESP participant deposits since the end of the tax season.

Dr. Hatch replied that deposits have remained strong.

It was moved by Mr. Gnemi and seconded by Mr. Goddard to adopt the recommendation that the Board approve the investment reports and attachments as presented. The motion carried unanimously.

The next item considered was UHEAA Board Report Two, Administrative Rule Change for Utah Engineering and Computer Science Loan Forgiveness Program (UECLP).

Mr. Norris discussed a rule change regarding enrollment status for students participating in UECLP based on class scheduling limitations and other factors that prevent students from enrolling on a full-time basis.

Ms. Barnes asked if the legislature is aware that this rule change is necessary because students are having difficulty getting classes.

¹The August 27 meeting subsequently was postponed to October 8.

Mr. Norris replied that the legislature is aware of class scheduling issues.

Ms. LeCheminant added that some of the required classes are in a series that must be taken in a particular order. She continued that if a student is not able to enroll at the beginning of a series, the student must wait until the series begins again.

Dr. Foxley added that she had been involved in a meeting the day before with members of the Board of Regents and some legislative leaders in which this particular issue had been discussed.

It was moved by Ms. Barnes and seconded by Ms. Sweeten to adopt the recommendation that the Board approve the revision to Administrative Rule R765-608 as shown in Attachment A, and submission of the revision for Administrative Rulemaking. The motion carried unanimously.

The next item considered was UHEAA Board Report Three, Administrative Rule Change for Utah Educational Savings Plan Trust (UESP).

Dr. Hatch reviewed rule changes and clarifications based on IRS Notice 2001-81 (the Notice), issued December 7, 2001, and corresponding amendments to Utah statutes enacted in the 2002 regular session of the Utah State Legislature.

Mr. Gnemi asked if the new rule would eliminate all penalties for withdrawal within the first two years.

Dr. Hatch explained the withdrawal penalties assessed by UESP were only for non-qualified distributions, and that a qualified distribution would not incur a penalty. He continued that the Notice gives the IRS the exclusive authority to determine if a withdrawal is or is not a qualified distribution.

Mr. Gnemi asked if investment income in section 8.2 refers only to dividends and interest or if it includes capital appreciation or depreciation.

Dr. Hatch confirmed that any increase in an investor's account, whether principal or interest, would be refunded under the proposed rule.

Mr. Alter advised that it may be prudent in the rulemaking proposal to distinguish whether capital gains are considered a part of principal or income.

Mr. Norris suggested that a word change be incorporated into the rule so that the final sentence of 8.2 would read as follows:

“The amount of the refund shall be the total of all contributions made plus actual investment income (including capital appreciation or depreciation) on the contributions, up to the current account balance as adjusted for any market change.”

It was moved by Mr. Gnemi and seconded by Mr. Alter to adopt the recommendation that the Board approve the revision to Administrative Rule R765-685, as amended above, and submission of the revision for Administrative Rulemaking. The motion carried unanimously.

The next item considered was UHEAA Board Report Four, Administrative Rule Change for Utah Centennial Opportunity Program for Education (UCOPE).

Mr. Feitz discussed rule changes that will allow schools more flexibility in the administration of UCOPE funds.

Mr. Grant asked why the requirement for 30% of funds to go into work-study has been eliminated.

Mr. Norris replied that the federal government has “flooded the market” with work-study funds, which prompted the necessity for this rule change. He added that the rules can be revised again if the work-study funding environment changes.

Mr. Grant asked if the rule change could be reworded to provide flexibility to UHEAA to set a percentage requirement of UCOPE funds for work-study.

Mr. Feitz noted that in the new rule language, under 4.8.1.2(b), a school can “place all or any portion of its allotted UCOPE funds in a budget to be used only for payment of work-study stipends to eligible students.” He explained that this language is less prescriptive than a specific percentage requirement and allows flexibility to the schools, based on their students' needs.

Ms. LeCheminant added increased work-study funds are beneficial to schools located in cities where students have difficulty finding work outside the institution. She stressed that each institution has its own unique work-study needs and flexibility in the UCOPE program is invaluable.

It was moved by Mr. Grant and seconded by Ms. Leavitt to approve the recommendation that the Board of Directors approve the revisions to Administrative Rule R765-605 as shown in Attachment A, and submission of the revision for Administrative Rulemaking. The motion carried unanimously.

The next item considered was UHEAA Board Report Five, New Investment Option for Utah Educational Savings Plan Trust (UESP).

Mr. Norris explained that Report Five has a single recommendation for Board action, namely addition of a fifth investment option to broaden choices available to participants. He pointed out there also is information regarding other possible options, on which he wants further review before considering any recommendations.

Dr. Hatch discussed the new Investment Option 5 for UESP participants. He explained that there have been numerous requests for a total bond option.

It was moved by Mr. Goddard and seconded by Mr. Alter to adopt the recommendation that the Board approve the proposal for UESP immediately to develop and offer an Investment Option 5, to be totally invested in the Vanguard Total Bond Market Index Fund. The motion carried unanimously.

Dr. Hatch then discussed a “Best of Breed” concept summary and analyses of various investment management approaches as presented in Schedules A and B.

Ms. Barnes expressed displeasure with the “Best of Breed” summary and associated basketball analogy as presented in the report. She also expressed distrust in the concept of hiring a financial consultant to manage UESP investments. She further expressed that financial consultants can lead participants into investments that may not be the best options for the investors. She also expressed confidence that the program investment options in place provide enough variety for investors and suggested that the “Best of Breed” concept be abandoned.

Mr. Goddard suggested that the proposed concept should be further researched before UESP administrative staff take action to employ a financial consultant.

It was moved by Mr. Alter and seconded by Mr. Combe to adopt the recommendation that UESP staff explore active management options and the possibility of employing a consultant with experience in the field who could give recommendations on how to best evaluate actively managed fund options, with a report to the Student Finance Subcommittee before further action is taken. The motion passed by the following votes:

Yea: Mr. Alter, Mr. Combe, Ms. Flamm, Dr. Foxley, Mr. Gnemi, Mr. Goddard, Mr. Grant, Mr. Hoggan, Ms. Leavitt, Ms. LeCheminant, Mr. Norris, Dr. Spencer, Mr. Stevenson, Ms. Sweeten, Mr. Van Orden

Nay: Ms. Barnes

The next item considered was UHEAA Board Report Six, Year End Fund Designations in Short-Term Note Fund and Continuation of UHEAA Borrower Benefits.

Mr. Norris discussed continuation of borrower benefits and year-end fund designations for Fiscal Year 2002.

Mr. Goddard asked at what amount a loan is no longer profitable to service.

Mr. Davis replied that each loan has a different revenue structure, but generally speaking, the threshold would be below \$1,000.

Mr. Goddard suggested that an incentive ought to be formulated to encourage small-balance borrowers to pay their loans in full.

Mr. Norris suggested that the issue be explored at a future Student Finance Subcommittee meeting.

It was moved by Mr. Goddard and seconded by Mr. Combe to adopt the recommendation that the Board approve (1) the proposed FY 2002 year-end reserve fund designations in the Short Term Note Fund, totaling \$70,721,000, as set forth in column (4) of Exhibit A; and (2) continuation of all current borrower benefits to cover all loans guaranteed by UHEAA and originated during FY 2003 regardless of when the loans enter repayment and are purchased by LPP. The motion carried unanimously.

The next item considered was UHEAA Board Report Seven, Fiscal Year 2003 Operating Budget, SBR Loan Purchase Program (LPP).

Mr. Norris reviewed the proposed FY 2003 Operating Budget for the SBR Loan Purchase Program (LPP).

Mr. Gnemi asked if there is a clear financial advantage to in-house loan servicing.

Mr. Norris replied that there is a longer-range potential for cost-efficiency for in-house servicing, but the "critical mass" to realize this could take several years to achieve. He pointed out that in-house servicing may provide a chance to improve the quality of customer service for borrowers. He added that in-house portfolio servicing will use the excellent COMPASS servicing system (from PHEAA/AES) already being used for UHEAA's Lender Services (loan origination and interim servicing for participating lenders). He also pointed out that in-house portfolio servicing will establish an alternative to reliance on a single contract servicer, which is a prudent step to take since the long-range future of individual for-profit servicers is subject to change.

Mr. Alter asked if there is a formal financial analysis available that could illustrate the cost benefits of in-house servicing compared to outsourcing.

Mr. Norris replied that he will have the analysis prepared for presentation at a future Board meeting.

It was moved by Mr. Grant and seconded by Ms. Barnes to adopt the recommendation that the Board approve the FY 2003 Loan Purchase Program Operating Budget as presented in Schedules I through II-D and Exhibits A through E. The motion carried unanimously.

The next item considered was UHEAA Board Report Eight, Fiscal Year 2003 Operating Budget, Utah Student Loan Guarantee Program (LGP).

Mr. Norris reviewed the proposed FY 2003 Operating Budget for the Utah Student Loan Guarantee Program (LGP).

It was moved by Ms. Sweeten and seconded by Ms. Barnes to adopt the recommendation that the Board approve the Loan Guarantee Program (LGP) Operating Budget for FY 2003 as presented in Schedules I through II-B and Exhibits A through G. The motion carried unanimously.

The next item considered was UHEAA Board Report Nine, Fiscal Year 2003 Operating Budget, Utah Educational Savings Plan Trust (UESP).

Mr. Norris reviewed the proposed FY 2003 Operating Budget for the Utah Educational Savings Plan Trust (UESP).

Mr. Alter commented that the current investors in UESP are primarily financially literate and motivated individuals who are looking for a tax advantage and would likely be able to pay college expenses without UESP savings. He expressed that efforts should be made to market the benefits of participating in the program to middle- and lower-income families and encourage those who may not otherwise be able to afford college to begin a savings plan as early in their childrens' lives as possible.

Ms. Sweeten agreed that outreach efforts must be made to attract lower-income investors in the savings plan. She continued that encouraging a diverse investor pool would ultimately diversify the student population. She suggested that a marketing campaign aimed at lower-income families to help them benefit from a savings plan is crucial and should be a priority.

Mr. Norris suggested that a more in-depth discussion of the issue be included on the agenda at a future Board meeting.

It was moved by Ms. Sweeten and seconded by Mr. Goddard to adopt the recommendation that the Board approve the Utah Educational Savings Plan Trust (UESP) Operating Budget for FY 2003 as

presented in Schedules I through II-C and Exhibits A through D. The motion carried unanimously.

The next item considered was UHEAA Board Report Ten, Student Financial Aid FY 2003 Budget Update.

Mr. Norris discussed an update on the FY 2003 student financial aid budget as presented in Exhibits A, B and C.

Ms. Barnes made a motion to adjourn the meeting. The motion carried unanimously. The meeting was adjourned at 1:05 p.m.

Secretary

Date

UTAH STATE BOARD OF REGENTS STUDENT FINANCIAL AID LINE ITEM
FY 2003 APPROPRIATION STATUS--REVISED 10-07-02
 (Exclusive of Minority Scholarships, New Century Scholarships, and UTAP)

	Fiscal Year 2002 Appropriations (1)	Initial Fiscal Year 2003 Appropriations (2)	Initial Fiscal Year 2003 Difference (3)	Initial Fiscal Year 2003 Difference % (4)	Fiscal Year 2003 with Additional 0.57% Cut (5)	Cumulative FY 2003 Changes w/ Additional 0.57% Cut (6)
A. FY 2002 BASE/ONE-TIME APPROPRIATIONS						
1. Base Appropriation	\$5,641,600	\$5,440,100	-\$201,500	-3.57%	\$5,440,100	
2. One Time Appropriation	\$400,000	\$0	-\$400,000	-100.00%	\$0	
3. Total Amount Appropriated	\$6,041,600	\$5,440,100	-\$601,500	-9.96%	\$5,440,100	
4. Carryforward from Previous Fiscal Year	\$19,156	\$122,253	\$103,097	538.20%	\$122,253	
5. Total Initially Available for the Fiscal Year	\$6,060,756	\$5,562,353	-\$498,403	-8.22%	\$5,562,353	
6. Negative Supplemental Appropriation	-\$99,600	\$0	\$99,600	-100.00%	\$0	
7. Additional Negative Supplemental Appropriation	--	--	--	--	-\$30,900	
8. Net Amount Finally Available for the Fiscal Year	\$5,961,156	\$5,562,353	-\$398,803	-6.69%	\$5,531,453	-\$429,703 -7.21%
B. UTILIZATION OF TOTAL NET FUNDS AVAILABLE						
1. State Maintenance of Effort for LEAP/SLEAP	\$963,550	\$1,204,410	\$240,860	25.00%	\$1,204,410	
2. USHE Federal Perkins Loans, Matching Allocations	\$378,252	\$374,822	-\$3,430	-0.91%	\$374,822	
3. USHE Federal SEOG, Matching Allocations	\$1,022,662	\$1,042,106	\$19,444	1.90%	\$1,042,106	
4. USHE Federal Work Study, Matching Allocations	\$754,439	\$861,042	\$106,603	14.13%	\$875,895	
5. UCOPE Allocations	\$2,720,000	\$1,949,990	-\$770,010	-28.31%	\$2,036,000	-\$800,910 -29.45%
6. Total Utilization	\$5,838,903	\$5,432,370	-\$406,533	-6.96%	\$5,533,233	-\$305,670 -5.24%
C. CONTINGENCY AMT REMAINING AFTER ALLOCATION	\$122,253	\$129,983			-\$1,780	
D. UCOPE Increase Needed to Maintain Purchasing Power of Need-Based Financial Aid for Same Number of Students Receiving in Previous Year Based on 10% Estimated Average USHE Increases#		\$6,994,000			\$6,994,000	
E. UCOPE Decrease for Fiscal Year 2003		\$770,010			\$800,910	
F. Net FY 2003 Shortfall From Maintenance of Opportunity for Persons With Financial Need		\$7,764,010			\$7,794,910	
G. Estimated Portion of Shortfall Which Is Applicable to USHE Institutions Before Use of 0.5% Tuition Increases Allocated for Need-Based Aid		\$6,987,609			\$7,015,419	
H. Offset Tuition Increases Allocated for Need-Based Aid.		-\$937,000			-\$937,000	
I. Offset Additional UHEAA Scholarship Allocations*		-\$225,000			-\$225,000	
J. Net Portion of Shortfall Allocable to Nine USHE Institutions		\$5,825,609			\$5,853,419	

#Calculated by methodology described in SBR Policy R510.

*FY 2002 UHEAA Scholarships for USHE totaled \$298,000.

UTAH STATE BOARD OF REGENTS STUDENT FINANCIAL AID LINE ITEM
PROPOSED FY 2004 APPROPRIATION REQUEST AT DIFFERENT TUITION INCREASE LEVELS
 (Exclusive of Minority Scholarships, New Century Scholarships, and UTAP)
October 7, 2002

	Fiscal Year 2003 Appropriations 10-07-02 \$ (2)	Total Increases Needed to Preserve SFA Purchasing Power			
		Ave 4.5% Tuition Increase	Ave 6% Tuition Increase	Ave 8% Tuition Increase	Ave 10% Tuition Increase
		\$ (3)	\$ (4)	\$ (5)	\$ (6)
A. FY 2002 BASE/ONE-TIME APPROPRIATIONS					
1. Base Appropriation	5,440,100				
2. One-Time Appropriation	0				
3. Negative Supplemental Appropriation	-30,900				
4. TOTAL CONTINUING BASE APPROPRIATION	5,409,200	5,409,200	5,409,200	5,409,200	5,409,200
B. FY 2003 REQUESTED APPROPRIATION INCREASE					
1. Replace FY 2002 One-time Appropriation		0	0	0	0
2. Match for Increased Federal SEOG		3,000	3,000	3,000	3,000
3. Match for Increased Federal Work/Study		60,000	60,000	60,000	60,000
4. Match for Increased Federal Perkins Capital		0	0	0	0
3. Match for Increased Federal LEAP/SLEAP		112,000	112,000	112,000	112,000
4. SUBTOTAL: Requested Base Adjustment#		175,000	175,000	175,000	175,000
5. UCOPE Increase to Replace Lost Purchasing Power Due to Unfunded SFA Cost of FY 2003 Tuition and Fee Increases		5,853,000	5,853,000	5,853,000	5,853,000
6. UCOPE Increase Needed to Maintain Purchasing Power in FY 2004 Due to Tuition and Fee Average Increases at Alternative Average Rates#		3,024,000	4,593,000	6,686,000	8,777,000
7. Offset for Institutional Dedication of One-Half Percent Tuition Increase for Need-Based Aid		-1,025,000	-1,025,000	-1,025,000	-1,025,000
8. Offset for Projected Added UHEAA Scholarships		-200,000	-200,000	-200,000	-200,000
9. Net UCOPE Increase Based on FY 04 Tuition Increase		1,799,000	3,368,000	5,461,000	7,552,000
10. TOTAL NEEDED BASE CHANGE FOR NEED-BASED AID		7,827,000	9,396,000	11,489,000	13,580,000
C. FY 2004 TOTAL APPROPRIATION NEEDED FOR NEED-BASED STUDENT FINANCIAL AID		13,236,200	14,805,200	16,898,200	18,989,200

Calculation details available upon request.

** 10-07-02 Calculated Need is based on Federal Government Senate Appropriation Bill Committee Markup.

Senate floor action and House markup and floor action, followed by Conference Committee still pending.

*** UCOPE Maintenance-of-effort increase calculation does not represent any program improvement, merely the maintenance of current purchasing power of need-based financial aid for the same number of demonstrated needy students receiving it in FY 2002, allowing for the different possible average tuition and fee increases

I. SUMMARY OF STATE STUDENT FINANCIAL AID ACCOUNT, FISCAL YEAR 2003--REVISED 10-07-02

	Initial Allocation Plan As Of 06/27/02	Revised Allocation Plan As Of 07/22/02	Revised Allocation Plan As Of 10/07/02
A. Total Funds Available for Allocation			
1 Carryforward from FY 2001-2002	-\$7,347	\$122,253	\$122,253
2 SFA State Appropriation for FY 2003	\$5,444,100	\$5,440,100	\$5,440,100
4 Supplemental Appropriation (Final: Minus 0.57% of Base)	-\$489,969	-\$28,300	-\$30,900
5 <i>One-Time Funds</i>	\$0	\$0	\$0
6 TOTAL AVAILABLE	\$4,946,784	\$5,534,053	\$5,531,453
B. Total Allocations			
1 State Maintenance of Effort/Match for LEAP/SLEAP	\$1,204,410	\$1,204,410	\$1,204,410
2 USHE Federal Perkins Loans, Matching Allocations	\$374,822	\$374,822	\$374,822
3 USHE Federal SEOG, Matching Allocations	\$1,042,106	\$1,042,106	\$1,042,106
4 USHE Federal Work Study, Matching Allocations	\$861,042	\$875,895	\$875,895
5 UCOPE Allotments	\$1,463,700	\$2,036,000	\$2,036,000
TOTAL ALLOCATIONS	\$4,946,080	\$5,533,233	\$5,533,233
C. Reserve for Contingencies	\$704	\$820	-\$1,780

II. SUMMARY OF 2002-03 ALLOCATIONS OF STATE FUNDS BY INSTITUTION

	Perkins Matching Funds (1)	FSEOG Matching Funds (2)	FWS Matching Funds (3)	Subtotal: Campus-Based Matching (4)	LEAP/SLEAP State Funds (5)	UCOPE State Funds (6)	Total State Funds (7)
1 University of Utah	\$129,806	\$187,312	\$212,262	\$529,380	\$259,370	\$266,870	\$1,055,620
2 Utah State University	\$42,967	\$231,867	\$141,486	\$416,320	\$195,740	\$380,460	\$992,520
3 Weber State University	\$60,771	\$153,857	\$143,703	\$358,331	\$156,350	\$249,400	\$764,081
4 Southern Utah University	\$5,980	\$52,092	\$41,337	\$99,409	\$68,880	\$149,480	\$317,769
5 Utah Valley State College	\$22,437	\$209,201	\$175,602	\$407,240	\$165,490	\$280,100	\$852,830
6 Dixie State College	\$24,313	\$35,908	\$35,174	\$95,395	\$45,750	\$94,750	\$235,895
7 Snow College	\$16,202	\$27,377	\$17,789	\$61,368	\$36,590	\$74,570	\$172,528
8 College of Eastern Utah	\$0	\$25,000	\$18,195	\$43,195	\$25,000	\$67,230	\$135,425
9 Salt Lake Comm College	\$72,346	\$85,812	\$70,590	\$228,748	\$184,810	\$213,010	\$626,568
10 Davis AT College		\$12,197	\$4,904	\$17,101	\$12,460	\$8,760	\$38,321
11 Ogden-Weber AT College		\$21,483	\$14,853	\$36,336	\$16,250	\$15,410	\$67,996
12 Bridgerland AT College					\$12,180	\$5,600	\$17,780
13 Uintah Basin AT College							
14 SUBTOTAL USHE	\$374,822	\$1,042,106	\$875,895	\$2,292,823	\$1,178,870	\$1,805,640	\$5,277,333
15 Westminster College					\$25,540	\$34,560	\$60,100
16 Brigham Young University						\$193,730	\$193,730
17 LDS Business College						\$2,070	\$2,070

III. ALLOCATIONS OF USHE MATCHING FUNDS FOR CAMPUS-BASED PROGRAMS

2002-03 Federal Allocation	2002-03 State Match Allocation	Total Available	State Match % Of Total	FY 2003 Total Change From FY 2002
(1)	(2)	(3)	(4)	(5)

A. Federal Perkins Loan Program--For New Capital Contributions

(Matching Requirement: Institutional (nonFederal) portion of contribution must be at least 25% of total capital contribution.)

1	University of Utah	\$389,414	\$129,806	\$519,220	25.0002%	\$0
2	Utah State University	\$128,913	\$42,967	\$171,880	24.9983%	\$0
3	Weber State University	\$182,319	\$60,771	\$243,090	24.9994%	\$0
4	Southern Utah University	\$17,930	\$5,980	\$23,910	25.0105%	-\$10
5	Utah Valley State College	\$67,323	\$22,437	\$89,760	24.9967%	
	[Supplemental*]	\$1,378	--	\$1,378		
	[Total non-College]	\$68,701	\$22,437	\$91,138		\$13,968
6	Dixie State College	\$72,927	\$24,313	\$97,240	25.0031%	\$0
7	Snow College	\$48,618	\$16,202	\$64,820	24.9954%	\$0
8	College of Eastern Utah	\$0	\$0	\$0	--	-\$26,330
9	Salt Lake Comm College	\$217,034	\$72,346	\$289,380	25.0003%	\$0
10	Davis AT College					
11	Ogden-Weber AT College					
12	Bridgerland AT College					
13	Uintah Basin AT College					
14	TOTAL USHE	\$1,194,557	\$397,259	\$1,591,816	24.9563%	-\$12,372

B. Federal Supplemental Educational Opportunity Grant (FSEOG) Program

(Matching Requirement: Institutional (nonFederal) portion of award must be at least 25% of total FSEOG amount awarded.)

1	University of Utah	\$561,938	\$187,312	\$749,250	24.9999%	-\$392,640
2	Utah State University	\$695,593	\$231,867	\$927,460	25.0002%	\$0
3	Weber State University	\$461,583	\$153,857	\$615,440	24.9995%	\$0
4	Southern Utah University	\$156,278	\$52,092	\$208,370	24.9998%	\$0
5	Utah Valley State College	\$627,609	\$209,201	\$836,810	24.9998%	
	[Supplemental*]	\$7,518	--	\$7,518		
	[Total non-College]	\$635,127	\$209,201	\$844,328		\$244,118
6	Dixie State College	\$107,712	\$35,908	\$143,620	25.0021%	\$0
7	Snow College	\$82,143	\$27,377	\$109,520	24.9973%	\$0
8	College of Eastern Utah	\$75,000	\$25,000	\$100,000	25.0000%	\$36,370
9	Salt Lake Comm College	\$257,438	\$85,812	\$343,250	24.9999%	\$62,760
10	Davis AT College	\$36,603	\$12,197	\$48,800	24.9939%	NA
11	Ogden-Weber AT College	\$64,437	\$21,483	\$85,920	25.0035%	NA
12	Bridgerland AT College					
13	Uintah Basin AT College					
14	TOTAL USHE	\$3,768,979	\$1,251,307	\$5,020,286	24.9250%	-\$49,392

NA = Not Available. Column (5) Totals are exclusive of UCAT Regional Colleges.

III. ALLOCATIONS OF USHE MATCHING FUNDS FOR CAMPUS-BASED PROGRAMS (Continued)

2002-03 Federal Allocation	2002-03 State Match Allocation	Total Available	State Match % Of Total	FY 2003 Total Change From FY 2002
(1)	(2)	(3)	(4)	(5)

C. Federal Work Study (FWS) Program

(Matching Requirement: Varies--For Institutional jobs, in most cases, school match must be at least 25% of total wages paid. Funds for match to 15% of total wages paid are provided from the central student aid appropriation. Balance will have to come from institution or outside employers.)

