

MINUTES
MEETING OF THE UTAH STATE BOARD OF REGENTS
DIXIE STATE COLLEGE
March 14-15, 2002

Regents Participating

Charles E. Johnson, Chair
Pamela J. Atkinson, Vice Chair
Jerry C. Atkin
Linnea S. Barney
Darryl C. Barrett (Thursday only)
Kim R. Burningham
David J. Grant
L. Brent Hoggan
James S. Jardine
Michael R. Jensen
David J. Jordan
E. George Mantes
John B. Norman, Jr.
Jed H. Pitcher (Thursday only)
Sara V. Sinclair
Marlon O. Snow
Maria Sweeten

Regents Excused

Nolan E. Karras

Office of the Commissioner

Cecelia H. Foxley, Commissioner
David Buhler, Associate Commissioner for Public Relations
Don A. Carpenter, Associate Commissioner for Proprietary Schools and Veterans Education
Joyce Cottrell, Executive Secretary
Linda Fife, Director of Academic Programs
Gregory G. Fitch, Associate Commissioner and President, Utah College of Applied Technology
Brad Mortensen, Director of Business and Finance
Chalmers Gail Norris, Associate Commissioner for Student Financial Aid
Phyllis C. Safman, Assistant Commissioner for Academic Affairs
Norm Tarbox, Associate Commissioner for Finance and Facilities
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Special Projects

INSTITUTIONAL REPRESENTATIVES

President J. Bernard Machen, University of Utah
President Kermit L. Hall, Utah State University
President Paul H. Thompson, Weber State University
President Steven D. Bennion, Southern Utah University
President Michael T. Benson, Snow College
President Robert C. Huddleston, Dixie State College

President Ryan L. Thomas, College of Eastern Utah
President Kerry D. Romesburg, Utah Valley State College
President H. Lynn Cundiff, Salt Lake Community College
(A complete list of institutional personnel who attended the meeting is on file in the Commissioner's Office.)

Representatives of the Media

Jacob Parkinson, *Utah Daily Chronicle*
Cal Rollins, KSUU-FM Radio
Kirsten Stewart, *Salt Lake Tribune*
Twila Van Leer, *Deseret News*

Others

Michael Bouwhuis, Davis Applied Technology College
David Clark, Utah House of Representatives
Bo Hall, Salt Lake-Tooele Applied Technology College
Carl M. Holmes, Snow College South
David C. Jones, Attorney General's Office
Martin R. Stephens, Speaker, Utah House of Representatives
Stephen H. Urquhart, Utah House of Representatives
Blake Wade, Ballard Spahr

Thursday, March 14

Following meetings of the Board committees, Chair Johnson called the meeting to order at 10:10 a.m. and welcomed everyone to the meeting. He acknowledged the "March Madness" basketball tournament in which the University of Utah men's team and Weber State University's women's team would be playing over the weekend. The Dixie team will travel to Kansas next week to begin the junior college tournament. Utah State University just announced it would have women's basketball on campus.

Regent Johnson congratulated President Machen for the announcement in a recent *U.S. News and World Report* magazine ranking the University of Utah in the top ten universities for managing athletic programs, based on graduation rates, lack of NCAA infractions, and gender equity in athletics. Regent Jardine added his congratulations to Chris Hill, the University's Athletic Director.

Chair Johnson welcomed the legislators who were present, including Speaker Marty Stephens, Representatives Steve Urquhart, Brad Winn, Brad King, and David Clark.

Weber State University Presidential Search Committee. Chair Johnson acknowledged that President Paul Thompson had announced his resignation. He will continue to serve until his successor has been named. Regent George Mantes will chair the search committee. Other members named to date are Regents Jim Jardine and Daryl Barrett; Trustees Scott Marquardt, Chair of the WSU Board of Trustees; Jane Brewer, Vice Chair; and Catherine Ortega. Additional members of the faculty, staff, students and community will be selected and

announced later. The Regents' goal is to move the process forward quickly. Commissioner Foxley said President Thompson had served with distinction for more than 11 years.

Other Personnel Changes. Chair Johnson said Vice President Lucille Stoddard had announced her retirement from UVSC at the end of this academic year. Royanne Boyer has also resigned as President of the Mountainland Applied Technology College. Commissioner Foxley said Dr. Stoddard had served UVSC for 31 years, which must be a record. We will miss her in the System as well as at the institution. The Commissioner announced that Associate Commissioner Norm Tarbox had accepted the position of Vice President for Administrative Services at Weber State University, effective May 15. He will be hard to replace because of his unique set of skills and abilities.

Chair Johnson announced that the day's agenda would be rearranged to discuss the legislative agenda first. A public discussion on tuition was scheduled for 11:00 a.m.

Overview and Discussion of 2002 Legislative Session

Commissioner Foxley thanked everyone who had helped in the challenging session this year – the Legislators, Presidents, Regents, and institutional legislative liaisons. Chair Johnson and Vice Chair Atkinson, as well as other Regents, were very helpful. The Presidents were key, as the Legislators wanted to know the challenges and successes at the institutions, and they wanted to hear those details from the Presidents. Associate Commissioner Dave Buhler worked closely with the legislative representatives. The Commissioner asked them to stand and be recognized. They did an excellent job of keeping the Commissioner and Presidents informed of what was going on at the Capitol throughout the session.