1	University of Utah	\$1,202,800	\$212,262	\$1,415,062	15.0002%	-\$134,280
2	Utah State University	\$801,764	\$141,486	\$943,250	14.9998%	\$25,360
3	Weber State University	\$814,307	\$143,703	\$958,010	15.0002%	\$0
4	Southern Utah University	\$234,223	\$41,337	\$275,560	15.0011%	-\$15,110
5	Utah Valley State College	\$995,088	\$175,602	\$1,170,690	14.9999%	
	[Supplemental*]	\$300,000	--	\$300,000		
	[Total non-College]	\$1,295,088	\$175,602	\$1,470,690		\$805,980
6	Dixie State College	\$199,296	\$35,174	\$234,470	15.0015%	\$0
7	Snow College	\$100,821	\$17,789	\$118,610	14.9979%	-\$710
8	College of Eastern Utah	\$103,125	\$18,195	\$121,320	14.9975%	\$43,530
9	Salt Lake Comm College	\$400,000	\$70,590	\$470,590	15.0003%	\$253,290
10	Davis AT College	\$27,806	\$4,904	\$32,710	14.9924%	NA
11	Ogden-Weber AT College	\$84,187	\$14,853	\$99,040	14.9970%	NA
12	Bridgerland AT College					
13	Uintah Basin AT College					
14	TOTAL USHE	\$6,558,505	\$1,051,497	\$7,610,002	13.8173%	\$978,060

IV. ALLOCATION OF LEAP/SLEAP FEDERAL AND STATE MATCHING FUNDS

	Actual 2000-01 FTE Post-Secondary Resident Enrollments	Actual 2000-01 FTE Enrollment % of Total All Schools	2002-03 Federal Funds Allocation \$497,386	2002-03 State Funds Allocation \$1,204,500	2002-03 Total Federal & State LEAP/SLEAP Funds	2002-03 Change From 2001-02 Allotment
	(1)	(2)	(3)	(4)	(5)	(6)
1 University of Utah	20,523	21.5%	\$107,106	\$259,370	\$366,476	\$69,422
2 Utah State University	15,488	16.3%	\$80,829	\$195,740	\$276,569	\$57,279
3 Weber State University	12,371	13.0%	\$64,562	\$156,350	\$220,912	\$42,540
4 Southern Utah University	5,450	5.7%	\$28,443	\$68,880	\$97,323	\$17,504
5 Utah Valley State College	13,094	13.7%	\$68,335	\$165,490	\$233,825	\$51,676
6 Dixie State College	3,620	3.8%	\$18,892	\$45,750	\$64,642	\$13,809
7 Snow College	2,895	3.0%	\$15,109	\$36,590	\$51,699	\$9,131
8 College of Eastern Utah	1,985	2.1%	\$10,359	\$25,000	\$35,359	\$5,324
9 Salt Lake Comm College	14,623	15.3%	\$76,315	\$184,810	\$261,125	\$44,300
10 Davis AT College	986	1.0%	\$5,146	\$12,460	\$17,606	\$5,955
11 Ogden-Weber AT College	1,286	1.3%	\$6,711	\$16,250	\$22,961	\$8,272
12 Bridgerland AT College	964	1.0%	\$5,031	\$12,180	\$17,211	--
13 Uintah Basin AT College						
14 SUBTOTAL USHE	93,285	97.9%	\$486,839	\$1,178,870	\$1,665,709	\$325,213
15 Westminster College	2,021	2.1%	\$10,547	\$25,540	\$36,087	\$11,479
16 GRAND TOTAL SSIG (LP)	95,306	100.00%	\$497,386	\$1,204,410	\$1,701,796	\$336,692

V. ALLOTMENT OF UCOPE FUNDS

	Actual 2000-01 Pell \$ Awarded to Residents	Percentage of Total \$ Awards	Total FY 2003 Funds Allotted	COMPARISON OF FY 2003 WITH FISCAL YEAR 2002		
				FY 2002 Allotment	FY 2003 Change	FY 2003 % Change
	(1)	(2)	(3)	(4)	(5)	(6)
1 University of Utah	\$7,826,303	13.11%	\$266,870	\$373,230	-\$106,360	-28.50%
2 Utah State University	\$11,157,523	18.69%	\$380,460	\$539,430	-\$158,970	-29.47%
3 Weber State University	\$7,314,003	12.25%	\$249,400	\$347,730	-\$98,330	-28.28%
4 Southern Utah University	\$4,383,768	7.34%	\$149,480	\$222,790	-\$73,310	-32.91%
5 Utah Valley State College	\$8,215,224	13.76%	\$280,100	\$289,430	-\$9,330	-3.22%
6 Dixie State College	\$2,778,593	4.65%	\$94,750	\$131,690	-\$36,940	-28.05%
7 Snow College	\$2,186,824	3.66%	\$74,570	\$117,270	-\$42,700	-36.41%
8 College of Eastern Utah	\$1,971,176	3.30%	\$67,230	\$96,930	-\$29,700	-30.64%
9 Salt Lake Comm College	\$6,246,848	10.46%	\$213,010	\$270,890	-\$57,880	-21.37%
10 Davis AT College	\$256,987	0.43%	\$8,760	\$8,920	-\$160	-1.79%
11 Ogden-Weber AT College	\$452,028	0.76%	\$15,410	\$16,860	-\$1,450	-8.60%
12 Bridgerland AT College	\$164,148	0.27%	\$5,600	\$0	\$5,600	--
13 Uintah Basin AT College						
10 SUBTOTAL USHE	\$52,953,425	88.69%	\$1,805,640	\$2,415,170	-\$609,530	-25.24%
14 Westminster College	\$1,013,415	1.70%	\$34,560	\$46,780	-\$12,220	-26.12%
15 Brigham Young Univ	\$5,681,550	9.52%	\$193,730	\$254,500	-\$60,770	-23.88%
16 LDS Business College	\$60,832	0.10%	\$2,070	\$3,550	-\$1,480	-41.69%
17 SUBTOTAL PRIVATE	\$6,755,797	11.31%	\$230,360	\$304,830	-\$74,470	-24.43%
21 GRAND TOTAL UCOPE	\$59,709,222	100.00%	\$2,036,000	\$2,720,000	-\$684,000	-25.15%

Rule change adopted June 20, 2002 eliminates the current requirement for Work Study funding from UCOPE for Fiscal Year 2003. Institutions still will have the option to use any portion of their allotments for Work Study. This change is justified because of the compensating strong Federal Government emphasis on Work Study Funding. The combined Federal and State funds will continue a strong emphasis.

MEMORANDUM

October 8, 2002

TO: UHEAA Board of Directors

FROM: Chalmers Gail Norris

SUBJECT: UtahMentor Progress and Activities

UtahMentor Progress/Activities

The UHEAA Board of Directors received a progress report about the development of UtahMentor at the June 20 Board meeting. Since that report two more institutions (Brigham Young University and the Utah College of Applied Technology) have signed agreements to participate.

UtahMentor was demonstrated to the Utah guidance counselors on August 1 at the Utah Comprehensive Guidance ATE Summer Conference at Weber State University. Philip Bernal, UHEAA Manager of Outreach Services, and Kevin Branch, Jordan School District Secondary Guidance Counselor Specialist, conducted two "computer hands-on" sessions.

On August 19 a free Test Prep tutorial program and the Utah Transfer Guide were added to UtahMentor. The Test Prep program prepares users for the ACT, SAT and GRE. The transfer guide allows a student to view which classes taken at one Utah institution are transferable to another Utah institution. Of the 22 state Mentor systems, Utah is the only site with a transfer guide program.

During August Xap Corporation added a Counselor Module to UtahMentor. The counselor module allows a guidance counselor (if permission is granted by the student) to communicate and observe the student's career search activities, test tutorial progress, monitor admission and financial aid application preparation, and write letters of recommendation for the student. In addition, UtahMentor was added to the Mapping Your Future web site as an additional resource for students wanting information about Utah higher education institutions. Also in August UtahMentor was demonstrated to the Board of Regents Student Success Task Force.

Since the first demonstration on August 1, approximately 170 high school, 89 middle school guidance counselors and 42 higher education admission counselors have seen a UtahMentor demonstration. At the National Association for College Admissions Counseling (NACAC) Conference 140 high school counselors reviewed UtahMentor's counselor module during the September 27 local counselors' luncheon, sponsored by UHEAA. UHEAA, in conjunction with PHEAA and the Colorado Student Loan Program, shared an exhibit booth during the NACAC conference to demonstrate each state's Mentor system.

Currently computer programming is being conducted to complete the admission application upload process for four campuses. Further enhancements to UtahMentor are being developed such as a majors guide and a "top ten" for the Frequently Asked Questions section. Marketing materials aimed at target audiences (students, school administrators, parents, etc.) are in development.

MEMORANDUM

October 8, 2002

TO: UHEAA Board of Directors

FROM: Chalmers Gail Norris

SUBJECT: Loan Program Participation Under UHEAA Rule R765-612

Introduction

The Utah Higher Education Assistance Authority ("UHEAA") Board periodically reviews and, if needed, modifies the agency's lender participation policy. Changing market conditions, lender merger and acquisition activity, and other factors have required modifications to the lender participation policy over the last several years.

At the October 1, 2001 UHEAA Board of Directors meeting, the Board approved a modification to the lender participation policy to allow lenders that are not headquartered in Utah to make UHEAA guaranteed loans to non-Utah residents at qualifying non-Utah schools. The modification in the policy was made to accommodate continuing lender merger activity and to support a limited number of schools which are located outside Utah, but have a qualifying Utah affiliation, as defined in the policy (see attached copy of the current lender participation policy).

Explanation of Two Major Lender Participation Policy Provisions

Two major components of UHEAA's lender participation policy have remained constant for many years as explained below:

1. Lenders Required to be Located in Utah. The policy requires participating lenders to have an office in Utah in order to be considered as being located in Utah. Under the policy, a lender is considered to be located in Utah if the lender has an office in Utah where the lender's full range of products and services are available, not just an office established solely for the purpose of collecting student loan applications.

Requiring lenders to have such an office in Utah is within UHEAA's rights and responsibilities under federal guidelines. Federal regulations require UHEAA to establish standards and procedures for lender participation in its guarantee program. One of the acceptable standards for lender

participation is to require an office within the state where the agency operates. Participating lenders are required to have an office in Utah in order to be considered located in Utah.

UHEAA Board of Directors

October 8, 2002

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Frequently UHEAA receives requests to participate from lenders without offices in Utah. Typically these requests are from large national lenders who hold and service their own loans and do not sell to secondary markets. Under the current policy, these lenders are not eligible to participate in UHEAA's guarantee program.

2. Utah-Headquartered Lenders Can Make Loans to All Eligible Borrowers. The policy permits lenders which are headquartered in Utah to make loans with UHEAA's guarantee to any eligible borrower regardless of the borrower's state of residence. Due to merger activity over the last several years, this portion of the UHEAA policy now applies only to Zions First National Bank and Utah-headquartered credit unions, most of which have limited service areas.

This provision in the policy was adopted to avoid forcing Utah-headquartered lenders to use another guarantor to make loans to non-Utah residents attending out-of-state schools. Utah-headquartered lenders have not aggressively pursued using UHEAA's guarantee in other states. This is primarily because schools in other states are typically tied to other guarantors' electronic networks and processes, which create a barrier to entry by outside guarantors or lenders. As a result, Zions Bank, for example, uses other guarantors for most of its loan volume to non-Utah residents attending out-of-state schools. However, CommonLine, a continuing national effort to standardize electronic interfaces, may erode the electronic network barrier to market entry in the future.

These policy provisions have served UHEAA well and have offered protection from lender business practices which may have been detrimental to UHEAA's interests. National lenders without Utah offices have not been able to gain a marketing foothold using UHEAA's guarantee and then switch loan volume to other guarantors. UHEAA has also been protected from having lenders that are not headquartered in Utah from making loans to students attending non-Utah schools, which may have undesirable characteristics such as high default rates.

October 2001 Change to Lender Participation Policy

The October 1, 2001 change approved by the Board added the term “affiliation” to the definition section (see paragraph 3.4 of the attachment) and added a provision allowing Utah-based lenders that are not headquartered in Utah to make loans to students, regardless of residency, for attendance at schools located outside of Utah, *as long as those schools meet the definition of having a Utah affiliation* (see paragraph 4.2.1 of the attachment).

Consider the following examples of three possible transactions, two of which would be permissible under the policy and one which would not be permissible:

Example A

Lender:	U.S. Bank (Non-Utah-Headquartered Lender with Office in Utah)
Student’s State of Residency:	Oregon (Non-Utah Resident)
Institution:	Brigham Young University-Idaho (Non-Utah Institution with Utah Affiliation)
Permissible Transaction:	Yes
Explanation:	<p>The proposed policy would allow U.S. Bank to make a loan with a UHEAA guarantee to a student who is an Oregon resident for attendance at BYU-Idaho. The policy would allow this transaction since BYU-Idaho has an affiliation with BYU-Provo, both of which are under the common control of The Church of Jesus Christ of Latter-Day Saints, a controlling entity headquartered in Utah.</p> <p>The policy would also allow non-Utah-headquartered lenders to make loans to students, regardless of residency, attending the</p>

Arizona and Nevada branches of the Utah College of Massage Therapy (UCMT), or the California campus of Von Curtis Academy of Hair Design (Von Curtis) since all of the schools are affiliated and are under the common control of the Utah campuses of the schools (see further discussion of UCMT and Von Curtis below).

Example B

Lender:	U.S. Bank (Non-Utah-Headquartered Lender with Office in Utah)
Student's State of Residency:	Arizona (Non-Utah Resident)
Institution:	Arizona State University (Non-Utah Institution)
Permissible Transaction:	No
Explanation:	<p>The proposed policy would not allow U.S. Bank to make a loan to a student who is an Arizona resident for attendance at Arizona State University since Arizona State does not meet the affiliation definition and is not under common control of an entity headquartered in Utah.</p> <p>This transaction would be allowed if the student had previously received a loan guaranteed by UHEAA. (see paragraph 4.2.2 of the attachment). This exception is allowed to help keep a borrower's loans with the same lender and guarantor, to the extent possible, in order to simplify the borrower's payment arrangements.</p>

Example C

Lender:	Zions First National Bank (Utah-Headquartered Lender)
Student's State of Residency:	Arizona (Non-Utah Resident)
Institution:	Arizona State University (Non-Utah Institution)
Permissible Transaction:	Yes
Explanation:	<p>This transaction would be allowed under the proposed policy since Utah-headquartered lenders may make UHEAA-guaranteed loans to any eligible borrower (see paragraph 4.3 of the attachment).</p>

UHEAA Board of Directors

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The October 2001 policy change did not affect the long-standing provision, as provided for by federal regulations, that UHEAA's participating lenders, whether Utah-headquartered or non-Utah-headquartered, can make loans to eligible Utah residents who attend eligible schools (wherever located) or to any eligible non-Utah resident who attends an eligible Utah school. Also, the proposed policy does not expand UHEAA's area of service, under the federal definition, into other states since only lenders located in Utah (see paragraph 3.2 of the attachment) can make loans in UHEAA's guarantee program.

Monitoring and Enforcement

UHEAA does not have an automated way to monitor loans which may be made in violation of the policy in advance of the guarantee issuance. Monitoring activities are manual and are performed monthly after the loans have been guaranteed. UHEAA reserves the right to take corrective action if a lender engages in a pattern or practice which intentionally violates the policy. Such corrective action may include limitation, suspension or termination of a lender's participation in UHEAA's guarantee program (see paragraph 4.7 of the attachment).

Von Curtis and Utah College of Massage Therapy Expansion Plans

Officials from two Utah-headquartered schools, VonCurtis and UtahCollege of Massage Therapy (UCMT), have expressed their interest to use UHEAA guarantees for their out-of-state operations as permitted under UHEAA's lender participation policy. School officials are interested in achieving a single point-of-service for all of their campuses as well as providing UHEAA's borrower benefits to all of their students. Further information about Von Curtis and UCMT is shown below:

Von Curtis. Von Curtis operates a single campus in Provo, Utah and offers cosmetology training. Loan volume and cohort default information for the Utah campus of Von Curtis over the last three years are shown below:

Von Curtis Loan Volume

	<u># of Loans</u>	<u>Dollar Volume</u>
Fiscal Year 2000	187	\$522,663
Fiscal Year 2001	234	\$692,058
Fiscal Year 2002	237	\$807,928

UHEAA Board of Directors

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Von Curtis Cohort Default Rates

Fiscal Year 1997	17.6% (12 borrowers in default)
Fiscal Year 1998	9.8% (8 borrowers in default)
Fiscal Year 1999	2.7% (2 borrowers in default)

Von Curtis opened a branch of the Utah campus in Costa Mesa, California in January 2001 which is expected to have a similar loan volume to the Utah campus. School officials intend to open other branches of the Utah campus in Rhode Island, Texas, and Florida, as well as another branch in California. Borrowers at these branch campuses would be able to borrow using one of UHEAA's participating lenders and would be eligible to receive UHEAA borrow benefits under current policy.

UCMT. UCMT operates two campuses in Utah, a main campus located in Salt Lake City with an associated Layton classroom location and a Utah Valley branch campus located in Lindon, Utah. UCMT offers massage therapy training. Loan volume and cohort default information for the Utah campuses of UCMT over the last three years are shown below:

UCMT Loan Volume

	<u># of Loans</u>	<u>Dollar Volume</u>
Fiscal Year 2000	2,356	\$7,053,892
Fiscal Year 2001	2,591	\$7,627,652
Fiscal Year 2002	2,934	\$8,740,952

UCMT Cohort Default Rates

Fiscal Year 1997	10.8% (51 borrowers in default)
Fiscal Year 1998	3.8% (20 borrowers in default)
Fiscal Year 1999	3.9% (36 borrowers in default)

UCMT also operates branch campuses of the Salt Lake City school in Phoenix, Tempe, and Las Vegas, and plans to open a branch in Denver. Borrowers at these branch campuses would be able to borrow using one of UHEAA's participating lenders and would be eligible to receive UHEAA borrow benefits under current policy.

MEMORANDUM
October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Action: Consent Calendar, Finance and Facilities Committee

It is the recommendation of the Commissioner that the Regents approve the following items on the Finance and Facilities Committee Consent Calendar:

- 1. OCHE Monthly Investment Report (Attachment A).** Board Policy R541, Management and Reporting of Institutional Investments, requires the Finance and Facilities Committee of the Regents to review and approve the investment report of the Office of the Commissioner on a regular basis. All operating funds of the Office of the Commissioner are invested with the University of Utah Cash Management Pool. The investment report for November 1, 2002 for the Office of the Commissioner is attached.
- 2. UofU and USU Capital Facilities Delegation Reports (Attachment B).** In accordance with the capital facilities delegation policy adopted by the Regents and by the State Building Board, the attached reports are submitted to the Board for review. Officials from the institutions will be available to answer any questions that the Regents may have.
- 3. UofU Property to Be Liquidated (Attachment C).** As stated in the attached letter from Vice President Arnold B. Combe, University of Utah would like to sell 5 undeveloped 40-acre lots in the Canyon Hills Subdivision located near Reno, Nevada. The University recently received the land from a donation made by Nathan L. Pace and Pauline C. Pace. The University seeks Regents' approval to sell this property.

Cecelia H. Foxley, Commissioner

CHF/NCT/JV
Attachments

MEMORANDUM

October 30, 2002

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: DFCM Presentation on Condition Assessment Program, Facility Audit Program, and Computerized Maintenance Management Systems (CMMS)

Issue

The State Department of Facilities Construction and Management (DFCM) will present to the Regents results of recent maintenance audits of higher education facilities, and will review Department efforts to install a new facilities maintenance management system for use at USHE institutions.

Background

DFCM is charged by the Legislature and the State Building Board to ensure that all state-owned facilities, including higher education, comply with State Facility Maintenance Standards established in 1997. DFCM delegates responsibility for administration of facilities to USHE institutions, but retains the authority to prescribe a standard format for reporting compliance with facility maintenance standards. DFCM also conducts periodic audits to examine the preventative and corrective maintenance work being performed on building systems and equipment. DFCM has established a minimum score of 90 percent to attain compliance to the standards. Results of recent audits of all USHE institutions will be reported to the Regents. A summary of the report is Attachment 1 to this memorandum.

The Regents should understand that in most cases in USHE, a score less than 90 percent does not necessarily mean that buildings are poorly maintained. The score may indicate that the process of maintenance has been poorly documented according to the standards.

DFCM has purchased and intends to distribute to agencies and institutions a standard statewide web-based Computerized Maintenance Management System (CMMS). DFCM will report the status of campus installations and training of the new CMMS system at USHE institutions. Use of this system is intended to facilitate communication and data transfer between DFCM and agencies and institutions regarding maintenance efforts.

State Board of Regents
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Mr. Joseph Jenkins, Director of DFCM, will make introductory remarks to the Regents regarding facility audits and CMMS. The DFCM report will be presented by Mr. Kent Beers, Program Director for Capital Improvements, and Mr. Jeffrey Reddoor, Program Manager for Preventive Maintenance.

Commissioner's Recommendation

This is an information item only. No Regent action is necessary.

Cecelia H. Foxley, Commissioner

CHF/MHS
Attachment

Presentation to Board of Regents

1. Facility Condition Assessment Program
2. Facility Audit Program
3. Computerized Maintenance Management System (CMMS)

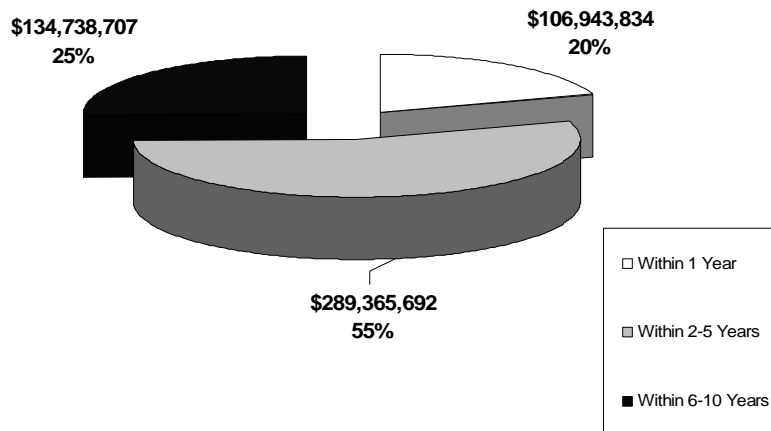
Facility Condition Assessments

- DFCM has hired Architectural/Engineering firms to perform condition assessments on all significant state-owned buildings. The assessments identify deferred maintenance and repairs that must be performed over the next ten years.
- Maintenance and Repairs Identified:
 1. Mechanical & Electrical Systems
 2. Equipment (boilers, chillers, etc)
 3. Building Components (roofs, walls, flooring, stairs, etc)
 4. Infrastructure (walkways, utility systems, steam tunnels, etc.)

Cost of Deferred Maintenance and Capital Improvement Repairs for Higher Education

Campus	Within 1 Year	Within 2-5 Years	Within 6-10 Years	Total
ATC Campuses	\$ 4,564,920	\$ 11,613,358	\$ 6,918,526	\$ 23,096,804
College of Eastern Utah	\$ 3,276,025	\$ 4,863,501	\$ 1,697,691	\$ 9,837,217
Dixie State College	\$ 3,450,589	\$ 3,672,252	\$ 6,804,846	\$ 13,927,687
Salt Lake Community College	\$ 3,563,078	\$ 29,674,938	\$ 12,856,185	\$ 46,094,201
Snow College	\$ 4,399,809	\$ 4,842,297	\$ 3,673,866	\$ 12,915,972
Southern Utah University	\$ 1,950,173	\$ 8,866,794	\$ 4,838,520	\$ 15,655,487
University of Utah	\$ 49,464,975	\$ 113,627,794	\$ 48,039,195	\$ 211,131,964
Utah State University	\$ 14,247,730	\$ 87,546,053	\$ 18,720,993	\$ 120,514,776
Utah Valley State College	\$ 3,130,556	\$ 6,910,302	\$ 11,306,960	\$ 21,347,818
Weber State University	\$ 18,895,979	\$ 17,748,403	\$ 19,881,925	\$ 56,526,307
Totals for All Campuses	\$ 106,943,834	\$ 289,365,692	\$ 134,738,707	\$ 531,048,233

Priority Class Distribution All Higher Education Sites



How to Address Problem?

- Capital Improvement (1.1% of Replacement Value)
- Operations & Maintenance (O&M)
- Capital Development Projects
 1. Major Renovations
 2. Demolish Old Facility & Construct New

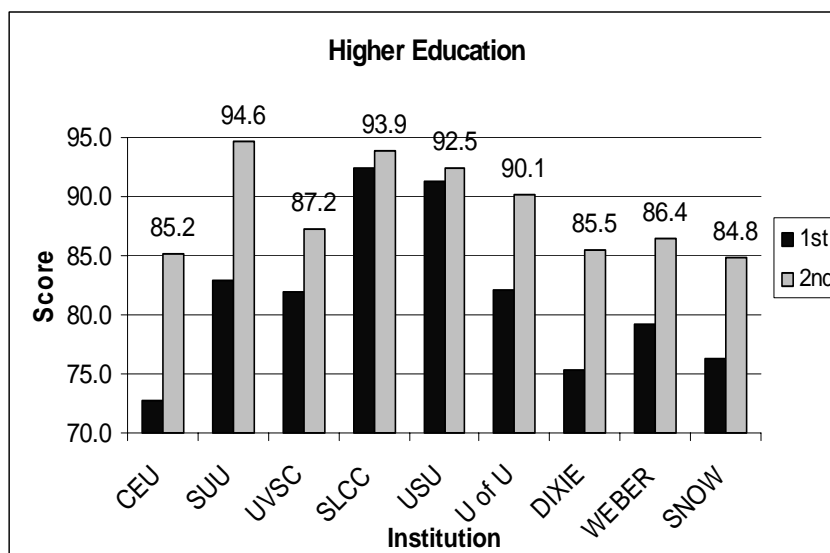
Replacement Costs and FCNI

Campus	Replacement Cost	FCNI
College of Eastern Utah	\$ 62,274,567	0.16
Dixie State College	\$ 101,813,875	0.14
Salt Lake Community College	\$ 273,261,302	0.17
Snow College	\$ 84,099,303	0.15
Southern Utah University	\$ 167,167,917	0.09
University of Utah	\$ 940,188,952	0.22
Utah State University	\$ 683,205,449	0.18
Utah Valley State College	\$ 173,484,750	0.12
Weber State University	\$ 311,503,350	0.18
Totals for All Campuses	\$ 2,825,011,359	0.19

Facility Audit Program

- **House Bill 3** (1997) states that all state owned facilities, including institutions of higher education, shall comply with **State Facility Maintenance Standards**.
- DFCM is responsible for maintenance; however, the Director of DFCM may choose to delegate maintenance responsibility if:
 1. Agency requests delegation and;
 2. Agency has the necessary resources and skills to comply with maintenance standards and;
 3. Delegation results in a net cost saving to the state.

Audit Scores



STATEWIDE CMMS

- In order to help institutions meet state maintenance standards, DFCM has obtained a statewide license for a Computerized Maintenance Management System (CMMS).
- CMMS is a proactive preventative maintenance system that:
 1. Inventories equipment,
 2. Tracks work orders and contracts,
 3. Maintains a history of maintenance repairs,
 4. Notifies maintenance staff of scheduled repairs & maintenance work,
 5. etc.

CMMS Implementation Schedule

Agency/Institution	Date
ABC	Currently on Line
Dixie	January 2004
SUU	January 2004
UVSC	February 2004
CEU	February 2004
Corrections	February 2004
Davis ATC	November 2004
Human Services	November 2004
National Guard	November 2004

October 29, 2002

MEMORANDUM

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Utah College of Applied Technology – First Annual Report

Issue

It is required by law that the Utah College of Applied Technology (UCAT) present an annual report to the Governor and the Legislative Interim Education Committee by 31 October each year. This is the first reporting period.

Background

The Utah Legislature, in creating the Utah College of Applied Technology as the tenth college in the Utah System of Higher Education, requires an annual report highlighting " . . . its progress and recommendations on applied technology education issues . . . which shall include . . .

- (a) how the applied technology education needs of secondary students are being met; and
- (b) what access secondary students have to programs offered at applied technology colleges. . . "

The first of these reports, having met the requirements and approved by the UCAT Board of Trustees, was presented to the Interim Committee on 23 October 2002 with copies to the Governor, Legislative Leadership, select staff, UCAT Regional Boards, and others as requested. In addition to the information outlined above, the report provides information regarding the progress to date on a myriad of tasks required by the legislation, including:

- establishment of a UCAT organizational structure;
- development and delivery of the Associate of Applied Technology (AAT) Degree;
- development of agreements with other USHE institutions for the delivery of general education courses to UCAT and sharing of facilities and resources;
- participation in a cooperative effort, with the Utah State Office of Education, to develop and deliver a competency-based high school diploma; and

- Sustaining of ongoing, strong partnerships with business and industry in order to meet current and changing workforce needs.

The Regents' copy of this report is under separate cover, but is identified as Tab R on the agenda.

Commissioner's Recommendation

No action is required. The Regents are to receive this report as an information item.

Cecelia H. Foxley, Commissioner

CHF/GGF/sk

First Annual Report

THE UTAH COLLEGE OF APPLIED TECHNOLOGY


UCAT





Presented to Governor Michael O. Leavitt, the
Legislative Education Interim Committee, the Utah
State Legislature, and the Citizens of Utah

October 31, 2002

Respectfully submitted by
The Utah College of Applied Technology Board of Trustees
Prepared by
Gregory G. Fitch
President, Utah College of Applied Technology and
Associate Commissioner, Utah System of Higher Education
and
Linda Fife, Assistant Commissioner for Programs
Utah System of Higher Education and Utah College of Applied Technology



*“In the end, it is
important to
remember . . . we
cannot become
what we need to be
remaining
what we are.”*



Max Depree
Leadership is an Art
Doubleday, 1989

October, 2002

The document that follows has been prepared in response to reporting requirements in the legislation authorizing the creation of the Utah College of Applied Technology (UCAT). On September 1, 2002 UCAT completed its first year of operation, serving the citizens of our State while providing a backdrop for economic development and assistance to business and industry.

The success of our first year is founded upon the hard work and partnerships that have created strong student and business/industry services. I want to thank all of the parties involved with the creation and development of UCAT for their foresight and dedication in serving the State of Utah.

A handwritten signature in black ink, reading "Norman N. Bangerter". The signature is written in a cursive style with a large, stylized 'N' and 'B'.

Norman Bangerter, Chair
Utah College of Applied Technology Board of Trustees

Acknowledgment

This is the first anniversary of the Utah College of Applied Technology. The College is a success! This report highlighting the efforts and interest of hundreds of people is provided as recognition for a job well done. It is also testimony as to the spirit of our students who seek an opportunity and a future through UCAT . . . a means of improving their lives and the future of the State of Utah.

Initially, I would like to thank the Governor and Legislature for having the courage to create UCAT in response to the needs of Utah's citizens, business and industry, and our economic efforts. UCAT is only the beginning!

Additionally, I would like to thank my colleagues from all levels of Utah's educational system: the ATE faculty and administration of our public schools, the local school boards, the State Board of Education and Superintendent Laing, who through their combined efforts gave UCAT its solid foundation of service. I look forward to our ongoing partnership.

And a special thanks to the Utah Board of Regents and Commissioner Foxley and all of higher education for their foresight, support, and continued cooperation in making UCAT the tenth college.

And last but not least, the UCAT family for whom this report represents a year of hard work and tremendous effort to fulfill a dream: Thank you!

This report is made available because of the commitment to providing technical education by all of those identified and especially that of Linda Fife, Assistant Commissioner for Programs, and Sandra Kronenberg, Secretary to the President of UCAT, who spent endless hours in its development.

Respectfully,

*Gregory G. Fitch
President*

Executive Summary

In June, 2001 the Utah State Legislature created the Utah College of Applied Technology (UCAT), Utah's tenth public institution of higher education. UCAT, comprised of ten regional colleges across the State of Utah, is charged in its authorizing legislation (HB 1003) with a myriad of tasks that include the following:

- Establish an organizational structure to include a President, regional presidents, an institutional Board of Trustees, and regional advisory boards.
- Create and deliver a transferable Associate of Applied Technology Degree in an open-entry/open-exit, competency based environment.
- Work closely and cooperatively with other Utah System of Higher Education (USHE) institutions on issues of course work and degree transferability, the delivery of general education courses for the AAT Degrees, etc.
- Work with the Utah State Office of Education to create and deliver a competency-based high school diploma.
- Work closely with business and industry to provide training programs designed to meet current and changing workforce needs.
- Partner with the other institutions in the Utah System of Higher Education to maximize the use of facilities and other resources

Significant progress has been made in these areas.

- Dr. Gregory Fitch assumed the presidency of the Utah College of Applied Technology on September 1, 2002.
- The UCAT Board of Trustees, chaired by former Utah Governor Norman Bangerter and comprised of business and industry leaders, members of the Board of Regents and members of the Utah State Office of Education, is in place and meets regularly.
- The ten regional boards outlined in HB 1003 are in place and meeting regularly to coordinate applied technology education services in each region.
- Regional presidents are leading each UCAT regional college forward, working closely with President Fitch, the UCAT Board of Trustees, their regional boards and their business and industry partners.

- The first three competency-based Associate of Applied Technology Degrees, in the areas of Computer Aided Drafting and Design, Information Technology, and Medical Assisting, which were developed through an impressive effort by faculty at all regional colleges, were approved by the Board of Regents on September 13, 2002.
- UCAT representatives have been appointed to the Utah System of Higher Education Council of Chief Academic Officers, Council of Chief Student Services Officers and the Utah State Nursing Leadership Forum.
- A model for a competency-based high school diploma has been developed and is currently under consideration by the Utah State Office of Education.
- UCAT continues to work in close partnership with business and industry to deliver up-to-date training designed to meet workforce needs.
- UCAT shares facilities, faculty and other resources with sister USHE institutions. Examples include the joint Registered Nursing Program and the Professional Network Certification (PNC) Program offered by the Davis Applied Technology College and Weber State University

The report that follows details UCAT's history to date, challenges, accomplishments, and future direction. The report concludes with recommendations in three areas:

- The UCAT Board of Trustees should work toward clear definition of the means and authority of the institution to fulfill its obligations; develop goals and objectives with a focus on the "one college, ten campus" structure; and engage in strategic planning efforts founded upon the concept of "value added" at all levels.
- UCAT's authorizing legislation should be thoroughly reviewed, and specific elements of H.B. 1003 rewritten, to strengthen and improve UCAT.
- Specific goals related to public recognition of the institution, organizational operation, instructional programming, service to high school students, and enrollment should have been met by the year 2007.

UCAT is the college of business and industry. It provides an important option for students to obtain a college education — from short-term upgrade training and certificate programs to associate degrees — in a flexible environment designed to quickly meet the ever-changing workforce needs of Utah's employers.

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Appendices

Appendix A – Mission/Role Statement

Appendix B – Organizational (Structure) Chart

Appendix C – UCAT Board of Trustees Standing Committees

Appendix D – Overview Data by College

Appendix E – UCAT Newsletter #2

Appendix F – Response to Monograph

Foreword

Interest is high in the Utah College of Applied Technology, from legislators, educators, business and industry representatives, students and other community members. This report has been prepared in an effort to respond to legislative requirements and intent language, as well as to provide information to all of these UCAT constituents. The primary purposes of the report are:

- to meet the UCAT reporting requirements outlined in HB 1003 (Chapter 2a and specifically 53B-2a-104) and contained in the legislative intent language formed by the Commerce and Revenue Committee (26 February 2002 – minutes);
- to provide business and industry and citizens-at-large with a basic overview of UCAT's development, success, and issues of interest;
- to outline specific recommendations designed to place the College in a position to support secondary students interested in applied technology education and related careers, to improve postsecondary options and upgrade training for business and industry, and to strengthen the College's position as an economic stimulus for the state; and finally
- to address concerns, questions and recommendations expressed by various entities and outlined in recent publications.

The past year has created significant interest in UCAT. Some of that interest, and the resulting suggestions and recommendations, are constructive and some of little value. However, the fundamental question of "What is UCAT?" does not seem to have been answered to the satisfaction of many of our constituents.

Recently, a second monograph, Career Preparation for Economic Development by Richard Maxfield and Garth Mangum, outlined what UCAT should be and how the College can best serve the state.

The authors are to be congratulated in recognizing the importance of UCAT and its potential. Everyone who accepts the vision and potential of UCAT will appreciate the authors' work. However, like all "snapshot" literature defining a specific time period, the monograph doesn't take into account the past year (as presented in this report) and UCAT's movement. It is important that UCAT's foundational strengths and continued progress be recognized. Therefore, a response to this monograph is provided in Appendix F as a supplement to their report.

The Utah College of Applied Technology

Section I

The Challenge

“If America is going to succeed in gaining control over its economic destiny, its people must do it. No single solution is capable of delivering it into prosperity. No government program will bail it out. It’s everybody’s job! Every person, every business and every community in America must mobilize the resources at their disposal if America is to remain globally competitive and compete in the global economy.”

Charles Christman
Proposal to the Nation, 1992

Accepting the Challenge

In creating the Utah College of Applied Technology in June 2001, the leadership of Utah sought to address the challenge presented by Charles Christman in his *Proposal to the Nation* by providing a better way to serve an underserved population of the state, and creating a vehicle by which the state's economic foundation could be stimulated. This vehicle (UCAT) was designed to align educational services between the state's providers and business and industry as consumers.

The year leading up to the June Special Session was fraught with controversy and challenges, with some that only legislative mandates could settle. The challenge to overcome traditional educational methods and delivery, lack of communication and understanding between prospective shareholders, regionalism and "turf" issues, organizational and governance control, and as always, funding concerns, created diverse camps and sectors of support.

The task was a difficult one because much of what was determined to be UCAT appeared only to be a simple shift of operational units (applied technology centers [ATCs] and applied technology center service regions [ATCSRs]) into another system. However, reporting and budget issues quickly proved that the transfer was into a distinctly different system. Simply, calling a "center" or "region" a college doesn't make it so!

Early Issues

The legislation creating UCAT set basic organizational requirements, e.g., number of boards, participant levels, basic procedures, personnel identification, etc., and structural design. Yet, the "how to" was left to those hired, appointed, or volunteering to serve UCAT. In all, it has been a marriage – not always harmonious – of partners committed to one and the same end.

Unfortunately, the concept of a simple transition from the Utah Board of Education to the State Board of Regents did not materialize. It was not a matter of fault, but rather of logistics, recognition of the mission and role of a statewide applied technical college, a real understanding and knowledge of competency-based, open-entry/open-exit training, revenue shortfalls, and finally misgivings as to the success of such an endeavor given years of distraction.

Some gave as little as a one-in-ten chance for UCAT's survival. Yet, this report will reflect the birth of a new college and its efforts – first steps – to meet Utah's needs.

UCAT is Ready

Despite the challenges inherent in such a complex endeavor, the resultant law was a stroke of positive, futuristic thinking which was both inspiring and visionary. A new blueprint for providing applied technology education had been forged within a somewhat resistant culture. And, with only one year of operation, UCAT has positioned itself to meet the economic challenge of competing within a global economy and has captured the fancy of thousands of students. The Utah College of Applied Technology has become business and industry's college!

The Utah College of Applied Technology

Section II

UCAT Today

The following points are provided to portray a snapshot of UCAT on its one-year anniversary. The presentation, in point-by-point format, is to allow easy access to all facets of the college and present its growth from concept to service.

I. Organization – Accountability

- UCAT is comprised of ten colleges (legislated), which are at significantly different levels of maturity and ability to deliver services.
- Salaried UCAT Central Administration (as of 1 July 2002) is at 2.33 FTE: a President, Secretary, and one-third time Assistant Commissioner of Programs.
- Partial UCAT fiscal, MIS, and instructional support are provided through the Office of the Commissioner of Higher Education. (These three UCAT positions were subject to budget cuts, but will be requested in FY03.)
- Approximately 55 percent of UCAT operations are directed by Regents' policies (although some are modified to provide for UCAT's unique needs, e.g., immediate response to business and industry).
- Approximately 35 percent of UCAT's operations are guided by Legislative directive, particularly in funding and facilities acquisition.
- The State Board of Education coordinates approximately 10 percent of UCAT's present efforts (those related to UCAT's relationship with school districts and the development of a competency-based high school diploma).
- The State Board of Regents establishes mission and role assignments for public colleges and universities to ensure integration of education delivery and maximum opportunity for postsecondary education throughout the state. UCAT's mission and role complements the missions and roles of the other USHE

institutions, and strengthens opportunities for applied technology training. UCAT's role and mission are on record (Appendix A).

- The State Board of Regents has identified five types of institutions that meet state educational needs. UCAT is a "Type 5" institution (Appendix A).

II. Structure – Administration

- UCAT's organizational structure (reporting sequence) has been defined and is outlined in Appendix B.
- The UCAT Board of Trustees is in place and is meeting monthly. The Board is comprised of fifteen (15) members in total with four standing committees: (1) Executive Committee (Chair, Vice Chair, and three committee chairs); (2) Budget/Facilities Committee (5 members); (3) Planning/Policy/Governmental Affairs (5 members); and (4) Instruction/Accreditation Committee (5 members). The standing committee members are listed in Appendix C.
- Ten regional boards are in place and meet regularly.
- UCAT's President and ten Regional Presidents are in service (three Regional Presidents are new to UCAT). The UCAT President and the Regional Presidents meet regularly as a Regional Presidents' Cabinet.
- The ten regional colleges are at different levels of maturity and ability to provide service.
- Instructional programs (training) are guided by local employer advisory committees representing business and industry interests. There is majority business and industry representation on the UCAT Board of Trustees and the ten regional boards.
- Regional UCAT personnel have been assigned to internal and external standing committees: the USHE Council of Presidents, Council of Chief Academic Officers, and Council of Chief Student Services Officers; the State Nursing Leadership Forum, State Custom Fit Council, State Apprenticeship Steering Committee; and a variety of other groups.

III. Partnerships

- UCAT continues to build on its strong secondary school foundation with new programs and shared facilities and staff throughout the state (Appendix D).
- UCAT continues to coordinate its programs and services in conjunction with other colleges and universities. Key processes and services are provided by Utah State Univ., Weber State Univ., Utah Valley State College, College of Eastern Utah, Southern Utah Univ., Snow College, and Dixie State College.
- Custom Fit training continues to be a focus for UCAT, with over three million dollars committed in support of 795 companies (new, expanding, upgrade) within the manufacturing and service industry. Custom Fit trained 20,612 employees for business and industry in 2001-2002, with an average hourly wage/benefit range of \$9.95 - \$20.48.
- UCAT is listed on AdviseUtah and UtahMentor, electronic advising systems that provide comprehensive information to students regarding all USHE institutions.
- UCAT provides direct support for business and industry through immediate short-term training in over 100 fields.
- UCAT has partnerships with other state agencies: Department of Corrections, Division of Workforce Services, and Division of Community and Economic Development.

IV. Key Projects – Ongoing

- UCAT is reviewing accreditation options and proceeding with preparation for application to the Northwest Association of Colleges and Schools and the Council on Occupational Education.
- Accreditation will provide expanded student financial aid opportunities and ease the transfer of UCAT course work to other colleges and universities.
- UCAT, in conjunction with its partners, has produced the first technical offerings matrix to identify what is being offered (at all levels), who is offering the training, and cross-typing to ensure common numbering and to eliminate duplication of instruction. This

matrix will assist in determining the best method of providing applied technology education in the State of Utah.

- UCAT is participating in discussions regarding potential adjustments for high school graduation and has suggested three (3) options for graduation, including a competency-based technical high school diploma, that are currently under discussion by the Utah State Office of Education.
- Approximately 25 percent of UCAT's administrative functions are handled manually by paper/pencil. A new management information system (MIS) is presently under review. This system will be compatible with the other colleges and universities in the USHE.

V. Budget

- Effective 1 July 2001, the UCAT budget was approximately \$40.2 million. Reductions in state revenue dropped the UCAT budget to (FY03) \$38.5 million.
- Unlike the other colleges and universities in the USHE, UCAT's budget flows through the Commerce and Revenue Committee.
- The Commerce and Revenue Committee allowed the UCAT Board of Trustees to control four (4) line items: Custom Fit, UCAT (Central) Administration, Equipment, and Development Funding.
- The UCAT Board of Trustees has voted to hold UCAT Administration and Custom Fit harmless from additional cuts.
- UCAT regional colleges seek alternative funding sources when possible and/or operate foundations.

VI. Tuition

- In accordance with the law, secondary students are provided instruction at no cost.
- Adult students are provided training at "low cost."
- UCAT's general tuition cost is 95 cents per membership hour (increased from 90 cents per membership hour on 1 July 2002 per UCAT's request to the Utah Board of Regents).

VII. Enrollment (A chart summarizing enrollment is included on the following page. More detailed College enrollment data are included in Appendix D).

- UCAT unduplicated headcount enrollment for secondary students for FY02 (auditable figures) increased by 1,316 (not counting CATC reporting through Snow College South) for a total of 12,785.
- Adult learners increased by 1,565 (unduplicated headcount) to 48,180 (without CATC – enrollment counted by Snow College South).
- The total unduplicated headcount for FY02 is 60,965, an increase of 2,881 students.
- Membership hours increased (total without CATC) 462,715 hours for a total of 6,098,461.
- Secondary membership hours increased by 152,241 to 2,480,270 (without CATC).
- Upgrades in skills is the largest category of service with new skills training second.
- UCAT expects an increase in enrollment with the development and approval of the Associate of Applied Technology Degree and the forthcoming Bachelor of Applied Technology (BAT) Degree. The BAT Degree has been developed by UCAT's sister USHE institutions in order to provide seamless transfer options for AAT graduates to a bachelor's degree program.

VIII. Programs/Degrees

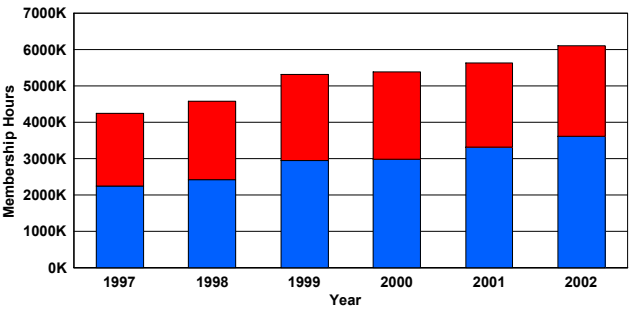
- UCAT awarded 2,408 certifications, a four-year growth of 80.7 percent in FY02.
- UCAT curriculum is developed with the input of business/industry; curriculum for industry certification is often provided by the vendor.
- UCAT has developed three (3) Associate of Applied Technology (AAT) Degrees: Computer Aided Drafting and Design (CADD), Medical Assisting, and Information Technology (IT). Twelve more degrees are under development.

Totals without CATC

Data for FY 2002

Secondary Hours	2,480,270
Adult Hours	3,618,191
Total Hours	6,098,461

High School, Adult and Total Membership Hours

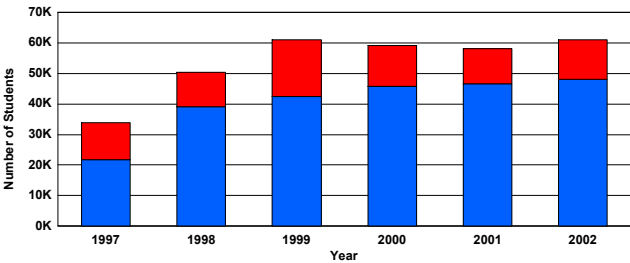


Secondary Hours
Adult Hours

5 Year growth 43.9 %

Secondary Count	12,785
Adult Count	48,180
Total Students	60,965

Total Students

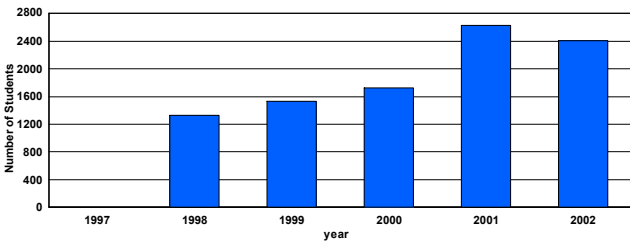


Secondary
Adult

5 Year growth 79.8 %

Certifications	2,408
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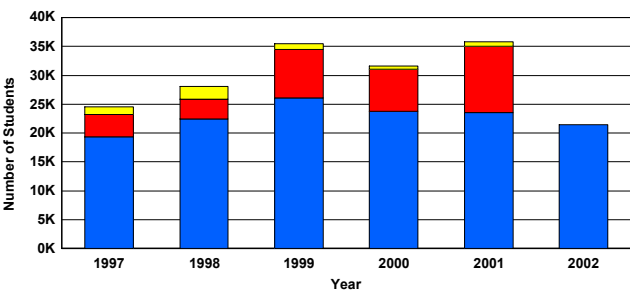
Certifications



4 Year growth 80.7 %

Education Placements	0
Employment Placements	0
Upgrade Placements	21,427

Placements



Education
Employment
Upgrade

2002 n/a %

- Senior institutions are creating transfer options for the AAT into four-year Bachelor of Applied Technology (BAT) Degrees.
- UCAT provides training in over 100 skill areas.
- UCAT's courses and programs support secondary curriculum needs and provide value-added instructional support.
- UCAT programs are supported by joint faculty appointments with its USHE and school district partners in many areas of instruction.

IX. Delivery Methods

- UCAT's programs are, to the extent possible, open-entry/open-exit and competency-based, allowing students to enter and exit without penalty or loss based upon successfully meeting competency standards.
- UCAT provides training in several different ways and at several locations: on campus, at industry sites, in public schools, at other college and university facilities, through EdNet and Utah Electronic College (UEC), compressed video, internet, and through interactive studios. UCAT's colleges also host other institutions and support delivery of services.
- Hands-on training is still the hallmark of UCAT's instructional delivery methods.

X. Public Relations – Recognition

- UCAT's new seal/logo (displayed on the front cover of this report), created through ATC student competition, represents the State of Utah, business and industry, open-entry/open-exit, and the ten colleges (cogs in a wheel). It is the only college logo in the State highlighting business and industry.
- UCAT's new website, linking the regional colleges across the state, can be accessed at www.ucats.org.
- UCAT's second newsletter highlights student success (placement in national competition) and accreditation efforts (Appendix E).
- UCAT representatives have spoken across the state and are participants in the Governor's 1,000 Day Plan (as well as other agency efforts).

The Utah College of Applied Technology

Section III

Legislative Intent

UCAT has been asked to respond to legislative intent language set forth by the Commerce and Revenue Committee that addresses (1) the development of an enrollment growth formula, (2) tuition rates, and (3) satellite campuses. The intent language has been interpreted as a means to ensure the continuing operation of UCAT. This response, and selected support documents, have been designed to meet the requirements of the intent language, and are presented with the concept of “continuing” to provide appropriate services as intended under HB 1003.

Legislative intent language specifies that certain meetings be held to address the three issues identified above. In addition to these specific meetings, various groups continue to meet on an ongoing basis to move UCAT forward:

- The UCAT Regional Presidents’ Cabinet
- The UCAT Board of Trustees
- Select committees of the Board of Regents
- The UCAT Instructional Planning and Curriculum Committee
- The UCAT Student Service Committee
- The UCAT Financial Aid Committee
- The UCAT Chief Financial Officers
- Other UCAT college representatives with representatives from the Office of the Legislative Fiscal Analyst (LFA) and the Governor’s Office of Planning and Budget (GOPB)

In addition, a complete institutional audit of the ten colleges was conducted by joint teams of SBOE reviewers and reviewers of the Office of the Commissioner for Higher Education. FY02 was used as a transition year to examine policies and processes. The shift from public school authority to higher education has served as both a boon and a hindrance. On the one hand, it allowed UCAT to identify problem areas and make corrections. On the other, the reporting and data gathering under one system did not match the immediate needs prompted by the shift of UCAT.

The following are provided to address the 31 October 2002 reporting requirement established in legislative intent language.

A. Enrollment Funding. *It is the intent of the Legislature that the Utah College of Applied Technology Board of Trustees perform an interim study of the enrollment growth formula in conjunction with the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to determine an equitable and appropriate funding formula for enrollment growth.*

Status: The process of compiling preliminary information regarding enrollment growth funding from the UCAT business officers has begun; however, formal meetings among UCAT officials, representatives from the Office of the Legislative Fiscal Analyst, and representatives from the Governor's Office of Planning and Budget were deferred pending the outcome of the July Special Session of the Legislature.

In September, efforts began in earnest to address the concerns. Again, the many differences in collecting and maintaining data under two very different systems proved an ongoing challenge.

The enrollment growth funding for the ATCs has historically been based upon a combination of the calculated percentage of membership hours for each ATC and a percentage of development funds determined by four criteria. This process has not always proven successful because of distinct differences among the ATCs in their level of services and operation. The distribution process was further complicated by the addition of two more applied technology colleges – the Dixie and Central ATCs – and the fact that the Dixie ATC was not funded in FY02 except through a shift of funds internal to UCAT. As part of the statewide system, UCAT is also subject to USHE efforts in considering enrollment growth funding. So any changes are subject to the interpretation of control for fiscal matters outlined in the legislation.

The applied technology colleges have typically been funded upon a base-plus-growth formula. This formula did not consider or provide for other variables including cost and operations, rural versus urban interests, development (maturity) level of the colleges, and equipment and program costs. The very nature of the base-plus-growth formula caused difficulty for new and smaller colleges within UCAT. A major change may negatively impact the larger institutions.

There are two new formulas being considered. The first is a combination of base-plus-growth variables with weighted variables for programs (cost of operation, length); performance (number of certificates/degrees awarded); statewide program need; and level of economic stimulus based upon placements. Although complicated and subjective in some areas, this formula will allow continued expansion of the larger colleges and will support growth of the new and smaller colleges. Measured performance would be the driver.

A second formula, which mirrors the higher education formula, can be modified to best serve UCAT. The scope is to fund new and existing students. The allocation mechanism would distribute the funds in the following manner:

1. Enrollment changes predicated on certifiable (new) membership hours applied to a base. It should be noted that under the legislation high school students attend for free and adult students are to be served “at low cost.” Only a partial benefit is derived from tuition.
2. Base Support – Cost of Instruction and overhead typically assigned to the college from all areas of support.
3. Base Support – Non-Instruction recognized as the operating cost associated with the function and service of the college.
4. Core Support – MIS operations, libraries, technology, student financial aid, counseling, assessment, placement, etc. Funding is directed to support those institutional activities that directly affect support for students.

The four categories can be modified to meet the unique needs of UCAT students and the application of instruction in an open-entry/open-exit, competency-based delivery system.

B. Tuition Revenue. *It is the intent of the Legislature that a study be performed in the interim with members of the UCAT Board of Trustees, the Office of the Legislative Fiscal Analyst and the Governor’s Office of Planning and Budget to evaluate the UCAT tuition revenue.*

It is also the intent of the Legislature that uniform tuition rates be established for UCAT programs based on cost of instruction and on market demand.

Status: The transition to higher education under Board of Regents’ authority and stipulations in the law requiring low tuition (with no definition) have had an impact on UCAT. Base tuition at UCAT was increased after the required public hearings on each UCAT campus, to 95 cents per clock hour effective 1 July 2002. However, tuition and fees have traditionally varied at each regional college.

A review of tuition throughout the System points out rather significant differences in how tuition is charged. These differences occur for several reasons including the following:

- Those regional colleges tied directly to other USHE institutions through shared services, facilities, personnel and programs (as provided for in law) typically charge the senior institution's tuition, e.g., Utah Valley State College and the Mountainland Applied Technology College (MATC), and Snow College South and the Central Applied Technology College (CATC).
- Tuition for many short-term certificate programs is dictated by the vendors (owners) of the curriculum, e.g., Novell and Microsoft certification training. All UCAT regional colleges are subject to vendor charges.
- Some programs, such as Nursing and Computer Aided Drafting and Design, are subject to increased tuition rates due to partnership arrangements with senior institutions (necessary due to accreditation requirements), other agency services such as clinical placements and internships, and advanced equipment needs.

Yet every effort is made to address the legislative directive providing for low cost. In addition, although high school students are to be supported at no cost, there will be ongoing concerns regarding the Weighted Pupil Unit (WPU) and the level and amount of applied technology education services provided by the school districts.

Currently, the UCAT Instructional Planning and Curriculum Committee and the UCAT Student Services Committee are studying policies at each UCAT campus in order to create uniform academic and student services policies for UCAT. Policies regarding tuition and fees are central to this process. Work is ongoing, and includes the business officers from each UCAT campus and staff from the Office of the Commissioner.

The general requirements regarding tuition cost in the legislation will have a marked impact on UCAT to meet both the obligation to the students we serve and to utilize tuition as a significant portion of the overall funding base.

The UCAT Board of Trustees approved "unofficial" surveys at select colleges to determine possible levels of tuition (market-to-bear). The results of those surveys will be used to direct tuition levels. However, a five-cent increase in general tuition was recommended by the UCAT Board of Trustees and authorized by the Board of Regents. The increase took effect 1 July 2002.

Additionally, there are a number of concerns related to timing and availability to provide student financial aid under UCAT's present status.

In all, tuition revenue sources remain with each campus and are priority for use on campus by the local/regional board and then submitted to the UCAT Board of Trustees for approval.

C. UCAT Satellite Campuses. *It is the intent of the Legislature that the Utah College of Applied Technology's Regional Colleges with satellite campuses proportionately allocate the budget reductions between the main campuses and the satellite campuses.*

Status: This is a difficult item for response without a clear definition of "satellite campuses." UCAT, by its very nature and the design of the Legislature, has a number of colleges with what could be classified as "main campuses," e.g., Davis ATC and Ogden-Weber ATC, as well as larger service units such as Bridgerland ATC's Brigham City Extension. The majority of the ATCs share campus facilities with other institutions, school districts, and private businesses. In some cases, e.g., the Southeast ATC, all "satellite campuses" are leased classrooms or small offices.

In every case, the level of support, number of programs, square footage, ownership versus lease, and a number of other variables impact funding requirements. However, there are also a number of trigger elements such as need, enrollment, shared costs, etc. that help in coordinating services that are part of any allocation process. This is one area in which the Regional Presidents and the regional boards are held accountable based upon the legislation creating UCAT.

The Utah College of Applied Technology

Section IV

Service to Secondary Students

Service to secondary students is an important component of UCAT's mission. In recognition of this, HB 1003 requires, as a part of this annual report, information regarding:

- How the applied technology needs of secondary students are being met, and
- What access secondary students have to programs offered at applied technology colleges.

There are several common denominators related to the services of the UCAT (member) institutions for secondary students. Regardless of the level of maturity of the individual colleges or length of time they have been in operation, the colleges are committed to serving secondary students as an integral part of their mission and role as defined in Appendix A.

The Colleges have collectively created and/or expanded services in the following ways:

- Established and made operational Regional Boards comprised of business/industry and educational members, e.g., local school board members, superintendents, ATE directors, regents, etc.
- Expanded the use of shared facilities and equipment with local school districts and other higher education institutions.
- Extended training and information opportunities for local school counselors, school district board members, superintendents, and ATE directors through a variety of scheduled meetings (daily, weekly, monthly, etc.).
- Expanded services for Department of Workforce Services (DWS) personnel and clients.
- Increased daily, weekly, monthly, and annual hours/days of operation to provide access to include extensive evening and summer offerings.

More detailed information regarding the ways in which the ATE needs and access issues for secondary students are being met by each regional college follows.

Bridgerland Applied Technology College (BATC)

- Serves secondary students from ten area high schools within the four school districts in the three-county region (Box Elder, Cache, Rich).
- Expanded its operations schedule under the open-entry/open-exit, competency-based delivery system from one to six hours per day to coincide with secondary student schedules.
- Expanded service hours from 7:30 a.m. to 10 p.m. year-round to provide evening and summer class options. (No limits are placed upon secondary students.)
- Has thirty-four (34) programs available for secondary students.
- Provides the same curriculum and industry employment level training for secondary students as is provided to adults.
- Has initiated, in cooperation with Utah Education Network (UEN), a pilot program (video streaming) that will enable secondary students in rural areas to access more programming without the fixed based requirements of the current EdNet system. The program will be point-to-point with small cameras attached to computers opening up lab and shop experiences.

Central Applied Technology College (CATC)

This college is currently restructuring due to the legislation placing Snow South as a branch campus in Richfield. Membership hours, enrollment headcount, and services in Richfield have historically been mixed. In 2002, those numbers, based upon a new agreement, will be identified with CATC.

- Served 713 secondary students in 2001-2002 from 13 high schools, up from 400 and seven respectively.
- Implemented a new operational agreement with Snow College this year (FY03).
- Provides career path options for the Student Education Occupational Plan in conjunction with the local high schools.

- Expanded outreach programs to distant high schools in the six-county region: Automotive at Bicknell, Ephraim, and Junction; CAD Drafting at Nephi, West Desert, and Eskdale; Building Construction at Bicknell, Ephraim, Junction, and Tintic; and Nursing Assisting at Delta, Ephraim, and Tintic.
- Provides key programs (automotive, cosmetology, diesel mechanic, machine shop, and welding) for the Richfield, North Sevier, and South Sevier School Districts.

Davis Applied Technology College (DATC)

- Shares a campus with Davis High School including bell schedules and school calendars.
- Assigns a college counselor to every high school.
- Provides “real-time” computer access for Davis and Morgan counselors in student attendance, progress and transcript information while attending the College.
- Provides support for ten full-time personnel to offer services for unwed parents, special education students, and alternative high school students.
- Offers six, nine-month programs at every high school in Morgan and Davis Districts.
- Provides a joint newsletter from DATC and the Davis District to all Davis county residences.
- Holds an annual Education Fair for Morgan students.
- Has articulation agreements, which allow high school students to receive high school credit, certification, and university credit.
- Provides \$75,000 in private scholarships and waivers as tuition aid for high school students for college.
- Makes evening and day programs available to high school students (10th through 12th grades) including ten (10) partnership programs with business and industry.
- Saw an increase in high school attendance from 2,640 to 2,954 in the past year.

Dixie Applied Technology College (DXATC)

- Served 299 high school students in its first year.
- Built a home through the construction technology program, which was sold to benefit the program.
- Offers, among its first programs: Cabinet Making, CISCO and Web Design, Cosmetology, Diesel Mechanics, and Welding for Dixie High School, Pine View High School, and Hurricane High School (as assigned).
- Is developing new programs in I-Net Plus for Enterprise High School and Dental Assisting (county-wide) that will be available to high school and adult students.
- Receives support for strategic planning and access by high school students through training programs and participation of area high school personnel (superintendent, local board members, ATE director).

Mountainland Applied Technology College (MATC)

- Serves secondary students from 20 high schools in Utah, Wasatch, and Summit Counties.
- Showed an increase in FY02 of 52 percent (2,023 students) over last year's service to high schools.
- Generated approximately 500,000 membership hours in 2001-2002, of which 72 percent (360,000) were for secondary students.
- Is preparing to respond to projections of 35 percent growth in high schools over the next four years in Alpine and Nebo School Districts.
- Has opened a new branch campus in American Fork with high school enrollment in excess of 300 students.
- Is a partner with Utah Valley State College and supports concurrent enrollment options and shared services.

Ogden-Weber Applied Technology College (OWATC)

- Has dedicated a classroom on the college campus for Washington High School and has two full-time Washington faculty serving high school students.

- Provides additional office space for high school transition student support.
- Provides additional space for summer high school make-up classes.
- Developed a video and drafting curriculum, in Spanish, to assist non-English speaking students.
- Restructured programs, e.g., carpentry, to support secondary students' schedules.
- Created a federally supported program to support at-risk high school students through a "School-to-Work Job Coaches" program.
- Presents monthly awards for the "Outstanding ATC Student" during high school award ceremonies and conducts regular tours for 9th grade and high school students exploring ATC options.
- Utilizes electronic referral services and provides monthly student progress and attendance reports for high school students.
- Promotes open access for high school by providing job fairs, sending mailers to parents outlining ATC options, and offering classes in the local high schools.

Salt Lake/Tooele Applied Technology College (SLTATC)

- Meets bi-monthly with the Wasatch Front Regional Consortium to enhance and share services in a manner consistent with school district training needs.
- Provides key programs, accessible to high school students, in the areas of transportation, information technology, business, health care, and automotive programs (e.g., Tooele has approximately 70 students served in automotive).
- Utilizes program advisory committees to assist in providing high school students with paid and unpaid internships within several industries.
- Makes all ATC classes available to high school students and accessible through a bus fare reimbursement program for students that must travel.
- Provides access for all high school students to SLTATC's Testing Center.
- Created special evening and summer classes for high school students.

Southeast Applied Technology College (SEATC)

- Serves ten (10) high schools in its 17,000 square mile service region with some schools as close as 22 miles and some as far as 400 miles one-way.
- Now provides, in spite of the distance between schools, at least one class in eight of the ten schools and more at larger schools.
- Leases or is loaned facilities by the school districts and area businesses. The college does not own a building.
- Partners with the College of Eastern Utah (CEU); SEATC covers basic ATE needs for high schools throughout the region by sharing faculty, facilities, equipment, and personnel.
- Has seen an increase in the number of hours taken in support of career training options available, although the “head count” of high school students has decreased.
- Has seen an increase in the number of high school hours, to 50 percent from last year’s 43 percent.
- Offers one of its newest and largest programs at Emery High School, providing ASE Automotive Technician certification.

Southwest Applied Technology College (SWATC)

- Provides programs for high schools in four counties with all secondary students eligible to enroll.
- Serves approximately 1,000 high school students.
- Offers a Certified Nurse Assistant Program, which is one of the most utilized programs, particularly in outlying areas.
- Provides Cosmetology and Artificial Nail Technician programs that are utilized extensively by the high school students.
- Coordinates its schedules and efforts to include evening classes with area high schools.

- Finds, as does the SEATC, distance between high schools and population (within classes) an issue affecting access.

Uintah Basin Applied Technology College (UBATC)

- Holds quarterly meetings between UBATC personnel and school district staff to determine services for high school students, often communicating on a daily basis.
- Holds an assembly prior to high school registration to inform high school students of available services and ATC offerings.
- Has a participation rate of over 90 percent of Union High School students in one or more UBATC programs.
- Has seen increased access in FY02 from Tabiona and Duchesne High Schools through a new bus transportation system.
- Serves 34 percent of Uintah High School students — up 200 students.
- Has made the development of the Vernal Campus its priority facility request which, if funded, should provide access to an additional 700 high school students.

The Utah College of Applied Technology

Section V

Recommendations

In creating the Utah College of Applied Technology (UCAT) in June 2001, the leadership of Utah sought a better way to serve an underserved population of the state and provide an ongoing foundation for economic development. The concept of partnerships between all the public educational providers, with business and industry representation in the lead, became the foundation for projecting benchmarks, and of standards predicated upon open-entry/open-exit, competency-based education.

The concept of creating a new college to address a void in the state's system of education and provide a bridge for business and industry to participate was exciting. That the concept has become a reality over the past year, despite the complexity of its implementation, is remarkable. And the ability for UCAT to continue to build on the strength of the original ideas that created it is critical.

The UCAT has developed a mission and role statement to provide a very basic blueprint for its operation. Incorporated are the essential statutory priorities, basic operational tenets, and service components (Appendix A).

Additionally, as stated by Betsy Brand, former Assistant Secretary for Vocational Education in the Reagan Administration, in her publication, Community Colleges and Economic Development:

For a community or *technical college* [emphasis mine] to become involved in economic development and workforce training, it is critical to have a strong, focused and committed president. That president must raise economic development up as part of the college's mission, put resources behind his or her commitment, and be vocal and visible in the execution of the mission.

With that challenge, these recommendations have been formulated to address those issues that limit meeting the intent of the Governor and Legislature in creating UCAT and potentially limit the range of educational opportunities for, and full recognition of, the accomplishments of UCAT students. Politics, regional issues, turf control, and fear must be overcome and set aside to best serve our

students and the State. Full recognition and positioning of UCAT as Utah's tenth college is a must. As UCAT enters its second year of service, it is critical that this college be recognized as a statewide entity and not as a single regional or community effort.

Initially, one needs to examine the statutory requirements of the applied technology movement as outlined in HB 1003. Those requirements run the gamut from organization and governance to service and reporting. Everything about the law should be reexamined in light of what we now know to be true about the new college. Significant questions that emerge from the current legislation include:

- What purpose does the creation of ten colleges under one institutional banner serve? What is being strategically planned and for whom?

The “whom” is simple: the People of Utah! Frankly, the “what” is far more difficult to determine and define. The “what” depends upon who is defining the subject. This effort to strategically plan for an undefined organization will be for naught unless clear, measurable goals are identified and applied. For example, the UCAT is to ensure, through coordinated partnerships with local school districts and area colleges and universities, that the delivery of student-centered competency-based, open-entry/open-exit services are available. On the surface, it appears simple, yet, another question arises that can be applied to all of the planning:

- Are we talking about the regional colleges, the central office, the Utah College of Applied Technology, or all of these?

Recently, a representative of the Regional Accrediting body (Northwest Association) asked simply, “Who’s in charge?” and “. . . are you a single college with ten campuses or ten colleges with what appears to be a central authority?”

Recommendation 1:

- The UCAT Trustees need to clearly define the “what!” Given the number of requirements set forth in law, it is necessary to clearly define the means and the authority of UCAT in fulfilling its obligation and charge.
- The UCAT Trustees should focus on the “one college, ten branch campus” structure and develop system-wide goals and objectives. This plan should not be directly related to students and/or daily operations of the campuses, but to the whole.

- The UCAT strategic plan should focus on greater efficiency and effectiveness (value added) at all levels. In so doing, the ten colleges will substantially benefit from the creation of a single UCAT rather than be thrust against each other. Historically defined attitudes and regional turf issues need to be set aside and replaced with a statewide vision.

Recommendation 2:

- The legislation holds the key to UCAT's success. Today's legislation describes what UCAT is – the right changes in the legislation can define what UCAT can be.
- The areas of change are as basic as determining if UCAT is one college with ten parts, or ten stand-alone parts with a coordinating core – determining “who's in charge.”
- The primary recommendation for FY03, including submission to the appropriate legislative authority by 1 December 2002, is to amend specific elements of the legislation to strengthen and improve UCAT.

Recommendation 3: (by 2007)

- Ensure UCAT's full recognition and position as Utah's tenth college.
- Centralize key operational systems, e.g., MIS data warehousing.
- Full accreditation and access to student financial aid resources.
- Development of nine (9) additional Associate of Applied Technology Degrees (for a total of twelve [12]).
- Assist in the development of a high school competency-based diploma as a student choice option.
- Expand programs and services with Custom Fit a ready response to business and industry needs.
- Increase head count enrollment to 70,000 students and membership hours to approximately 6,800,000.

APPENDICES

MISSION AND ROLE

R311-5. Mission Statements

5.10 Utah College of Applied Technology - Utah College of Applied Technology (UCAT) is comprised of ten regional applied technology colleges: Bridgerland Applied Technology College, Central Applied Technology College, Davis Applied Technology College, Dixie Applied Technology College, Mountainlands Applied Technology College, Ogden-Weber Applied Technology College, Salt Lake Tooele Applied Technology College, Southeast Applied Technology College, Southwest Applied Technology College and the Uintah Basin Applied Technology College.

The regional colleges, through partnerships with local school districts, area colleges and universities, and recognized business and industry leaders, provide open-entry, open-exit competency-based applied technology education. The College is committed to develop a qualified, skilled workforce to enhance the economic development and competitiveness of Utah and its citizens in a global economy.

The regional colleges provide applied technical education at both the secondary and post-secondary levels, to ensure entry, reentry, upgrade, and advancement in the workplace.

5.10.1. Institutional Mission Statement - Utah College of Applied Technology provides, through its regional colleges, market-driven applied technology education programs which meet the demand for technically skilled workers in Utah businesses.

Learning strategies focus on technical skills and theory through application and hands-on instruction. The focus in the classroom is on learning rather than teaching. An open-entry competency-based approach provides more opportunities for individualized instruction to meet the varied learning styles of each student. Limited integrated academics, applied mathematics, and special skills identified by employers as critical to work success complement technical instruction in short-term programs. Programs are employer driven; that is, employers identify the skills, knowledge and standards required by their respective industries.

The availability of a competency-based associate of applied technology degree provides an additional incentive for students to complete programs, become more highly skilled and knowledgeable in their field, and when appropriate for the student pursue additional higher education degrees. Applied technology education provides a strong base of knowledge for individuals pursuing baccalaureate programs, providing students and their employers with the best of both worlds. An associate degree is also recognition of the value of applied technology education. Applied technical education is needed in the vast majority of jobs that require specific education and training beyond a high school diploma, but less than a four-year degree. (Approved by UCAT Board March 6, 2002.)

INSTITUTIONAL TYPE

R313-7. Type V Institutions -- Applied Technology Colleges

7.1. Mission - The institution's mission is to transmit knowledge and skills primarily through training programs, both short-term and long-term, based upon open-entry, open exit competency-based instruction, as an alternative to traditional instruction.

7.2. Programs

7.2.1. Instructional Programs - The institution offers post-secondary and extra-secondary applied technology education that results in appropriate licensing, certification, or skill training to qualify students for specific employment in business and industry. The institution also provides rapid response to training needs of Utah employers through several programs including specifically designed custom fit training. Competency-based high school diplomas and associate of applied technology degrees will be offered. In performing these responsibilities, the applied technology college cooperates with local school districts and other higher education institutions.

7.2.2. Accreditation - Regional, state and some specialized accreditation is a goal for programs appropriate for the institution's mission and role.

7.3. Faculty

7.3.1. Criteria for Selection, Retention and Advancement - Faculty are selected, retained and promoted primarily on the basis of evidence of effective teaching and training. Other criteria complementary to the teaching role include service and creative efforts.

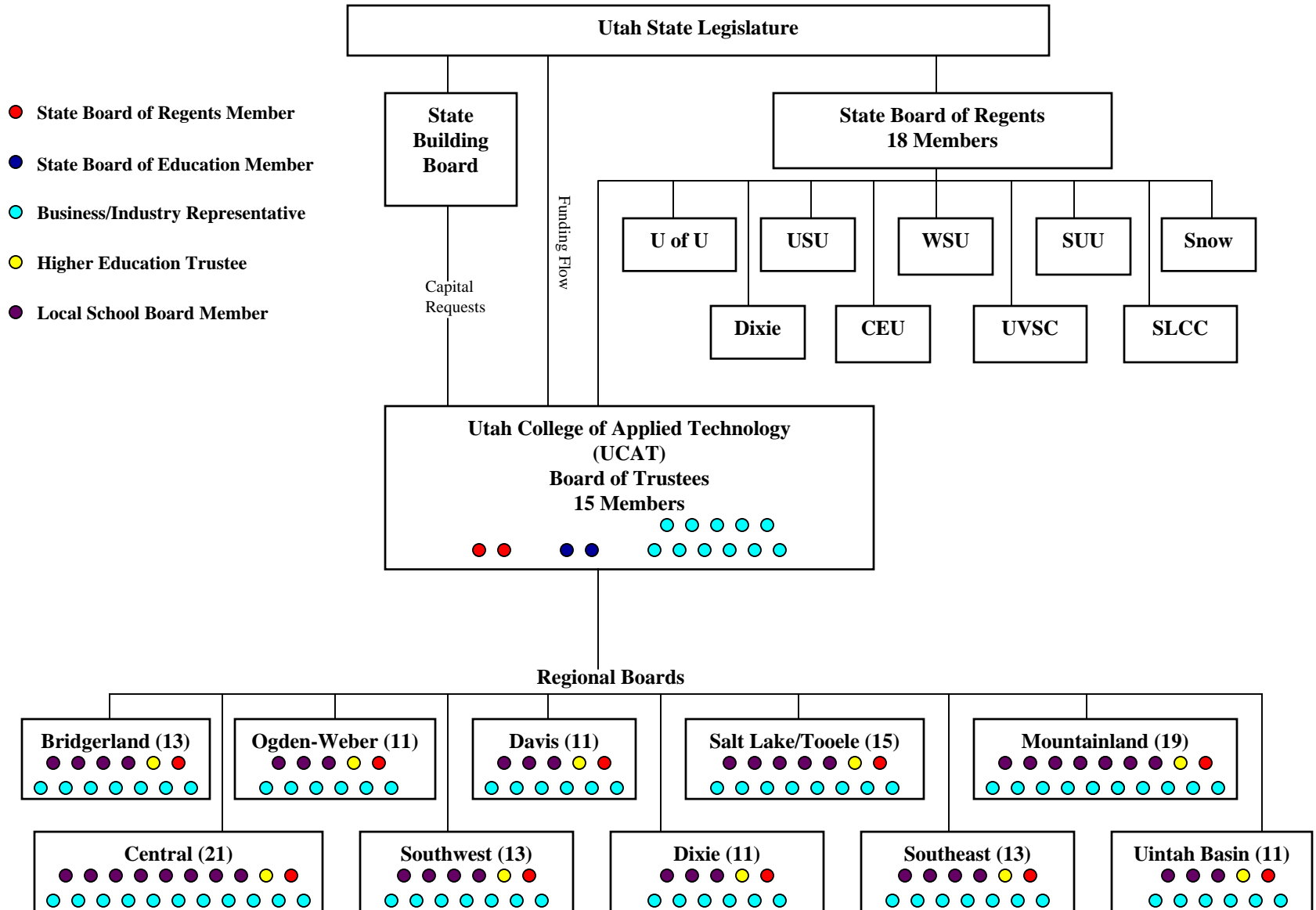
7.3.2. Educational Preparation - Regular full time faculty will have the appropriate work experience and recognized professional credentials for their discipline and teaching level.

7.3.3. Teaching Loads - Teaching loads of technical faculty typically conform to a standard business day; and ongoing daily student contact is at a higher level than traditional academic instruction.

7.4. Student Admission - All applied technology colleges have open admissions, though incoming students may be tested for the ability to benefit from specific courses and for placement and advising purposes.

7.5. Support Services - The institution provides support services, equipment, and other resources to support programs in applied technology and vocational training.

Utah College of Applied Technology



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**UCAT
OVERVIEW DATA BY COLLEGE
FY 2002**

APPENDIX D

	BATC	CATC	DATC	DXATC	MATC	OWATC	SLTATC	SEATC	SWATC	UBATC	Totals
<u>MEMBERSHIP</u>											
Secondary Hrs	456,520	161,557	580,356	39,071	402,400	386,397	151,357	69,996	119,320	274,854	2,641,828
Adult Hrs	854,445	78,916	827,874	2,438	149,645	1,189,886	22,687	69,719	204,914	295,583	3,696,107
Total Hours	1,310,965	240,473	1,408,230	41,509	552,045	1,576,283	174,044	139,715	324,234	570,437	6,337,935
<u>STUDENTS</u>											
Secondary Count	2,570	684	2,519	202	2,025	2,090	1,212	489	784	1,411	13,986
Adult Count	10,252	328	7,708	30	13,236	8,517	819	2,537	2,315	3,533	49,275
Total Students	12,822	1,012	10,227	232	15,261	10,607	2,031	3,026	3,099	4,944	63,261
<u>CERTIFICATIONS</u>											
	951	0	361	0	193	514	15	92	93	189	2,408
<u>PLACEMENTS</u>											
Education	0	0	0	0	0	0	0	0	0	0	0
Employment	0	0	0	0	0	0	0	0	0	0	0
Upgrade	5,274	0	3,422	0	2,135	4,684	0	1,879	1,607	2,426	21,427

* Data related to reporting "education" and "employment" placements are not collected until March of each year and were unavailable.

Utah College of Applied Technology

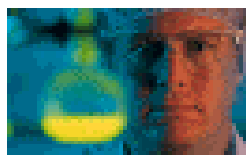


UCAT Students – Excellence at the National Level

The Utah College of Applied Technology is business and industry's college. The greatest measure of UCAT's success is the level at which its students are able to bridge their educational experience with excellence in the workplace.



On June 28, 2002, at the national Vocational Industrial Clubs of America (VICA) SkillsUSA competition awards ceremony in Kansas City, Missouri, Utah students received the highest number of medals — 39 — in the nation <http://www.skillsusa.org/medals2.html#anchorut>. At this competition UCAT took its place beside its sister colleges and universities in the Utah System of Higher Education for the first time. UCAT students demonstrated their excellence in workplace skills by taking home six gold and five silver medals. Kristie Paget's gold medal in baking at this national competition resulted in a full tuition (approximately \$60,000), two-year scholarship to attend culinary art school in Rochester, New York. Other UCAT medal winners are:



- Gold, CNC Milling, **Zjani Dame**
- Gold, CNC Turning, **Hollie Tippetts**
- Gold, 3-D Visualization and Animation, **Jared Buchanan and Brady Dalton**
- Gold, Sheet Metal, **Shane Player**
- Gold, Technical Drafting, **Brad, Kerbs**
- Silver, Medical Assisting, **Lisa, Roskelley**
- Silver, Quiz Bowl, **James Harnden, Casey Hansen, David Owens, and Draden Mitchell**

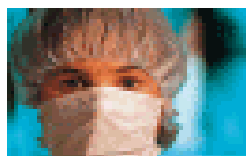


Update from the Instructional Planning and Curriculum Committee



New Chief Academic Officer

Collette Mercier, Vice President of Instructional Services at the Ogden-Weber Applied Technology College, has been selected to represent the Utah College of Applied Technology on the Utah System of Higher Education Council of Chief Academic Officers. This Council meets periodically to discuss curriculum, policy, and other issues related to academic affairs and instruction at Utah's ten public colleges and universities.



Status of AAT Degrees

Approval: The UCAT received Board of Trustees approval on May 1, 2002 for the first three Associate of Applied Technology (AAT) Degrees proposed by the institution. The degrees are in the areas of Information Technology, Computer Assisted Drafting and Design (CADD) and Medical Assisting.

Bridgerland ATC
Logan, Utah

Central ATC
Richfield Utah

Davis ATC
Kaysville, Utah

Dixie ATC
St. George, Utah

Mountainland ATC
Orem, Utah

Ogden-Weber ATC
Ogden, Utah

Salt Lake-Tooele ATC
Salt Lake City, Utah

Southeast ATC
Price, Utah

Southwest ATC
Cedar City, Utah

Uintah Basin ATC
Roosevelt, Utah



The degree proposals have now been submitted for Board of Regents consideration in accordance with Board of Regents' Policy R-401 <http://www.utahsbr.edu/policy/r401.htm>. The proposals have been reviewed by representatives from all of the other colleges and universities in the Utah System of Higher Education, who have provided feedback to the UCAT and the Commissioner's Office. The next step in the approval process is review and approval by the Board of Regents. Given the current, serious budget situation in the State, which has significantly reduced budgets in the Utah System of Higher Education, the Regents have, for the present time, placed a moratorium on the approval of new degrees. The AAT Degree proposals will be brought to the Regents at the next meeting where new degrees are reviewed for approval.

Issues: During the proposal review process, representatives from other USHE institutions raised several questions related to the proposed AAT Degrees. Some of the questions were specific to the particular degree, but others were general and illustrated the need for clarification about the degrees that will be offered by the UCAT.

1. The proposed AAT Degrees are not new programs, but are based upon existing certificate programs that have been offered by some of the regional colleges for several years. Students are already enrolled in these programs. The addition of a general education component, which will be offered by the other USHE institutions, provides an additional opportunity for students to obtain a college degree. It is anticipated that the AAT Degree will appeal to students who have not previously viewed themselves as "college bound." Their experience at a UCAT regional college will provide these students with a foundation for success if they choose to enroll in other USHE institutions to continue their education.

The UCAT IPCC has identified the following programs for development of the next AAT Degrees:

- Apprenticeship
 - Dental Assisting
 - Diesel Mechanics
 - Electronics
 - Industrial Maintenance
 - Machining
 - Welding
 - Business Technology
2. Degree approval will be for the Utah College of Applied Technology — not for each regional college. Therefore, although not all regional colleges may be prepared to offer a degree at the time of Regents' approval, they may offer the degree at a later time if resources are available and regional planning efforts support such a program offering. **This emphasizes the critical importance of an ongoing, serious, formal regional planning process with all ATE providers participating. This is the only way the concerns regarding the duplication of program offerings can be addressed.**
 3. The UCAT is not authorized to offer the general education courses required for completion of the AAT Degree. Regional colleges are, and will continue to be, involved in negotiations with the other USHE institutions for the delivery of these courses. The objectives of the courses and the credit awarded will be consistent with standard practice at the offering institution, although institutions are being asked to develop courses, for delivery on UCAT campuses, that will be offered on a more flexible schedule with a content focus more specific to workplace applications. In addition, UCAT students have the option of taking traditional general education courses on a USHE campus or via distance delivery.

Bridgerland ATC
Logan, Utah

Central ATC
Richfield Utah

Davis ATC
Kaysville, Utah

Dixie ATC
St. George, Utah

Mountainland ATC
Orem, Utah

Ogden-Weber ATC
Ogden, Utah

Salt Lake-Tooele ATC
Salt Lake City, Utah

Southeast ATC
Price, Utah

Southwest ATC
Cedar City, Utah

Uintah Basin ATC
Roosevelt, Utah



4. The UCAT is precluded, by its authorizing legislation, from offering college credit. However, the proposed degrees include references to "credit equivalents." These credit equivalents are based upon 30 clock hours to one semester credit hour; which is consistent with U.S. Department of Education's definitions for federal financial aid. The use of credit equivalents was adopted to provide a way of indicating the "value" of the student's educational experience, in the same way that semester credits assign such a value. It is important to remember that the UCAT is an open-entry/open-exit institution that uses a competency-based instructional model. Credit equivalents are in no way intended to be a measure of seat time, but rather as a means to equate the value of the educational attainment of students in both a credit and non-credit environment.

Accreditation

The UCAT is on schedule to apply for consideration for accreditation through the Northwest Commission on Colleges and Universities. The first step in the tentative accreditation sequence that was developed in January, 2002, the development and approval of the AAT Degree, was completed by the target date of July, 2002. Committees are currently in place and working on the development of uniform academic and student services policies for publication in a UCAT catalog. It is hoped that all requirements will be completed, and a letter of application for consideration submitted, by December, 2002. If we are able to meet this date, and approval is given by Northwest to proceed, the UCAT will begin the required self-study process in March, 2003.

Acknowledgements

The progress that has been made by the UCAT in the development of the AAT Degrees and progress toward application for accreditation is due, in large part, to the efforts of UCAT faculty around the state. This has been a formidable task, requiring the cooperative efforts of ten different faculty groups charged with developing one curriculum from ten separate programs or parts of programs. The result is impressive. Thanks to the following faculty teams for their efforts:

	CADD Degree	IT Degree	Medical Asst. Degree
BATC	John Davidson	Ed Ball Lee Tansock	Janet Binns Mindi W.
CATC	Craig Conder	Troy Young	
DATC	Dan Higley	Kim Ziebarth	Nancy Fahrenbach JoAnn Matern Joleen Parker
DXATC			
MATC		Mike Young	Kathleen Gurr
OWATC	Alan Turner	Judi Elmer	Jim Taggart Emma Anderson
SLTATC		Daren Child	Linda Skinner
SEATC		Jim Powell	
SWATC		Scott Wallace	
UBATC	Bob Naylor	Bruce Weatherston	Richelle Gaiter

Bridgerland ATC
Logan, Utah

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Richfield Utah

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Dixie ATC
St. George, Utah

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Orem, Utah

Ogden-Weber ATC
Ogden, Utah

Salt Lake-Tooele ATC
Salt Lake City, Utah

Southeast ATC
Price, Utah

Southwest ATC
Cedar City, Utah

Uintah Basin ATC
Roosevelt, Utah

A Response

By Gregory G. Fitch, UCAT President

To Career Preparation for Economic Development: Solving a Growing Utah Crisis

By Richard Maxfield and Garth Mangum, June, 2002

This is the second of two monographs, produced by these authors, that discuss the role of the Utah College of Applied Technology (UCAT) in preparing Utah's workforce and developing Utah's economy. The first monograph, *Career Preparation Prospects and Challenges of the New Utah College of Applied Technology (UCAT)*, published in August, 2001, considered the challenges associated with this new institution, including its origins, development, necessary tools for success, and the critical requirements of meeting business and industry needs. The authors' analysis is to the point and, although many of the concerns cited in the monograph are addressed in the UCAT's authorizing legislation (HB 1003), potential modifications to the legislation that will allow for the incorporation of the general and operational knowledge gained since the UCAT's inception in September, 2001 continue to be identified.

The second monograph begins where the first left off. Essentially, Monograph 3 offers recommendations regarding several of the issues currently confronting the State of Utah and the UCAT in meeting their respective roles in the development of Utah's economy. Certainly, the authors' position on the critical role that the Utah College of Applied Technology can and should play in the workforce preparation and economic development of the State is valid and appreciated. Having been written in the spring of 2002, the extent of the existing, ongoing efforts related to competency-based education provided by the UCAT, and the changes that have occurred in more recent months are not noted. These include changes in institutional and regional designations from applied technology centers and service regions to applied technology colleges; the development of three new, competency-based Associate of Applied Technology (AAT) degrees; the development, at two other Utah institutions of higher education, of a Bachelor of Applied Technology (BAT) degree with seamless transfer of the AAT degree, and ongoing negotiations between the UCAT and other colleges and universities for the development and delivery of general education classes created to meet the needs of UCAT students.

The authors call for a realignment of career preparation components of the State's educational system based upon what they describe as a new Competency-Based Job Preparation (CBJP) model; noting that, "It builds on the foundation of competency-based education as now used in the Utah's ATCs, now part of UCAT" (p. 62). The authors contend that this foundation, plus an "information support system" and "open curriculum structure" will result in a far superior competency-based education system than currently exists. Interestingly, the authors present no evidence that this is the case, or that the proposed system has been tested and found to yield superior results. In fact, they state, "The advantages and cost savings possible through the use of the CBJP model are hard to catalog. Some . . . are only potential in nature" (p.62). It is true that an integrated information support system is critical to the success of the UCAT, and options are currently being explored. Interactive computerized, immediate feedback instructional programs have long been utilized by UCAT and other institutions in the Utah System of Higher Education; modularized curricula that optimize open-entry/open-exit instructional delivery are a foundational strength of the UCAT and, most importantly, instructional delivery methods and student support services that take into consideration the individual needs and goals of the student are what makes the UCAT an important education option for

Utah's students. And, as acknowledged by the authors, competency-based education is, and has long been, the foundation of the Utah College of Applied Technology.

The authors cite the need for " . . . out-of-the-box thinking and dramatic changes in mindsets." In fact, a UCAT committee involving all levels within the state system of education is working with changes in delivery systems, requirements for graduation, a high school competency-based diploma (meeting federal requirements under Title IV), integrated academic and skills training, ladder degree options, and short-term certificate training. These services are provided at employer sites, within high schools and other college facilities, and on UCAT campuses across the state. Shared facilities, services, and personnel are required by law and those stipulations are being met today. In fact, with the exception of "seamless credit," the components of the proposed model: seamless upgrade training, multi-functional classrooms and shared facilities, remote delivery, integrated academic and skill training, Internet and intranet, and training at employer sites, represent delivery methods. The UCAT is already heavily engaged in these efforts through Custom Fit; shared services and facilities with designated education, business and industry partners; distance delivery of courses and programs through the Internet, EDNET, etc.

One of the major headings in Monograph 3 reads, "UCAT Should Answer to Employers Rather than to Educators" (p. 85). The implication is that this is not now the case. However, industry, through program advisory boards and a (somewhat cumbersome) system of local Regional Boards and the UCAT Board of Trustees, of which a majority are business and industry representatives, set the standards for instruction, delivery methods, budgets, facilities, etc. Many of the UCAT efforts are in direct response to business and industry requests. So too, recent efforts to coordinate with the Department of Community and Economic Development, the Department of Corrections, and the Department of Workforce Services have proven successful or are ready pending budget outcomes.

Yet, there are additional things that the UCAT, Utah System of Higher Education, State Office of Education, the Legislature, the Governor, and business and industry can do. The UCAT is growing and will undergo almost daily changes until it reaches its full potential. I agree with the authors in many areas, but much of what they propose is already being done. The UCAT is proving successful at all levels by maintaining its role as "partner" and its mission to stimulate economic development through education.

Dr. Maxfield and Dr. Mangum are to be recognized for their effort in developing the series and their ongoing interest in applied technology education. In one sense, they have been successful in their efforts to " . . . stimulate thinking and encourage dialogue." Of concern, however, are the many emphatic claims made for the superiority of the proposed "new" system in the absence of research documentation; the lack of an implementation plan or true cost/benefit analysis of the proposed model, and an unavoidable lack of knowledge at their time of writing of ongoing changes in the nature and operation of the Utah College of Applied Technology. As often happens, snapshot information, cannot keep up with ongoing, actual events.

As the author's indicate, "Utah's Ace in the Hole: UCAT" is a promising vehicle to enhance Utah's career preparation progress.

The authors are to be complimented for their invitation for UCAT to respond to the document as well as include an update of UCAT progress to date, much of which parallels features called for in the monograph.

APPENDIX F

- UCAT is linked in several ways with other higher education institutions through a number of committees, e.g. Council of Presidents, Chief Academic and Student Affairs Officers' Committee, and the Commissioner's Office. Much of their effort for postsecondary education is now centered on development, articulation and transfer of the Associate of Applied Technology degree and the eventual creation of the Bachelor of Applied Technology degree.
- UCAT remains committed with its connection to area school districts by sharing faculty, facilities, and services. Secondary students are also integrated into college classes, extended service classes (e.g. Internet) or provided special sections only for secondary students . . . again on the college campus.
- The "foundation" of short term training and upgrading of employee skills remains a strength of UCAT. This is evident in the Custom Fit effort and extended linkages with established and new employers. Training is provided on campus and external sites (including the employer's location).
- UCAT uses a variety of traditional, technological, and experimental techniques to accelerate learning opportunities.
- UCAT's commitment to open-entry/open-exit competency based training provides the shortest route to job preparation. These efforts include remote and technical (Internet, UEC) delivery as possible.
- UCAT in addition to skill preparation provides integrated and expanded soft skills training for workplace success into select programs or presented in specially designed classes.
- UCAT provides integrated basic skills (writing, math, reading) in many classes and offers non-credit training in those areas.
- The organizational structure of UCAT provides direct business and industry input and supervision of standards, training, programs, and total operation of the college, positioning it to respond to economic development in providing career preparation for the present and future workforce.

October 30, 2002

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: General Consent Calendar

It is the recommendation of the Commissioner that the Regents approve the following items on the General Consent Calendar:

1. Minutes – Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held September 12-13, 2002, at Utah State University in Logan, Utah (Attachment 1)
2. Grant Proposals - Approval to submit the following proposals:
 - A. University of Utah – Public Health Service; "Enhanced Surveillance for Newly Vaccine Preventable Disease;" \$3,049,693. Carrie L. Byington, Principal Investigator.
 - B. University of Utah – Huntsman Foundation; "Huntsman Cancer Institute, Cost Reimbursable;" \$15,000,000. Stephen M. Prescott, Principal Investigator.
 - C. University of Utah – National Institutes of Health; "Surveillance, Epidemiology and End Results (Seer) Program;" \$11,296,573. Charles L. Wiggins, Principal Investigator.
 - D. University of Utah – National Science Foundation; "Advance: Institutional Transformation Award at the University of Utah;" \$3,187,421. JoAnn Lighty, Principal Investigator.
 - E. Utah State University – Department of Justice; "Youth and Families With Promise;" \$1,045,800. Thomas R. Lee, Principal Investigator.
 - F. Utah State University – National Aeronautics & Space Administration (NASA); "Geostationary Imaging Fourier Transform Spectrometer (GIFTS); \$5,000,000. Gail Bingham, Principal Investigator.
 - G. Utah State University – Missile Defense Agency; "Ramos Joint Preliminary Design Review Task Plan 6" (awarded 8/16/02); \$1,000,000. Thomas Humpherys, Principal Investigator.

- H. Utah State University – Missile Defense Agency; "Ramos Joint Preliminary Design Review Task Plan 6" (awarded 8/30/02); \$1,000,000. Thomas Humpherys, Principal Investigator.
 - I. Utah State University – Whatcom County; "Phase III Technical Studies for WRIA 1 Watershed Management Project;" \$2,160,061. Thomas Hardy, Principal Investigator.
 - J. Utah State University – US Navy; "Time Critical Sensor Image/Data Processing Task Order #3;" \$1,196,039. Niel S. Holt, Principal Investigator.
 - K. Utah State University – US Navy; "Response to Time Critical Sensor Image/Data Processing Task;" \$1,998,934. Niel S. Holt, Principal Investigator.
 - L. Utah State University – National Science Foundation; "Building Evaluation Capacity of Stem Projects;" \$1,500,001. Blaine worthen, Principal Investigator.
 - M. Utah State University – The William and Flora Hewlett Foundation; "Three-Track Engineering;" \$1,249,962. Randy Haupt, Principal Investigator.
 - N. Utah State University – Jet Propulsion Laboratory; "The Next Generation Sky Survey (HGSS);" \$39,561,976. Scott Schick, Principal Investigator.
 - O. Utah State University – National Science Foundation; "ADVANCE-US: Applying a Successful Business Model to a University;" \$2,998,953. Ronda Callister, Principal Investigator.
 - P. Utah State University – Lockheed Martin; "TIS Sustainment;" \$1,049,715. Niel Holt, Principal Investigator.
 - Q. Utah State University – National Science Foundation; "IGERT: USU Integrated Program in High Performance Computing;" \$1,162,573. Robert Spall, Principal Investigator.
 - R. Utah State University – National Science Foundation; "IGERT: Water as Thematic and Engaging Rational for Integrataive Graduate Education and Research Traineeship Program;" \$3,523,673. David Tarboton, Principal Investigator.
3. Proposed Policy R254, *Secure Area Hearing Rooms*. It is proposed that this policy be approved to implement the provisions of SB 64, *Secure Facilities Amendments*, as enacted by the 2002 Legislature. It authorizes a USHE institution to establish a secure area to protet a hearing room, provides guidelines for such secure areas, and lists criminal and institutional sanctions available to enforce compliance with the secure areas. (Attachment 2)
4. Proposed Revisions to Policy R341, *Computing Systems Programs*." It is proposed that this policy be revised to reflect current practice in statewide planning, coordination, and cooperation to share and optimize computing resources and expertise in the Utah System of Higher Education. (Attachment 3)

5. Proposed Revisions to Policy R513, *Tuition Waivers and Reductions*. It is proposed that Policy R513 be amended to exempt certain students, except specifically defined non-immigrant aliens under federal law, from paying the non-resident portion of total tuition if they meet specified requirements and have attended a Utah high school for three or more years and received a high school diploma or its equivalent in this state. (Attachment 4) The passage of Utah HB 144 permits institutions to charge resident tuition for these students, which is a valid benefit allowed under federal law according to a recent opinion of the Utah Attorney General's Office
6. Executive Session(s) — Approval to hold an executive session or sessions prior to or in connection with the meetings of the State Board of Regents to be held January 17, 2003, at the University of Utah, to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

Cecelia H. Foxley, Commissioner

CHF:jc
Attachments

**MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
UTAH STATE UNIVERSITY
September 2002**

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MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
UTAH STATE UNIVERSITY

September 13, 2002

Regents Present:

Nolan E. Karras, Chair
Jerry C. Atkin
Linnea S. Barney
Kim R. Burningham
L. Brent Hoggan
Michael R. Jensen
Charles E. Johnson
E. George Mantes
Jed H. Pitcher
Sara V. Sinclair
Marlon O. Snow
Maria Sweeten

Regents Excused:

Pamela J. Atkinson, Vice Chair
Daryl C. Barrett
David J. Grant
Khay Douangdara
James S. Jardine

Office of the Commissioner:

Cecelia H. Foxley, Commissioner
David Buhler, Associate Commissioner for Public Affairs
Chalmers Gail Norris, Associate Commissioner for Student Financial Aid
Mark H. Spencer, Associate Commissioner for Finance and Facilities
Deanna D. Winn, Associate Commissioner for Academic Affairs
Joyce Cottrell, Executive Secretary
Harden R. Eyring, Executive Assistant
Linda Fife, Assistant Commissioner for Programs
Jerry H. Fullmer, Director of Information Systems
Brad Mortensen, Assistant Commissioner for Finance and Facilities
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Extended Programs

INSTITUTIONAL REPRESENTATIVES

University of Utah

J. Bernard Machen, President
Dr. A. Lorris Betz, Senior Vice President for Health Sciences
Paul T. Brinkman, Associate Vice President for Budget and Planning
Michael G. Perez, Associate Vice President for Administrative Affairs
Bill Edwards, Student Body President

Utah State University

Kermit L. Hall, President

Stan Albrecht, Executive Vice President and Provost
Lee H. Burke, Assistant to the President for Government Relations
Celestial Starr Bybee, Student Body President
David Cowley, Space Manager
Sue Guenter-Schlesinger, Director, Affirmative Action/Equal Opportunity
Darrell E. Hart, Assistant Vice President for Facilities
Fred R. Hunsaker, Vice President for Administrative Services
Richard W. Jacobs, Director, Budget Office
Thomas L. Kent, Dean, School of Graduate Studies
Brent C. Miller, Vice President for Research
Craig J. Simper, University Counsel
Kevin C. Womack, Associate Professor, Civil and Environmental Engineering

Weber State University

Paul H. Thompson, President
F. Ann Millner, President-designate
Norman C. Tarbox, Jr., Vice President for Administrative Services

Southern Utah University

Steven D. Bennion, President
Abe Harraf, Provost
Gregory Stauffer, Vice President for Administrative and Financial Services

Snow College

Michael T. Benson, President
Gary C. Arnoldson, Controller

Dixie State College

Robert C. Huddleston, President
Stanley J. Plewe, Vice President for Administration and Information Technology
Ben Joe Markland, Student Body President

College of Eastern Utah

Ryan L. Thomas, President
Raelene Allred, Vice President of Finance and Administrative Services

Utah Valley State College

Lucille T. Stoddard, Interim President
Linda L. Makin, Budget Director
James L. Michaelis, Associate Vice President for Facilities
Val Peterson, Vice President for College Relations

Salt Lake Community College

H. Lynn Cundiff, President
Judd H. Morgan, Interim Vice President for Administrative Services

Utah College of Applied Technology
Gregory G. Fitch, President
Collette Mercier, Chief Academic Officer

Representatives of the Media
Cheryl Buchta, *Standard Examiner*
Kirsten Stewart, *Salt Lake Tribune*
Twila Van Leer, *Deseret News*

Others
Race Davies, Governor's Office of Planning and Budget
Beverly A. Evans, Utah House of Representatives
Lyle Hillyard, Utah Senate
Loraine Pace, Utah House of Representatives

Chair Nolan Karras called the meeting of the Committee of the Whole to order at 1:10 p.m. He said the Board had enjoyed a luncheon meeting with President Hall and the Utah State University Board of Trustees and expressed the Regents' appreciation for the opportunity to meet with them. Chair Karras excused Vice Chair Atkinson and Regents Barrett, Douangdara, Grant, and Jardine. He expressed the Board's sympathy to Regent Sinclair on the recent death of her mother and said Regent Barrett had recently lost her father.

Commissioner Foxley recognized Dr. Lucille Stoddard and expressed her appreciation for Dr. Stoddard's willingness to serve as UVSC's Interim President during the search for a new President. She said the institution was in good hands under Dr. Stoddard's leadership. Dr. Stoddard said she was honored to be selected as Interim President.

President Bennion introduced Dr. Abe Harraf, the new Provost at Southern Utah University. He noted that Dr. Harraf had earned his doctorate in Economics at Utah State University. President Benson introduced Scott Wyatt, Cache County Attorney and Chair of the Snow College Board of Trustees. President Benson expressed his appreciation for Snow's Performing Arts Building, which has made a tremendous impact in central Utah.

Commissioner Foxley pointed out the documents in the Regents' folders. First, a brochure which had been printed in honor of Kerry and Judy Romesburg's tenure at UVSC. She also called attention to Richard Maxfield's and Garth Mangum's publication on applied technology education in the folders, with an explanation by President Fitch that UCAT is already doing much of what Drs. Maxfield and Mangum had recommended.

USHE Master Planning Task Forces

Chair Karras said he had attended the meetings of all three master planning task forces on August 29. The discussions were healthy in every case. He encouraged the other Regents to attend as many of the task force meetings on September 27 as their schedules would permit. It would be useful to attend all three meetings to see the connection and areas of commonality. He asked the chairs of the task forces to give a brief overview of their groups' work to date.

Student Success. Chair Johnson reported that there are many definitions of student success. The task force has concentrated on student completion. Between March 2001 and March 2002, the United States lost two million jobs, while employment for college graduates increased by 400,000 jobs in the same time period. Correlation with public education is also important. The data they are collecting will be transferred to higher education. A major focus is retention of students beyond their college freshman year. Another concentration will be in the graduate and professional programs. High-paying jobs are available, and an institution and state become known for those professions. Students with special needs will be another area of concentration. AdviseUtah and UtahMentor will be able to provide helpful information to students as well as indications of student success.

Missions and Roles. Chair Mantes said the Missions and Roles Task Force tried to look ten years into the future to determine whether or not the USHE is going in the right direction. UCAT presents unique challenges. Institutional capacity is a factor – how much room is available for students, and how will this change in 10-20 years? Higher education institutions need clearly defined, differentiated missions that address the needs of students in different levels and to guide institutions into the future. The task force has discussed Policies R311, *Institutional Missions and Roles*, and R313, *Institutional Categories and Accompanying Criteria*, and may need to rewrite completely the roles and missions of the USHE institutions.

Funding. Chair Karras said the group had reviewed the funding formula issue. Dixie's Board of Trustees sent him a letter indicating they were in favor of a funding formula. We are struggling with the tuition and financial aid policies. Should we charge what the traffic will bear, or what people can afford? It appears to be inevitable that we will have to increase tuition in this state. The task force has decided they need to determine the measures of progress of institutional efficiencies. What consideration should be given by asking the institutions to evaluate their productivity? The fact that we are able to educate more students with less money is a good indicator of productivity. Chair Karras said the Finance and Facilities Committee will become the entity to deal with these issues. Five-year cost projections are being redefined. Possibly the public can become involved in this debate.

Chair Karras said he had asked the Commissioner's staff to put together a list of all the programs and degrees offered by the individual USHE institutions so the Regents can see if there are any unnecessary duplications. Commissioner Foxley said this will be a helpful document as the Program Review Committee does its work. Regent Jardine chairs that group, assisted by Vice Chair Atkinson, Regent Barrett and Regent Mantes. The Commissioner referred to their recommendations, shown on Attachment 2 to Tab A, which required Board action. Cost Savings and Efficiencies and Accreditation were established as the categories for

exceptions to the moratorium on new program approval. A third category, Urgent Need, will be discussed at a later time.

Associate Commissioner Winn said when the moratorium was put into place, 12 programs had already been approved by the Chief Academic Officers (CAOs). The Program Review Committee did not want these programs to just "sit" so they met to determine the criteria for moving those programs forward. The first category specified money savings or a non-state funding requirement. Accreditation was also very important. The Doctor of Audiology Degree at USU was approved recently because it was an accreditation issue. There may be other possibilities for determining criteria. More discussion is needed to determine what is really urgent need. On the agenda for Friday were three Associate of Applied Technology (AAT) Degree Programs for UCAT which fall under the accreditation category. Regent Jensen asked if an institution needed to meet all three categories to be considered for exception. Associate Commissioner Winn said it was an either/or situation; an institution need not fall into all three categories. Interim President Stoddard asked if the committee had made any distinction between two-year associate degrees and four-year degrees. Dr. Winn said there was no distinction in the categories. These recommendations are for the 12 programs which have previously been approved by the CAOs.

Regent Atkin moved approval of the Program Review Committee's recommendations. The motion was seconded by Regent Pitcher. Vote was taken, and the motion carried unanimously.

2003-2004 Capital Development and Land Acquisition Hearings and Priorities

Associate Commissioner Spencer referred to Tab B and reminded the Regents that each year capital priority projects are submitted for new funding. Only the top priority project from each institution was accepted this year. Those projects were processed through the Qualification and Prioritization (Q&P) formula, which produces a gap analysis. Every priority may not fit into the Q&P process. It has been suggested that additional points be considered, based on a project's ability to meet an institutional criticality or a specific need in the state or identified by the Regents. He referred to Paragraph 6.1 of Policy R751, *Capital Facilities Qualification and Prioritization Process* (Attachment 5). Associate Commissioner Spencer then reviewed Attachment 3 to Tab B, Q&P Results for 2003-2004:

<u>Rank</u>	<u>Project</u>
1	USU Merrill Library Replacement
2 (tie)	UU Marriott Library Renovation
2 (tie)	WSU Swenson Gymnasium Renovation
4	CEU Fine Arts Complex
5	UVSC Vineyard Elementary/Alpine Life & Learning Center Purchase
6	SLCC Health Sciences Building
7 (tie)	DSC Health Sciences Building
7 (tie)	SUU Teacher Education Building
9	Snow Classroom Building

Land
UCAT

WSU McKay-Dee Hospital Property
UBATC Vernal Campus

Associate Commissioner Spencer pointed out that if the new categories were adopted, the tie would be broken for the second and seventh priorities. The Building Board would prefer not to have any ties in the priority list which the Regents submit to them for funding. Commissioner Foxley said she had spoken briefly with the Presidents during the last Council of Presidents (COP) meeting about these proposed changes as something which would be discussed in the future. It was later decided that although this may not impact funding for this year, we should get the concept in place before the Q&P process is considered next year.

The co-chairs of the Capital Facilities Appropriations Subcommittee and Legislative Leadership have indicated a desire to get the libraries funded. Facilities whose purpose would help alleviate the teacher education shortage and nursing shortage would be consistent with a new point recognition system. For example, had this been in place when the Governor came out with his Engineering, Computer Science and Technology Initiative, an engineering building would have received extra points in the Q&P formula. The Commissioner noted that a recommendation should be made to the State Building Board Friday morning. They have set aside their October meeting for institutional presentations.

Chair Karras asked about a space utilization study. Associate Commissioner Spencer said that a study is in process and would be ready early in 2003. Chair Karras said he would prefer to wait until the space utilization study is available before revising the policy. He asked the Finance and Facilities Committee to look at this issue and perhaps have a conference call to discuss it prior to the next Board meeting to recommend the number of points which should be added in the suggested categories. He noted that he had chaired the State Building Board when the libraries were constructed previously.

Regent Jensen asked about life safety points. Systemwide, do we have a situation where our buildings are safe? Chair Karras asked Regent Pitcher to discuss this in the Finance and Facilities Committee conference call. Regent Jensen pointed out that the Regents need to know what buildings on the campuses have life safety issues, regardless of whether or not they are the institution's top priority.

Chair Karras reviewed the preliminary rankings and asked the Presidents to briefly describe the top priority project of their respective institutions.

Regent Jordan referred to the reports from the Governor's Office of Planning and Budget and the University of Utah regarding projected enrollment growth in public education and called the demographics "frightening." He asked about educating the teachers needed to serve this school-age population. Commissioner Foxley responded she had looked at the projected population coming to college and had considered K-12 population as well. Associate Commissioner Winn and Assistant Commissioner Safman work with the Education Deans and agree that we are not prepared to deal with a severe teacher shortage. The state needs to look at its overall tax structure and its support of public education and higher education.

Chair Karras said the Regents should look at the systemwide demand for nurses and teachers. He recommended that this topic be added to a future Board agenda for discussion. President Huddleston

pointed out that Utah ranked 49th in the nation in the ratio of nurses to residents; the state needs an additional 900 RNs each year.

Regent Atkin asked the extent of the backlog in capital facilities for higher education and asked that the Regents be given a 5- to 10-year backlog summary in the future. Commissioner Foxley said the institutions used to give the Regents, the State Building Board, the Governor, and the Legislature the total list of needed projects. However, for recent budget years we have focused on just the top priorities of each institution. The State Building Board works with each institution and is aware of the other priority projects at each school. She said she hoped the two libraries could be funded this year. The state approved a \$200+ million bond last year, and she hoped for a good bonding level again next year.

Regent Jordan moved approval of the proposed Regent Priorities, with the Marriott Library Renovation at the University of Utah ranked higher than Weber's Swenson Gymnasium Renovation because of life safety issues and that SUU's Teacher Education Building be ranked higher than Dixie's Health Sciences Building. He further moved that the proposed revisions to policy R741 be implemented to break the tie for 7th place. President Fitch asked, and it was agreed, that the Board's support of UCAT's request be included in the motion. The motion was seconded by Regent Atkin. Vote was taken on the motion, which carried with one opposing vote.

Commissioner Foxley said the mission centrality of SUU's Teacher Education Building was the key point in the decision to add points to that project. Southern Utah University started out as a Normal School to educate teachers. Regent Jensen asked about the possibility of getting programming money for other projects. Commissioner Foxley said over the years the Legislature and Building Board have had differing points of view on phased funding. The Board can certainly ask for planning and programming money for the other institutions.

2003-2004 Non-state Funded Capital Development Projects

Commissioner Foxley referred to Tab C and said the projects falling into the category of projects requiring Regent, Building Board, and Legislative approval were the USU Laboratory Animal Research Center Addition, the USU Quinney Biology/Natural Resources Building West Entrance Addition, and the WSU Teaching and Learning Technology Center Renovation/Remodel. Projects requiring Regent and Building Board approval are the USU Locker Room Building and the WSU Track and Field Locker Rooms. She referred to page 4 of her cover memo and recommended an exception to the requirements set forth in policy R710 for the USU Laboratory to make it eligible for state-funded O&M. She recommended that all five non-state funded projects be approved.

President Hall said USU had received \$2 million from the National Institutes of Health (NIH) to expand the Laboratory Animal Research Center. NIH needs the state to "put the footer in" and they will fund the rest. The state is paying O&M on the rest of the building.

Regent Jordan moved the Commissioner's recommendation that the Regents adopt an exception to Policy R710 for the USU Laboratory Research Animal Center Addition so that it is

eligible to be supported for state-funded O&M and that all five non-state funded projects be approved. The motion was seconded by Regents Pitcher and Sinclair and carried unanimously.

President Hall announced that a shuttle would take spouses to the museum on Friday morning, and then back to the Institutional Residence for lunch with Mrs. Hall.

The meeting of the Committee of the Whole was recessed at 3:45 p.m. so the Regents, Presidents and other guests could observe President Hall's State of the University address in the Science Learning Center.

State of the University Address

President Hall's State of the University Address was entitled "Infinite Ambition, Finite Resources" and reviewed the ten core goals which were identified by the University's year-long compact planning process:

1. To enhance the reputation of the University for learning, discovery, and engagement;
2. To expand and diversify the revenues of the University;
3. To adopt new business models that embrace accountability, responsiveness, and efficiency, and a budget process that is responsive to University goals;
4. To strengthen the recruitment, retention, graduation and placement of students, and as part of that goal to reduce the student-faculty ratio;
5. To raise the base level of compensation for faculty and staff, to be more competitive with peer institutions, and to reward especially outstanding faculty and staff achievements;
6. To build a socially and intellectually vibrant campus community, enhanced by the diversity of its faculty, students, and staff;
7. To infuse new energy into graduate programs, particularly at the doctoral level;
8. To foster new partnerships, both internally and externally;
9. To communicate the success of the University to the world; and
10. To launch and complete a successful comprehensive campaign in support of the other nine goals generally, and to establish the central proposition that at Utah State, academics comes first.

Friday, September 13

Regents Present:

Nolan E. Karras, Chair
Jerry C. Atkin
Linnea S. Barney
Kim R. Burningham
Khay Douangdara
L. Brent Hoggan
James S. Jardine

Regents Excused:

Pamela J. Atkinson, Vice Chair
Daryl C. Barrett
David J. Grant
Charles E. Johnson

Michael R. Jensen
E. George Mantes
Jed H. Pitcher
Sara V. Sinclair
Marlon O. Snow
Maria Sweeten

Office of the Commissioner:

Cecelia H. Foxley, Commissioner
David Buhler, Associate Commissioner for Public Affairs
Chalmers Gail Norris, Associate Commissioner for Student Financial Aid
Mark H. Spencer, Associate Commissioner for Finance and Facilities
Deanna D. Winn, Associate Commissioner for Academic Affairs
Joyce Cottrell, Executive Secretary
Harden R. Eyring, Executive Assistant
Linda Fife, Assistant Commissioner for Programs
Jerry H. Fullmer, Director of Information Systems
Brad Mortensen, Assistant Commissioner for Finance and Facilities
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Extended Programs

State Building Board

Keith Stepan, Chair
Kerry Casaday
Larry Jardine
Manuel Torres

DFCM Staff

Joseph A. Jenkins, Director
Kent Beers, Program Director, Capital Improvement
Blake Court, Program Director, Capital Development
Shannon Lofgreen, Administrative Secretary
Kenneth E. Nye, Program Director, Capital Development

INSTITUTIONAL REPRESENTATIVES

University of Utah

J. Bernard Machen, President
Dr. A. Lorris Betz, Senior Vice President for Health Sciences
Paul T. Brinkman, Associate Vice President for Budget and Planning
Arnold B. Combe, Vice President for Administrative Services
Michael G. Perez, Associate Vice President for Administrative Affairs

Utah State University

Kermit L. Hall, President
Stan Albrecht, Executive Vice President and Provost
Lee H. Burke, Assistant to the President for Government Relations
David Cowley, Space Manager
Darrell E. Hart, Assistant Vice President for Facilities
Fred R. Hunsaker, Vice President for Administrative Services

Weber State University

Paul H. Thompson, President
F. Ann Millner, President-designate
David L. Eisler, Provost
Norman C. Tarbox, Jr., Vice President for Administrative Services

Southern Utah University

Steven D. Bennion, President
Abe Harraf, Provost
Gregory Stauffer, Vice President for Administrative and Financial Services

Snow College

Michael T. Benson, President
Gary C. Arnoldson, Controller
Diane Murphy-Martin,
Rick Wheeler,

Dixie State College

Robert C. Huddleston, President
Stanley J. Plewe, Vice President for Administration and Information Technology

College of Eastern Utah

Ryan L. Thomas, President
Raelene Allred, Vice President of Finance and Administrative Services
Dennis Geary, Director of Facilities, Planning and Management

Utah Valley State College

Lucille T. Stoddard, Interim President
Linda L. Makin, Budget Director

Salt Lake Community College

H. Lynn Cundiff, President
Judd H. Morgan, Interim Vice President for Administrative Services
J. Gordon Storrs, Master Planning Coordinator

Utah College of Applied Technology

Gregory G. Fitch, President
Jay Greaves, Davis Applied Technology College
Collette Mercier, Chief Academic Officer

Representatives of the Media

Cheryl Buchta, *Standard Examiner*
Jackie McGill, *Spectrum*
Kirsten Stewart, *Salt Lake Tribune*
Twila Van Leer, *Deseret News*

Others

Camille Anthony, Department of Administrative Services
RoLynne Christensen, VCBO Architecture
Race Davies, Governor's Office of Planning and Budget
Beverly Evans, Utah Senate
Boyd Garriott, Office of the Legislative Fiscal Analyst
Debbie Headden, Office of the Legislative Fiscal Analyst
Lyle Hillyard, Utah Senate
John Massey, Legislative Fiscal Analyst
Lorraine Pace, Utah House of Representatives

Joint Breakfast Meeting with State Building Board

Chair Karras called the meeting to order at 8:05 a.m. and welcomed members of the State Building Board and Division of Facilities Construction and Management (DFCM) staff. He asked the members of both Boards to introduce themselves. Chair Karras acknowledged and thanked Denise Burrows and her staff for their excellent catering of the meals during the two-day meeting. He expressed his appreciation to the members of both Boards for being in attendance. He gave special thanks to Regents Burningham and Barney for their commitment to education and their dedication to serving on the Board of Regents. He recognized Senator Evans and Representative Pace. Commissioner Foxley added her thanks for their work on the Capital Facilities Appropriations Subcommittee. She recognized the presence of Senator Lyle Hillyard.

Long-term Enrollment Projections (Tab I). Chair Karras noted that the attachments to Tab I showed enrollment projections for 20 years. Factors affecting participation rates were shown on page 5 of Attachment 1. System projections were shown on Attachment 2, as well as institutional projections. The Utah System of Higher Education is expected to increase from 109,000 FTE to 173,000 FTE over the next 20 years, a cumulative increase of 58 percent. Commissioner Foxley reminded the group that the five-year projections were more accurate than the long-term 20-year projections. For some institutions, projections are very conservative. Utah Valley State College and Dixie State College have grown more than anticipated, as

has Salt Lake Community College. Utah State University has had a decrease in out-of-state students but an increase in resident enrollments. This is the direct result of HB 331, passed in the last legislative session. Chair Karras explained the ramifications of HB 331 for the benefit of the members of the State Building Board. Commissioner Foxley pointed out that this is a significant loss of revenue because out-of-state students brought in increased tuition.

Chair Karras reviewed the Board of Regents' priority list as decided the previous afternoon. He explained that all of the projects were badly needed, but the Board had decided that the libraries at the University of Utah and Utah State University were their top priorities. Commissioner Foxley recalled Gayle McKeachnie's comment the previous day, "Before we ask for funding for additional projects, we need to be grateful for what we already have." She expressed her appreciation on behalf of the USHE for the capital projects under construction or recently completed. She then asked the institutional Presidents to summarize some of their recently funded projects, current projects, or projects recently completed. The Presidents expressed their appreciation to the State Building Board for their support of the following institutional projects:

- Dixie – Gardner Center Food Service Addition and the Graff-Eccles Fine Arts Center
- UVSC – Wasatch Campus in Heber
- CEU – The new Main Building
- USU – Widsoe Hall Chemistry Building, Eccles Science Learning Center, and the central energy facility (heat plant)
- WSU – Ethel Wattis Kimball Visual Arts Building and the Davis Campus building
- Snow – Eccles Center for the Performing Arts
- SUU – Gale Sorenson Physical Education Building and the Shakespearean Festival Village (underway)
- University of Utah – Student housing at Fort Douglas and renovations of the C. Rowland Christensen Center and Cowles Building
- SLCC – High Tech Building and Student Activity Center on the Jordan Campus

Chair Stepan agreed that the Regents' priority list contained some quality projects. The quality-based selection process for architects and contractors seems to be working very well. He asked that the Presidents let him know if there is a way the process could be improved. The Presidents indicated they were all very pleased with the current process.

Chair Karras told members of the State Building Board that the Regents had chosen the two libraries as their top priorities because of the high need. However, the institutions have also proved great need for other projects. The Weber State University land and the UCAT facility in Vernal were shown separately on the priority list because the process is different. President Fitch said the Uintah Basin facility for UCAT has been on the books since 1997. There is an economic development need and a need for a facility to educate high school students and adult learners. He said he recognized the importance of the Building Board serving the entire state and that he would support and endorse whatever decisions they make.

Chair Karras said the Regents had discussed the Q&P process the previous day and the need for fine-tuning that process. They have discussed the suggestion to add centrality of mission and statewide need

as additional factors for determining points for capital projects. When the libraries were constructed several years ago, it was with the help of a huge state bond. He expressed his hope that a similar outcome could be realized next year. Commissioner Foxley called attention to the proposed new language on the back of the cover memo to agenda Tab B. If approved, section 6.1 of Regents' policy R741 would also be revised. She expressed her appreciation to the Building Board for their involvement in the Q&P process, recalling that a few years ago points were added for infrastructure at their suggestion. The two new additions are also important to the prioritization process. Chair Stepan complimented the Regents for their process and said he thought the additional categories were appropriate.

Regent Jordan said as the Regents had listened to the institutional presentations the previous day, it was pointed out that many of the buildings were necessitated by the current facilities coming to the end of their useful life. It is becoming more expensive to renovate than to demolish and rebuild. He asked if there were a analysis of the state buildings so the Regents could know ahead of time when the higher education facilities would become old enough to replace. Director Jenkins said there is such an analysis (called the Condition Assessment Program), and every facility is contained in DFCM's database. Capital improvement projects, funded with AR&I dollars, are seriously underfunded. Consequently, buildings deteriorate faster than they can be maintained. This requires buildings to be replaced prematurely. Regent Jordan said it would be helpful for the Regents to see a breakout of the higher education structures. This process would also help the Legislature understand the need for funding for deferred maintenance.

Chair Karras said he would like to see a five-year projection of higher education facilities including O&M projections. He asked Director Jenkins if the DFCM could help with this process. Mr. Jenkins said DFCM had made a presentation recently to the State Building Board on a state needs assessment. That presentation could be made to the Regents in a future meeting, or it could be submitted in hard copy. Chair Karras said he would like to discuss the needs assessment in the Board's November meeting.

Commissioner Foxley asked if there would be a willingness on the part of the Building Board to talk about program planning development funds on some of the other projects in addition to the libraries. Director Jenkins said if funds continue to come into the state as projected, there should be \$100 to \$110 million in cash set aside for capital development and capital improvement projects. The law mandates that \$50 million be taken out of the budget for AR&I before other funds are allocated. This leaves about \$50 million for capital development projects. The State Archives Building needs to be demolished so that the Capital expansion and renovation can take place. That will be the state's top priority next year because there is no choice. It will be a \$10 million project. That leaves between \$40 and \$50 million in cash. Either of the university libraries would take all of that amount. The rest of the buildings would have to be financed with a bond or phased funding.

Commissioner Foxley said Lynne Ward, Director of the Governor's Office and Budget, had called her the previous evening to say that she could not be at the meeting because of illness. She told the Commissioner that revenue projections and job growth are slower than previously projected. Coupled with mandated costs and the high growth in public education which Utah will face in a few years, it will be another very tight year. Chair Stepan said he had met with some members of the Legislative Capital Facilities Subcommittee the previous day. A five-year list needs to be developed for higher education facilities, as well as an

indication of needs further into the future. Commissioner Foxley pointed out that now would be a good time to bond because the interest rates are excellent.

Legislative Fiscal Analyst Massey said he was waiting for a report from the State Tax Commission regarding the actual tax collected for this fiscal year. Preliminary projections indicate that revenues from corporate income tax and sales tax look good, but personal income tax is cause for concern. The Tax Commission will use a model to project revenues by the end of this fiscal year; however, it is still too early to make this call. The state should end the fiscal year with a surplus of approximately \$700,000. The Legislature authorized the use of \$113 million from the Rainy Day Fund but only had to use \$105 million, leaving a \$10 million balance. When revenues from the general fund are considered, we would end up with a \$20 million balance. However, we still need to be cautious.

President Bennion asked about the time line and projections for the State Capital expansion. Mr. Jenkins said the Legislature had already funded the two new buildings and the parking structure, as well as the utilities. The Capital Preservation Board has selected the contractor and architect for the project. They will not be coming to the Legislature for appropriations this year but will ask for a big apportion (\$160 million) the following year.

Chair Karras briefly reviewed the Regents' priority list. He said the Regents may take a nursing initiative and a teaching initiative to the Legislature. The two health sciences buildings on the list would be part of the nursing initiative, and SUU's Teacher Education Building would be part of the teaching initiative. He stressed that everything on the list was a high priority for the Regents.

Facilities Condition Assessment Program. Director Jenkins said the Building Board was concerned about the lack of sufficient money going into AR&I programs. They were previously able to get money to bring them back to the 1.1 percent figure, and every institution had at least one project, totaling 31 million square feet of space. The immediate need for AR&I funding is \$163 million. Over the next ten years the total need will be nearly \$900 million. The Building Board has been allocated only about \$50 million a year for deferred maintenance; therefore, some buildings do not get repaired and end up being razed and replaced. AR&I requirements go down with the new buildings, yet O&M remains. He noted that 61 percent of the buildings are less than 25 years old; only 10 percent are over 50 years old. Every two years DFCM will do a needs assessment of every building on every campus. They are in a two-year process of installing their Facility Focus software on every campus. This program will assess AR&I needs and O&M needs. Chair Stepan said it should be everyone's top priority to encourage the Legislature to increase AR&I funding to the 1.1 percent level.

Regent Jordan asked if there is a rule of thumb of useful life for new buildings. Director Jenkins said the Building Board was aiming for a 50-year building life. Chair Karras asked if sufficient safety factors were being included in our new buildings so that their useful life is extended. Mr. Jenkins said buildings are being constructed significantly different than they were just 20 years ago. The big difference for this change is technology. It is more expensive but it is money well spent. The Building Board is also looking at an Internet protocol. New buildings have to be ready for new technology as it is developed.

Chair Karras asked if the Building Board had set a guideline for AR&I funding. Director Jenkins said the Board would like funding of two to four percent, and that 1.1 percent is "woefully inadequate." Infrastructure issues – plumbing, seismic, etc. – are wearing our buildings out. He remarked that BYU spends 2.5 percent of its budget on O&M of its facilities. Higher education has 60 to 65 percent of the facilities in the state. It was noted that all of the campuses have ongoing needs (cracks in the sidewalks, and so forth), but they are ignored because there is not enough money to meet those needs. Director Jenkins recognized the lack of funding for higher education facilities and said with the increase in student enrollment it was easy to take money out of O&M and put it into teaching positions. He urged the Presidents to leave O&M funds in their budgets. Associate Commissioner Spencer noted that 40-year old buildings were funded at \$2 per square foot; the same buildings would now cost \$6 per square foot. There have been no infrastructure increases in the old levels.

Mr. Nye encouraged the Regents to include O&M funding in their formula and to include additional O&M for renovations even though there is no additional square footage. Chair Karras thanked him for the suggestion.

Chair Stepan said the Building Board and DFCM were concerned about new campuses. New infrastructure and new facilities cost a lot of money. He urged the Regents and Presidents to be careful about spreading additional facilities across the state.

Representative Pace said she and the other members of the Capital Facilities Subcommittee realize the importance of higher education. Since her committee meets only during legislative sessions, she began attending meetings of the State Tax Commission and State Building Board to increase her knowledge. Her perception is that any group appointed by the Governor ends up in an adversarial role with the Legislature. This is unfortunate because the Legislature needs the expertise of the individuals appointed to those boards. She urged members of both Boards to meet individually with legislators prior to the session to help them understand the critical issues.

She referred to the previous talk of nursing and teaching initiatives and pointed out that this would not involve only buildings. Faculty will also be required. Many of the institutions cannot afford adequate faculty to increase their student load. Phased funding has saved USU money on their heating plant. President Hall said the University had spent \$2 million last winter to keep the plant going; however, the two-year phased funding did not commit future legislators.

Senator Evans said it was absolutely critical that buildings be maintained with adequate AR&I and O&M funding. Members of state boards often do not take the time or opportunity to interface with members of the Capital Facilities Subcommittee. Meeting with the State Building Board has helped the Subcommittee greatly. Many decisions are made by Legislative Leadership apart from the Capital Facilities Subcommittee arena. She seconded Representative Pace's recommendation that board members contact individual legislators. She reflected that funding UCAT has been an interesting budget process. The process needs to be clearly defined to avoid duplication and conflict. She thanked both Boards for their good work.

Chair Karras expressed the Regents' appreciation to the State Building Board and pledged the Regents' support to the Building Board's process. He said the Regents appreciate the work the Building Board and DFCM have done on behalf of higher education. He further expressed his appreciation to Ms. Anthony for her oversight.

The meeting recessed at 9:30 a.m. Following meetings of the Board Committees, the Committee of the Whole reconvened at 11:25 a.m.

COMMITTEE OF THE WHOLE

Report of the Chair

Chair Karras reported that the Funding Task Force was trying to transfer to the Finance and Facilities Committee issues which need to be continued. Interplay is needed between the standing committees and the task forces. The Commissioner's staff had put together a list of the programs offered in the System, and the institutions offering those programs. He urged the Regents to be cautious and not to try to micromanage the Presidents. Regarding the budget for next year, Chair Karras said a big increase would be necessary in order to meet ongoing costs or to replace one-time money with ongoing funding; however, this probably is not realistic this year.

Resource and Review Teams. Chair Karras said with most of the Board meetings scheduled in the Regents' Offices for next year, it will be even more important that the chairs of the Presidential Resource and Review Teams be in more frequent contact with the institutional Presidents. He said he would like the Resource and Review Teams to become better informed about the institutional issues prior to the November meeting when budget decisions will be made. Chair Karras said he planned to meet with the Executive Committee more frequently to help prepare for Board meetings.

Board meetings. Chair Karras said he was still struggling with the effectiveness of the Board meetings and had asked Commissioner Foxley to establish major objectives or goals for every Board meeting. Would the System be well served to meet with the President of the University of Phoenix, for example? Would this be useful to the Regents? He urged the Regents to do more thinking "outside the box." He also invited the Presidents to think about System initiatives which would be useful to present to the Legislature.

Report of the Commissioner

Return of Gail Norris. Commissioner Foxley recognized Associate Commissioner Norris' return following replacement hip surgery. He is improving every day and it was good to see him at the meeting.

Next Board Meeting. The Commissioner reminded the Regents and Presidents of the November Board meeting at Snow College. She announced that the installation of President Benson would be held on

Thursday, November 7 at 4:00 p.m., followed by a dinner and celebratory activities that evening. The regular Board meeting will be held on Friday, November 8.

UVSC Presidential Search. Commissioner Foxley announced that the search had begun for a new President of Utah Valley State College. A list of committee members was in the Regents' folders, along with a copy of the position announcement. The search committee is chaired by Regent Charlie Johnson. Applications and nominations are already being received. There is always a high degree of interest in our presidential searches from both in-state and out-of-state individuals.

Media coverage. Commissioner Foxley called attention to a press release in the Regents' folders regarding recognition of the students in ATE programs and competitions at the national level. Utah has received a high share of winners through the years, and this year is no exception. She pointed out the newspaper article announcing that Dixie State College had received Emmy and Telly awards for its community education channel. President Huddleston said the students and faculty have done this work as part of the curriculum. This has worked out very well.

Proposed Meeting Schedule. Commissioner Foxley pointed out the proposed 2003 meeting schedule in the Regents' and Presidents' folders. As Chair Karras had indicated, the Regents will be meeting more frequently in the Regents' Board Room at the Gateway Offices next year. Those institutions which are not visited in 2003 will be scheduled for 2004. There are already conflicts with the proposed July 10 date, so that meeting may be moved to Wednesday, July 9. The Commissioner asked the Regents and Presidents to let Joyce know as soon as possible if they have conflicts with the proposed schedule. Chair Karras said it was his intent that the Regents would interact with individuals on the campus visits, as opposed to spending the entire day in an official Board meeting. One of the institutional trustees had remarked that the Regents' visits were "a chance to get out the good china." Chair Karras said this was not the Regents' intent. He urged the Regents to interact with faculty, staff and students on the various campuses.

Reports of Board Committees

Academic and Applied Technology Education Committee

Utah College of Applied Technology – Associate of Applied Technology (AAT) Degrees in Computer Aided Drafting and Design, Information Technology, and Medical Assisting (Tab D). Commissioner Foxley recognized Collette Mercier, UCAT Chief Academic Officer. She has been instrumental in pulling together the faculty and academic officers at the ten member colleges, working closely with the Commissioner's Office and President Fitch. Chair Jardine said it had been one year since the establishment of UCAT. President Fitch and the UCAT Board are preparing to apply for accreditation with the Northwest Association of Schools and Colleges and with the Council of Occupational Education. One of the steps toward accreditation is to be in a position to begin offering degrees. Approval of these three AAT Degrees would satisfy that condition and would allow UCAT to apply for accreditation, which is a four-year process. Three degrees are not specifically required by the Northwest Association, but these have been identified by UCAT as programs already established with certificates offered, as well as areas in which employers would appreciate a degree to enhance learning by adding general education classes.

The UCAT process is to involve faculty from the member institutions with familiarity with these areas because of their existing programs. The committee's sense was that the process had worked very well in a short period of time. There has been good coordination as individual institutions worked together and interacted with the Commissioner's Office. In these three areas, member colleges within UCAT would provide their certificate program and identify the general education component. The ATC would have to go to one of the sister institutions within USHE to get the general education component. Together they would qualify a student to earn an AAT Degree.

The agenda material showed which institutions would be offering each of the three degree programs. UCAT would be the degree-awarding entity. Because the Regents approve programs, there will still be Regent involvement. Those ATCs where degrees are not currently considered but may be considered in the future will come back to the Regents for approval. Authorizing degrees would cause individual institutions to move toward a more unified certificate program in each of these areas. There was discussion in committee regarding whether the general education component was the equivalent of or equal to the general education level of the Associate of Applied Sciences (AAS) Degrees offered by the community colleges. The committee received assurance that it was at the same minimum level.

Concern was raised in the committee about historic roles of the institutions and confusion of missions. The committee was assured that this was not an "end run" around the legislative mandate but an effort to coordinate with the other USHE institutions. On the technical side, concern was expressed about commitment to the certificate programs, open-entry/open-exit, competency-based mission of UCAT. Chair Jardine said he had a real sense that everyone is committed to maintaining the roles of the community colleges and the central roles of the UCAT institutions as they develop.

The committee recognized the importance of these degrees to the accreditation process, which then qualified the programs as an exception under the current moratorium. The committee voted to recommend approval of these programs with two conditions: (1) If a program within UCAT would be moved to any of the other institutions, it would come back to the committee for review. (2) Approval included recognition that the process would be subject to Regent policy on regional planning, which is being modified to include interaction with UCAT. Regent Jensen said the key to regional planning is that UCAT comes under the Service Area Coordination Plans (Policy R315). Regent Jordan said UCAT was not completely comfortable with this because the policy was drafted before implementation of the Utah College of Applied Technology. They would like to be part of the spirit of the policy and work with the Regents in an effort to revise the policy so that UCAT is included. Commissioner Foxley said that policy is being revised, along with others, to include UCAT.

Chair Jardine moved that the Board approve Associate of Applied Technology Degree programs in Computer Aided Drafting and Design, Information Technology, and Medical Assisting. The motion was seconded by Regent Jensen.

Regent Burningham said the concern of public education has been for UCAT students who do not want an advanced degree. Sometimes the language is problematic. He referred to page 6 of the first

proposal. The second paragraph contains this sentence: *"UCAT students will be encouraged to pursue educational opportunities beyond the regional college level, and it is hoped that many of them will go on to earn bachelors and advanced degrees."* Regent Burningham said this would apply to those individuals getting associate degrees and not to all UCAT students. Chair Jardine said Regent Barney had made the same point in the committee discussion. The committee clarified two points: (1) A degree program is one of many options. Certificate programs, open-entry/open-exit programs, and responsiveness to employer needs remain at the core of UCAT. (2) We need to communicate to external stakeholders that this is not a mission change, but a statement that is helpful for some students. Regent Barney had indicated she was comfortable with that clarification.

Chair Karras asked about cost. Chair Jardine said the committee did not give much attention to the budget issues, but concentrated on the programmatic issues of the proposal. President Fitch said the colleges identified are already offering certificate programs in these areas. They have faculty who are already teaching in these programs. They have students who want the general education component so they can get a degree. The advertising will cost money, but those costs will be absorbed into the budget. Chair Karras asked about general education costs. President Fitch said students have a variety of options. A UCAT student could go to the campus of a sister institution as a new student, take an Internet course, etc. Chair Karras indicated he was very supportive of the program. He serves on the Ogden-Weber Advisory Board, and has found that the OWATC cannot absorb all of the students.

President Fitch said there were 12 degrees in the process of being developed. The legislation specifies "low cost" for adult learners; however, that term has never been defined. Regent Jordan asked if a UCAT student who wanted to take the general education component would pay regular tuition at USHE institutions. President Fitch said there are already different levels of tuition costs. UCAT is trying to identify the lowest and most appropriate tuition level for UCAT students. Chair Jardine clarified that UCAT students would still have to go through the regular admissions process at the other USHE institutions. However, unless UCAT gets accreditation from Northwest, the students may not be able to get credit at the sister institutions. He clarified that UCAT was applying for accreditation with both accrediting bodies.

Vote was taken on the motion to approve the three AAT Degree programs. The motion carried unanimously.

Chair Karras admitted that he has had some real concern with this program. However, the "magic" that happens in the ATCs is remarkable. We do not want the ATCs to become junior colleges, although some of them would prefer to have that option available to them. The mission of the ATCs is vocational training, as opposed to higher education. If students want "higher education," they should enroll in the community colleges. Chair Jardine agreed that students wanting general education should earn it in the traditional manner.

Chair Karras said he was concerned about how tuition is charged for classes in the general education component. President Thompson said WSU was using the Utah Electronic College (UEC) format. He clarified that this applies to students taking "seat time" as well as those taking courses electronically. Regent Douangdara said the options are wonderful to provide students with the proper foundation. Some

students want only vocational training; others will want to pursue degrees. Degrees provide financial stability. Skills learned in vocational training can be used to finance additional education.

Regent Jordan asked how the tuition structure works for a student entering the System via UEC who also takes classes in person. Commissioner Foxley said some classes are completely online and some are a combination of electronic and seat time. UEC uses two tuition rates: (1) an average of the community college tuition rates, and (2) an average of university tuition rates, plus a technology fee. Thompson said UEC students pay only for the delivery of the course; they do not pay additional fees.

Replacement Policy R401, Approval of New Programs, Program Additions or Program Changes (Tab E). Chair Jardine said the proposed replacement policy had been presented to the Regents for information only. After the Regents have had the opportunity to review the changes to this policy and make recommendations, it will be presented to the Board for approval. He clarified that the policy was separate from the moratorium on new programs. The draft policy was an effort by the Commissioner's Office to summarize an approach and to clarify how the Academic and ATE Committee and Program Review Committee would proceed. The policy would request that a three-year projection of programs be considered. It provides that a letter of intent for new programs go to the Program Review Committee. It also provides for a "fast track" approach, if necessary. The policy would specify that the letter of intent give details about cost, including internal reallocation. Confidential disclosure to the Commissioner is an option, if necessary to the institution.

The updated policy would require a continual program ranking process (section 9.1.6 on page 10). That section stipulates that an institution can only bring forward two top priority programs each year. The ranking process should include justification for the program. Institutions may also propose programs that are not ranked #1. The committee discussed quality benchmarks and recommended that the program review process be stronger and tighter on quality, cost and institutional mission. Regent Jordan said the policy was very much a "work in progress" which likely will not become an action item until sometime next year. The committee needs to spend more time discussing and considering this policy and process.

Chair Karras noted that SUU and USU had just completed a compact planning process on their respective campuses. He asked if the proposed replacement policy was flexible enough to allow for this. Chair Jardine said it was. Internal combining of programs, for example, should be made available for the Program Review Committee and the Academic and ATE Committee. Hopefully the end result will be efficiency. President Hall said it was a challenging process because institutions are at varying stages of planning and development. The Presidents appreciate the opportunity to know what is required to make a proposal for programmatic change. The challenge for the Regents will be making changes to the institutions. Far too much attention is given to cost control and maintenance and not enough attention to growing the economy and responding to need. Chair Jardine agreed. He asked the Regents to give their comments on the policy to Associate Commissioner Winn or a member of the Academic and ATE Committee.

Consent Calendar, Academic and Applied Technology Education Committee (Tab F). **On motion by Chair Jardine and second by Regent Jensen, the following items were approved on the committee's Consent Calendar:**

- A. University of Utah – Consolidation of two existing majors, (1) Consumer Studies and Family Economics, and (2) Environment and Behavior, into a single major entitled Consumer and Community Studies.
- B. Southern Utah University – Consolidation of the Economics BIS Degree and the Managerial Economics BA/BS Degrees into one BA/BS Degree in Economics.

Information Calendar, Academic and ATE Committee (Tab G). Chair Jardine noted the items on the committee's Information Calendar and offered to respond to questions. There were no questions.

Chair Karras thanked Chair Jardine for his report and the thorough discussion of his committee's agenda items.

Finance and Facilities Committee

Chair Pitcher commented that he was stepping into some big shoes in replacing Regent Hoggan as chair of the Finance and Facilities Committee. He commended Regent Hoggan for his excellent work for many years in chairing the committee and expressed his appreciation for his excellent example.

Utah State University – Campus Master Plans (Tab H). Chair Pitcher said Darrell Hart had made an excellent presentation to the committee on the main campus and branch campuses of Utah State University. The master plans have not changed since they were last approved by the Board. **Chair Pitcher moved approval of the Campus Master Plans. The motion was seconded by Regent Atkin and carried unanimously.**

USHE – Long-term Enrollment Projections (Tab I). Chair Pitcher said the material for this agenda item had been discussed thoroughly and approved by the committee. **He moved adoption of the long-term projections. The motion was seconded by Regent Atkin and carried unanimously.**

University of Utah – 2002-2003 Budget for University Hospitals and Clinics and Neuropsychiatric Institute (Tab J). Chair Pitcher said the committee had heard an excellent presentation by Rick Fullmer, Hospital Administrator. The institution is forecasting a combined occupancy of 81 percent with a 5 percent room rate increase, a total patient revenue of \$730 million and a capital contribution of \$18 million. This is very competitive by industry standards. Chair Pitcher commended Mr. Fullmer for presenting a very healthy budget. **Chair Pitcher moved approval of the 2002-2003 budgets for the University Hospitals and Clinics and the Neuropsychiatric Institute. The motion was seconded by Regents Hoggan and Sinclair and carried unanimously.**

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds, Series 2002X (Tab K). Chair Pitcher explained that this was a \$38.5 million bond issue. The committee had discussed this agenda item in some detail. The issue had previously been approved and recommended by the Student Finance Subcommittee. As background, the Board issues Student Loan Revenue Bonds as needed, and uses the proceeds to finance purchase of the Federal Family Education Loan Program (FFELP) student and parent loans and origination of FFELP Consolidation Loans. This Resolution would authorize a Tenth Supplemental

Indenture to the 1993 General Indenture. The proceeds will refund the maturing November 1, 2002 maturities of the Board's Series 1992H and 1993B Bonds and will also refinance the remaining 1992H Bonds maturing in later years. The advantages of this refinancing were spelled out in the Commissioner's cover memorandum. Proposed parameters and the proposed structure of the bond issue were shown on page 3 of the Commissioner's cover letter. Chair Karras presented a document he had received, "Review and Approval Affirmation Document," which had been completed and signed by Richard Davis, Assistant Commissioner for Student Loan Finance, and Mark Spencer, Associate Commissioner for Finance and Facilities, at Chair Karras's request before he approved the bonds. **Chair Pitcher moved approval of the Approving Resolution for the Board's Student Loan Revenue Bonds, Series 2002X. The motion was seconded by Regent Atkin and adopted by the following vote:**

YEA: Jerry C. Atkin
 Khay Douangdara
 L. Brent Hoggan
 James S. Jardine
 Michael R. Jensen
 David J. Jordan
 Nolan E. Karras
 E. George Mantes
 Jed H. Pitcher
 Sara V. Sinclair
 Marlon O. Snow
 Maria Sweeten

NAY: (None)

Efficiency and Productivity Matrix (New agenda item). Chair Pitcher said the committee had discussed and prioritized the following list of topics which had been distributed to the Regents and Presidents:

Health care costs *
Program duplication *
Space utilization *
Remedial education
Differentiated course delivery
Standardization and centralization *
Performance indicators
Differentiated staffing
Innovation, Best Practices benchmarking
Capital Development *

(* indicates the committee's top priorities)

The committee will be scheduling three meetings before the end of this year to look at staff analyses of these issues.

UHEAA Board of Directors Report (Tab L), USHE Information Technology Update (Tab M), and Olympic Legacy Park at University of Utah Rice Eccles Stadium (Tab N). Chair Pitcher pointed out that these three items were provided for the Regents' information only and required no action.

Consent Calendar, Finance and Facilities Committee (Tab O). **Upon motion by Chair Pitcher and second by Regent Hoggan, the following items were approved on the committee's Consent Calendar:**

- A. OCHE Monthly Investment Report
- B. UofU and USU Capital Facilities Delegation Reports
- C. USU Property to be Liquidated
- D. USU and City of Logan Property Transfer
- E. SLCC Property Purchase and Exchange
- F. SLCC Airport Hangar Lease
- G. SUU Sale of Property to UDOT

Regent Hoggan pointed out that property transactions were included in the Consent Calendar and urged the Regents to study property transactions carefully when they appeared on Board agendas. Commissioner Foxley explained why these particular transactions were on the consent calendar.

Chair Karras thanked Chair Pitcher for his report and commended him on his first report as chair of the committee.

General Consent Calendar

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

1. Minutes
 - A. Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held July 12, 2002, at Southern Utah University in Cedar City, Utah (Attachment 1)
 - B. Approval of the Minutes of the Special Meeting of the Utah State Board of Regents held August 28, 2002, at Utah State University in Logan, Utah and by teleconference (Attachment 2)
2. Grant Proposals - Approval to submit the following proposals:
 - A. University of Utah – Public Health Service; "Behavioral Preparation for Treating Fibromyalgia;" \$2,971,310. Akiko Okifuki, Principal Investigator.

- B. University of Utah – Misc Private/Boehringer Ingelheim Pharmaceuticals; “Phase II...Safety of Oral 25 Mg, 50 Mg, 75 Mg Op-6535 & Placebo in the Treatment of Patients with Chronic Obstructive Pulmonary Disease;” \$2,165,234. Richard E. Kanner, Principal Investigator.
- C. University of Utah – Public Health Service/National Eye Institute; “Membrane Properties of Retinal Neurons;” \$2,958,750. Eric M. Lasater, Principal Investigator.
- D. University of Utah – Public Health Service; “Synaptic Function in the Nematode C. Elegans;” \$2,515,949. Erik M. Jorgensen, Principal Investigator.
- E. University of Utah – Public Health Service; “Studies of Isoprenoid Biosynthesis;” \$2,263,674. C. Dale Poulter, Principal Investigator.
- F. Utah State University – U.S. Air Force; “XSS-11 Microsatellite;” \$26,972,921. Steve Hansen, Principal Investigator.
- G. Utah State University – Department of Health & Human Services; “Slow Inactivation of Sodium Channels;” \$1,884,241. Peter C. Ruben, Principal Investigator.
- H. Utah State University – Department of Health & Human Services; “The Philippines Oral Cleft Prevention Trial;” \$11,500,258. Ronald G. Munger, Principal Investigator.
- I. Utah State University – Lockheed Missiles and Space Company, Inc.; “Additional Screener Processor Element Units;” \$2,506,131.63. Niel S. Holt, Principal Investigator.
- J. Utah State University – Department of Health & Human Services; “Mechanistic Studies on CO₂-Dependent Map from E. Coli;” \$1,449,000. Richard C. Holz, Principal Investigator.
- K. Utah State University – National Aeronautics & Space Administration; “Far-Infrared Spectroscopy of the Troposphere (First IIP);” \$1,000,000. Gail Bingham, Principal Investigator.
- L. Utah State University – Johns Hopkins University; “Infrared Seeker - Space Calibration and Test (ISSCAT) Facility;” \$5,755,085. Vern Alan Thurgood, Principal Investigator.
- M. Utah State University – Department of Health & Human Services; “Taste Transduction and its Regulation;” \$1,386,380. Timothy A. Gilbertson, Principal Investigator.
- N. Utah State University – Government of Peru; “PSI II-Peru;” \$4,595,418. Wynn R. Walker, Principal Investigator.
- O. Utah State University – National Institutes of Health; “Mechanistic Studies on Methionyl Aminopeptidases;” \$1,449,000. Richard C. Holz, Principal Investigator.

- P. Utah State University – Naval Research Laboratory; “Response to Time Critical Sensor Image/Data Processing Task;” \$1,998,934. Niel Holt, Principal Investigator.
 - Q. Utah State University – Naval Research Laboratory; “Time Critical Sensor Image/Data Processing Task Order #3;” \$1,196,039. Niel Holt, Principal Investigator.
 - R. Utah Valley State College – Department of Education; “TRIO Talent Search;” \$1,163,505.
 - S. Utah Valley State College – National Science Foundation; “NSF Regional Center for People with Disabilities for involvement in Science, Math, Engineering, & Technology Majors;” \$4,000,000.
 - T. Utah Valley State College – National Science Foundation; “NSF Math and Science Partnership - State Office of Education;” \$750,000.
- 3. Proposed Revisions to Policy R203, Search Committee Appointment and Function, and Regents’ Selection of Presidents of Institutions. It is proposed that § 3.3, “Chair Appoints Search Committee” be revised to state “. . . Additionally, not less than ~~[five]~~ three Regents shall be appointed to all search committees.” This put current practice into policy. (Attachment 3)
 - 4. Proposed Revisions to Policy R922, Personal Conduct. It is proposed that §3.3 be revised to add the following language: “It is important that staff members treat each other with courtesy and respect. Taunting, verbal harassment, or any actions that might create an intimidating, hostile, or offensive environment in the workplace are not permitted. (See also Policy R952 regarding discrimination and sexual harassment.) Personnel have the responsibility to assist other staff in their growth and development and should be willing to share their knowledge and expertise. A willingness to assist other staff when needed to complete necessary work of the Commissioner’s Office is expected.” (Attachment 4)
 - 5. Proposed Revisions to Policy R928, Leaves of Absence with Payment. It is proposed that § 3.4, Use of Sick Leave, be revised as follows: “. . . Sick leave may not be used for vacation purposes, but after all accrued sick leave has been exhausted, additional absences due to illness ~~[will]~~ may be charged to earned vacation time, until exhausted, ~~[unless]~~ if approved by the cognizant ~~[Deputy or]~~ Associate Commissioner. ~~[approves a specific request in writing from the employee that earned vacation time not be used for this purpose]. . .~~” (Attachment 5)
 - 6. Executive Session(s) — Approval to hold an executive session or sessions prior to or in connection with the meetings of the State Board of Regents to be held November 8, 2002, at Snow College to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

Chair Karras asked if UVSC’s grants indicated an expansion of its institutional mission. Interim President Stoddard said the College was doing more grant writing than ever before. In schools such as

Mathematics and Science it is impossible not to have current research going on. Faculty in those colleges have been involved in research, and this is an integral part of their classroom activity. Commissioner Foxley pointed out that two of the three grants listed for UVSC were not research grants. The TRIO and Partnership with Public Education projects are actually contracts exceeding the amount specified in Board policy. Chair Karras asked for assurance that this is in the teaching role rather than the research role of the College. Associate Commissioner Winn said she had looked at the grants and approved them.

Regent Hoggan pointed out at the last meeting that USU had received a \$35 million grant. There is another \$27 million grant on this General Consent Calendar. He commended President Hall and the USU faculty for this achievement.

2003-2004 Institutional Budget Hearings

Commissioner Foxley reminded the Regents and Presidents that a revised schedule of breakout groups was in their folders. Chair Karras urged the groups to proceed quickly and efficiently.

Adjournment

Chair Karras thanked President Hall and his staff for their warm hospitality. President Hall expressed his appreciation to Lee Burke for coordinating the planning effort. He also commended Denise Burrows for doing an excellent job with the catering.

The group was dismissed to breakout groups for institutional budget presentations at 1:00 p.m. They adjourned directly from their budget hearings.

Joyce Cottrell CPS
Executive Secretary

Date Approved

R341, Computing Systems Program

R341-1. Purpose

To provide guidelines for the coordination, cooperation, planning, and sharing of institutional computing resources and expertise for the benefit of the institutions in the System of Higher Education ~~[master plans and the computer master plan of the Utah State Board of Regents]~~

.R341-2. References

- 2.1. Utah Code [§53B-6-101](#) (Master Plan for Higher Education)
- 2.2. Policy and Procedures [R342](#) , Administrative Data Processing
- 2.3. Policy and Procedures [R343](#) , Information Management

R341-3. Policy

[3.1. Scope and Purpose

~~3.1.1.~~ This document states the Computing Systems Program Policies of the Utah System of Higher Education, as adopted by the Board of Regents, and shall be referred to herein as the Program Policies.

~~3.1.2.~~ Unless otherwise specifically provided herein, these Program Policies supersede other policies regulating the same issues previously adopted by the Board of Regents. Where conflicts exist or interpretations differ between the provisions of these Program Policies and previous actions taken by the Utah State Board of Regents but not superseded hereby, it is understood that the policies and procedures contained herein shall prevail over those previously adopted.

~~3.1.3.~~ These Program Policies are part of the System of Higher Education Computing Master Plan and are to serve as guidelines for institutions in developing institutional master plans and operating policies.

~~3.2. Statewide Coordination, Planning, and Sharing]~~

3.1. Optimization of System Computing Resources

3.1.1. Computing resources within the System of Higher Education shall be managed for optimal cost effectiveness at the System level. Optimization shall be keyed to the essential purposes of the System of Higher Education (i.e. teaching, learning, research, and community service), not to computing resources per se.

3.1.2. Insofar as ~~[statewide]~~ Systemwide optimization requires ~~[the System of Higher Education or]~~ any member institution to incur higher costs for the benefit of the ~~[state]~~ System as a whole, such costs shall be particularly identified and reported to the Governor and the Legislature as part of the annual budget.

3.1.3. Exceptions to the System wide optimization rule may be made after a showing of cause.

3.1.4. The System of Higher Education encourages the development of cost-effective forms of instructional computing.

~~[3.2.5.~~ An Inter Institutional Committee on Computer Services (ICCS) shall be formed to coordinate higher education computer matters in accordance with the statewide Planning Policies and the policies of the Regents. The committee shall be chaired by the Commissioner of Higher Education or a designee; the president of each institution shall appoint one representative to serve on the Committee. An executive committee of ICCS shall be established, consisting of the chairman and representatives of the University of Utah, Utah State University, Weber State University and one of the six remaining representatives, with authority to act on behalf of ICCS with regard to matters referred to the executive committee by ICCS. This committee, which shall meet as necessary, shall receive assignments from the Regents and/or the Commissioner and shall report to the Regents through the Commissioner. To ensure the best available technical

advice in computing matters, ICCS is empowered to establish a Computing Technical Advisory Committee (COMTAC), composed of knowledgeable persons from within the Utah System of Higher Education, and may also constitute ad hoc subcommittees for the examination of particular issues within its charge.

~~3.2.6. An inventory of all computing resources within the System of Higher Education shall be maintained by the Office of the Commissioner.~~

~~3.2.7. Each institution within the System shall prepare an annual report on computing activities. These reports, in a format to be determined by ICCS, shall be submitted to the Office of the Commissioner by October 1 of each year.~~

~~3.2.8. ICCS shall monitor the Operating Policies of the several institutions for compliance with the Planning Policies and, if necessary, recommend appropriate changes or additions. The Commissioner shall ensure that the Program Policies for Higher Education conform to the requirements of the Planning Policies.~~

~~3.2.9. The several institutions may develop and adopt their own documentation standards, in keeping with their particular system development and review procedures and general administrative provisions. The adequacy of such standards and their application shall be subject to periodic review by the Office of the Commissioner.~~

~~3.2.10. Through the central inventory of computing resources and other means as appropriate, the Office of the Commissioner shall maintain a current knowledge of sharable ADP resources controlled by units of state government. The policies and procedures of each institution shall provide for identification of opportunities for sharing such resources.]~~

3.2. Statewide Planning, Coordination, Cooperation, and Sharing- System institutions shall plan, coordinate, cooperate and share, where feasible and appropriate, in the acquisition of hardware, software, and networking capabilities, the development of computing processes, the training of computing personnel, and the analysis and correction of computing problems. Committees with representatives from the various institutions shall be established to facilitate coordination and sharing as follows:

3.2.1. Systemwide Information Technology Strategic Planning Committee - Institutional CIO's or Information Technology Executives and the representative of the Office of the Commissioner share expertise and work together on strategic technology issues and, where feasible, implement common cooperative plans for the good of the entire system.

3.2.2. Information Management and Data Definition Committee - Institutional representatives and the Office of the Commissioner recommend common definitions, additions or deletions to the core data elements listing, which data elements should be warehoused at the System level and which at the institutional level, definitions for computational procedures for accumulating data totals, report and analysis formats and templates for use in providing requested information, and oversight maintenance of a data element dictionary. (See R343.)

3.3. Systems Development and Review Procedures - The criteria of need, usefulness and cost-benefit, quantified in economic terms, will ordinarily be applied to problems and their proposed solutions. However, strict demonstration of cost-benefit may not be required if the nature of the problem resists accurate plausible quantification. Institutional operating policies should provide for these exceptions, particularly in the research and instructional areas.

3.4. Management of Automated Data Processing Systems - Management of computing resources within the System of Higher Education shall be according to the role assignments of the several institutions. Within each institution, operational control should be vested at the level nearest the user of such services, subject to overall cost-effectiveness, availability of professional

competence, and compliance with established policies and procedures. ~~[As sizable research institutions, the University of Utah and Utah State University may have computer centers to serve their administrative research and academic needs. Weber State University may have a computer center to serve its needs and also to provide basic computing support to the other colleges within the System. The six remaining institutions may operate limited computing facilities consistent with their role assignments and the relative cost-effectiveness of local computing as compared with services available from the Weber State University computer center or other sources.]~~ It is the intent of the Regents that all students within the System have access to computing, consistent with the role assignments of their particular institutions.

3.5. Fiscal Control of Automated Data Processing Activities

3.5.1. Computer centers of each institution within the Utah System of Higher Education shall be operated ~~[according to the principle of cost recovery]~~ as service centers, taking into account federal regulations and established funding practices relating to service departments. Specific subsidies for stated purposes may be allowed; any such subsidies shall be described and accounted for [

3.5.2. Each computer center shall provide, upon request, a list of available services, and a schedule of rates, and a brief explanation of how the rates were set. Established rates shall apply equally to all units of state government, except that a standard overhead charge may also be made to users external to the institution and a subsidized service may be charged at full rate. Each institution shall establish the priority of use of its [data processing equipment.

3.5.3. All ADP services provided to users external to the institution, where permitted under R555, Providing Facilities, Goods and Services in Competition with the Private Sector, shall be rendered in accordance with the terms of written agreements between the providers and the users specifying the costs and the services to be provided, and such agreements shall be entered into prior to the rendering of such services.

3.6. Acquisition and Disposition of Automated Data Processing Resources

3.6.1. The several institutions within the Utah System of Higher Education shall generally carry out ADP resource acquisition in accordance with the executive and administrative powers vested in the institutions by State law and the policies of the Regents, subject to applicable law. When particular benefit may be gained thereby, the Board of Regents may choose to exercise its own contractual powers on behalf of any or all member institutions.

3.6.2. Competitive bidding and evaluation of bids for the acquisition of ADP resources within the System of Higher Education shall be conducted according to the total cost of ownership least-total-cost principle, taking into account all identifiable costs and benefits, not merely the bid price. Benefits should be keyed as closely as possible to the essential purposes of higher education (teaching, learning, research, and community service); and due consideration should be given to the difficulty of quantifying certain aspects of educational value.

~~[3.6.3. Each institution shall submit by May 1 of each year an updated master plan for computing which includes, to the extent feasible one- and two-year projections of proposed acquisitions. It is recognized that research computing equipment needs may not be predictable and may be subject to external funding decisions. The Office of the Commissioner, in consultation with ICCS, shall use those institutional plans as a basis for developing an annually updated Utah System of Higher Education Master Plan for Computing, to be presented to the Regents for action in June. Upon approval, this system wide plan shall be transmitted to the Systems Planning Steering Board, as required by law.~~

~~**3.6.4.** Except for proposed acquisitions costing less than \$25,000 in the case of the University of~~

Utah, Utah State University, and Weber State University, and less than \$5,000 in the case of the remaining six institutions, each proposed acquisition contained in the master plan update shall have been subjected to a feasibility study, (generally submitted with the master plan update) which shall treat the following issues:

~~3.6.4.1. A general description of the operation as it is currently accomplished~~

~~3.6.4.2. A general description of the operation as it might be accomplished under the proposal and under possible alternatives, if any, including the advantage and savings that might be expected and estimates of equipment utilization both as to frequency and as to type (research, instructional, etc.)~~

~~3.6.4.3. A statement on the feasibility of using currently installed equipment in the same department, the same institution, the Utah System of Higher Education or some other state agency.~~

~~3.6.4.4. The estimated cost of the equipment, the estimated costs other than equipment such as space, supplies and personnel and the present and projected sources of funding to meet such costs.~~

~~3.6.4.5. Future plans.~~

~~3.6.4.6. The impact on present and future computer center revenues and facilities at the institution and elsewhere in the Utah System of Higher Education.~~

~~3.6.4.7. Desired implementation schedule.~~

~~3.6.4.8. The criteria by which the requested facility or services will be evaluated as to costs and capability after it has been brought to an operational level and the target date upon which a report of such evaluation will be submitted to the Board.~~

~~3.6.4.9. Acquisitions costing less than \$25,000 or \$5,000, depending on the institution, need not be included in the equipment need projections, per paragraph 3.6.3 and may be acquired by institutions according to their own acquisition policies and procedures. Upon approval of the updated master plan by the Regents, institutions may proceed to acquire the equipment in accordance with established institutional policy.~~

~~3.6.5. It is recognized that not all equipment needs can be projected one or two years in advance. Therefore, as additional needs are identified, institutions may request from the Regents, authority to acquire equipment not included in the most recent master plan:~~

~~3.6.5.1. Acquisitions costing less than \$25,000 in the case of the University of Utah, Utah State University, and Weber State University, and less than \$5,000 in the case of other institutions, may be acquired in accordance with institutional procedures. Regent approval is not required.~~

~~3.6.5.2. Acquisitions costing more than \$25,000 or \$5,000, depending on the institution, but less than \$50,000 may be approved by the Commissioner. A feasibility study similar to that set forth in paragraph 6.4.1 will be required.~~

~~3.6.5.3. Acquisitions which would be dedicated to a specific project or user group, which will not adversely impact any central facilities within the System, and which cost less than \$200,000 funded by non-state sources may be approved by the Commissioner. A feasibility study similar to that set forth in paragraph 6.4.1 will be required.~~

~~3.6.5.4. All other acquisitions, including those affecting more than one institution, shall be submitted to ICCS for review and recommendation to the Regents.~~

~~Upon approval of a proposed acquisition by the Commissioner or Board, the institution may proceed with the acquisition in accordance with established institutional procedures.~~

~~3.6.6. The Office of the Commissioner shall seek the approval of the Systems Planning Steering Board, as required by law and Steering Board policy, of all proposed acquisitions within the~~

Utah System of Higher Education which have satisfied the policies of the Regents.]

3.7. Technological Advancement and Development - The Office of the Commissioner [and ICCS] shall monitor and periodically assess opportunities for applying the research and development capabilities of the Utah System of Higher Education to the [statewide] System wide need for [ADP technological] Information Technology advancement.

3.8. Security, Privacy, and Freedom of Information - All ADP activities within the Utah System of Higher Education shall comply with the [Utah Information Practices] Government Records Access and Management Act and other legal requirements relating to the security, privacy and freedom of information.

~~[3.9. Automated Data Processing Resource Evaluation - ICCS shall ensure that the system development and review procedures of the several institutions require periodic evaluation of current ADP systems and resources.]~~ **R341-4. Interpretations**

4.1. Immediate Objectives - ~~The computer installation for research, administrative, and educational purposes now concentrated at the two universities, together with the facilities at Weber State University serving the other seven institutions, should be coordinated and harmonized. The immediate objective should be to coordinate essential existing and future services rather than establishing a separate centralized service for the System in addition to the present installation. The relations of these installations to the facilities and objectives of the State Computer Steering Board is noted below.~~

~~Under this policy, approved computing facilities installed and operating with system wide potential at the two universities and at Weber will be shared with users at other institutions, also with other state agencies, whenever available services are compatible with the needs of the users, and are economically attractive. A continuing effort will be maintained to promote the sharing of programming and systems whenever mutually advantageous. When new programs are needed by one institution, every effort will be made to utilize existing facilities already developed with the state (or from other less costly sources throughout the United States), and to cooperate with other institutions in the System in developing such a program.~~

4.2. Working Computer Network Contemplated - ~~Under the guidance of the Board through its Planning and Capital Facilities Committee, the further coordination and possible integration of computer services shall be encouraged as may be feasible, and as may be warranted by experience and available resources.~~

~~Thus, a working computing network is contemplated to make it possible for authorized users to have access to available computing facilities. The experience gained by the institutions in their participation in network development will be utilized in the development of such a network by means of the inter-institutional committee described below, and the policies adopted by the Board of Higher Education from time to time.~~

4.3. Additions to or Modification of Computer Installations - ~~The Board of Regents shall provide for the prior review and approval of all additions to or modifications of computer installations or services at any System institution. The Board will establish and assure compliance with procedures regulating such additions or modifications. The procedures shall provide (a) for submittal of institutional proposals for review and approval by the Board of Regents before they are submitted to the Systems Planning and Computing Steering Board as may be required by law; (b) a requirement that such proposals shall be timely submitted to the Board permitting due deliberation by the Board and appropriate technical review by the Office of the Commissioner with such assistance from the Inter-Institutional Committee on Computer Services or other technical advisory committees as may be appropriate to establish the need for the~~

proposed additions or modifications and to assure consistency with existing computer operations within the System of Higher Education and with the master plan for computing services in higher education as approved by the Board; (c) guidelines under which flexible treatment may be given to routine purchases and changes in computing equipment, particularly for changes involving relatively modest expenditures of funds, or changes in which there is special urgency, so that unnecessary delays in obtaining approval of the Board of Regents may be avoided; and (d) guidelines to assure that all procedures in connection with requests for bids, receipt and evaluation of bids, and awarding of contracts will be carried out in accordance with legal requirements under state law.

4.4. Inter Institutional Committee on Computer Services- There is hereby established an Inter Institutional Committee on Computer Services (I.C.C.S.) consisting of a representative of the University of Utah, of Utah State University, and Weber State University, designated by and responsible to the president of each as his delegate, together with a representative of the Office of the Commissioner to serve as chairman. The Inter Institutional Committee may consult with and secure the advice of a technical advisory group or groups, ordinarily consisting of the director of computer services on each of the three campuses named. The I.C.C.S. is further authorized to maintain liaison with the State Computer Steering Board, and its administration. The I.C.C.S. may conduct studies and make recommendations to the Board through the Office of the Commissioner, regarding matters involving computer facilities and operations, including the continuing review and revision of this statement of policy.

4.5. Oversight by Planning and Capital Facilities Committee- The Planning and Capital Facilities Committee of the Board is charged with the general oversight of the I.C.C.S. The Planning and Capital Facilities Committee shall receive its recommendation through the Office of the Commissioner, and the Committee shall make its own recommendations to the Board.

4.6. Meetings of I.C.C.S- Meetings of the I.C.C.S. may be held as called by its chairman, by the State Computer Steering authority, or may be held on the request of any committee member or institutional president to discuss matters associated with obtaining adequate computer services for institutional users, and to further efforts to make computer facilities within the System of Higher Education or elsewhere available to authorized users on the campuses of the System.

4.7. Review of Schedule of Charges - Through its Planning and Capital Facilities Committee, the Board shall review annually, and upon the recommendation of the presidents of the institutions providing services, approve the schedule of charges for inter institutional computer services performed or rendered by any institution within the System. Ordinarily these charges should correspond to and be available at the same rates as obtained for purely local or internal use on each campus.

4.8. Competition With Private Organizations - Institutions of higher education will not compete with private organizations supplying computer services to non governmental organizations. However, such services can be made available on an exceptional basis provided conditions warrant doing so, and when such arrangements are approved by the president of the institution or his designee.

4.9. Annual Report to be Submitted - The Office of the Commissioner, with the assistance of I.C.C.S. or other technical advisory committees as may be appropriate, shall prepare and submit to the State Board of Regents an annual report which shall review the status of computing in higher education in Utah and report the activities and actions of the I.C.C.S. and its advisory committees during the year beginning July 1 and ending June 30.

4.10. Master Plan for Computing to be Maintained - The Office of the Commissioner, with

~~assistance of I.C.C.S. or other technical advisory committees as may be appropriate, shall recommend and revise annually for the approval of the Board of Regents a master plan for computing in higher education. A copy of this master plan, as approved by the State Board of Regents, will be transmitted to the Systems Planning and Computing Steering Board. Such master plan shall include but not be limited to the following:~~

~~**4.10.1.** Criteria for the evaluation of the costs and quality of service of higher education computing. Analysis based on such criteria of the present and projected utilization of existing computing facilities, including estimates of when and under what circumstances existing facilities will require modification or replacement.~~

~~**4.10.2.** One-, two- and five-year projections of computing needs, goals, and objectives and resulting plans for meeting resource requirements, including hardware configurations, communications developments and software development efforts.~~

~~**4.10.3.** Recommendations of organization structures to further the availability of efficient, high quality computing throughout the System.~~

~~**4.10.4.** Procedures for the review and coordination of computer activities within the System of Higher Education to assure that computer systems and facilities at each of the institutions are consistent with the master plan as approved.~~

~~**4.10.5.** Procedures for the coordination of computer acquisitions with the Systems Planning and Computing Steering Board to facilitate the consideration in higher education computing of the needs and resources of the State of Utah]~~

~~(Adopted September 26, 1972; amended May 29, 1974, July 23, 1974 and August 1, 1978, proposed revisions November 8, 2002.)~~