Higher education faced major funding challenges this year because of unprecedented enrollment growth and a dramatic downturn in the economy. Commissioner Foxley referred to Tab T-1. Among the actions taken by the 2002 Legislature was the requirement that the USHE generate an additional \$7 million in tuition from graduate tuition increases and non-residency changes. Legislation was enacted requiring non-resident students to complete 60 credit hours to gain residency status for tuition purposes. The Commissioner explained the attachments to Tab T-1.

For the 2002-2003 budget, the Legislative Fiscal Analyst's recommendations regarding cuts were taken, and then some funding was added back. UCAT was hit particularly hard. It is a struggle for a new institution with this level of reduction. President Fitch worked hard with the UCAT Regional Presidents, Legislators, Commissioner's staff and the UCAT Board of Trustees. Chair Norm Bangerter made some appearances at the Legislature on UCAT's behalf.

Page 9 of the attachment showed the total outcome of the budgetary allocation to higher education. There were challenges because of the higher enrollment and reduced funding. An overall 2.3 percent reduction was made for 2002-2003. Commissioner Foxley said we had committed to the Legislature that we would report to them in September on how these reductions were taken.

Chair Johnson invited Speaker Stephens to speak and respond to questions. He explained that the Regents had great concern about the tuition issue. Historically when graduate tuition is increased, those monies have remained with the institution and with the program. The same is true with non-resident tuition. This year, however, those schools that should raise the graduation tuition were asked to raise tuition for all of the institutions. The Regents are concerned about the process of who should set tuition, as well as allocation procedures. These issues have been of great concern to the Regents and Presidents.

Speaker Stephens said this year called for unusual actions. He referred to page 1 of attachment 1 and the ongoing adjustments of 2.3 percent, or \$14 million. The Legislature tried to do the least amount of harm in balancing a smaller budget. They changed the funding source from tax funds to non-resident and graduate tuition, thinking if they could supplement state funds with tuition, which would come into the system, there would not be as large a reduction. The net reduction would only be about \$7 million. He admitted it was a short-term solution to a very difficult situation. He indicated a willingness to review the matter again if the additional out-of-state tuition funds are not generated. Chair Johnson said the allocation among institutions causes the Regents discomfort because it is not in accordance with Regents' policy. Commissioner Foxley said we hope the out-of-state students will still come here with their tuition monies. However, it is hard to predict how many students will choose not to come to Utah because of the more stringent residency requirements.

President Hall said the net effect at USU is that the resident graduate increase will be 20 percent. He asked if the intent of the Legislature was to impose this excessive burden on Utah State University. Speaker Stephens said the Legislature was trying to balance a very difficult budget in a difficult budget year. It was not their intent to harm any school. President Hall said he recognized the enormous burden on the Legislature and he was hopeful for some relief when the economy turns around. However, this will seriously damage USU's graduate programs. Speaker Stephens said he would be happy to address this problem if money becomes available.

President Romesburg said the Legislature was looking for every possible funding source, including these tuition changes. The institutions estimated new revenue generated by these changes. General fund money was taken equal to that amount and replaced with "hopeful money," and the general fund money was spread across the rest of the System. Three institutions are really gambling that this revenue will come in and are building budgets on this assumption. President Romesburg said he thought UVSC would lose money. Speaker Stephens said if those estimates are accurate, it would be appropriate that a supplemental allocation be made, to ensure that institutions are held harmless.

President Hall said the students feel they have been singled out to balance the budget. Speaker Stephens said the Legislature raised tuition by passing the law increasing the number of credits required for resident status. That was a statutory change.

Speaker Stephens commended President Thompson for his style and presence. They have been wonderful and will make him difficult to replace.

Commissioner Foxley acknowledged Representative Clark, who serves on the Capital Facilities Appropriations Subcommittee. She referred to the capital projects approved, as shown on attachment 2. We

were disappointed that both research institutions' libraries were not funded and are hopeful that next year will be a library year. Commissioner Foxley said Associate Commissioner Tarbox had been a strong voice for the System during the session and had kept her informed on the capital facilities effort. She commented that \$116 million in cash and bonding will make a big difference and expressed her appreciation for that funding for capital projects. Dr. Tarbox said in addition, the Building Board will allocate nearly \$50 million in capital improvement funding for the renewing and renovation of existing facilities. The Utah System of Higher Education should share substantially in this funding.

Commissioner Foxley referred to attachment 3, Legislation of Interest to Higher Education and asked Associate Commissioner Buhler to briefly review the major bills. Associate Commissioner Buhler said the System had initiated three bills, and each was successfully enacted. Those bills were HB52, Higher Education Savings Incentive Program Amendments; HB206, New Century Scholarship Programs Amendments, which changed the program from an entitlement to allowing the Board the ability to scale the program to the funding received; and HB111, State Responsibility for Regulation of Postsecondary Proprietary Schools, which changed the oversight of proprietary schools to the Division of Consumer Protection. Associate Commissioner Buhler said this responsibility will be turned over to the Department of Commerce in excellent condition.

HB238, Cigarette and Tobacco Tax Amendments, gives the University Health Sciences Center approximately \$2 million. SB142, Higher Education Budget Authority, allows the Presidents the flexibility we requested to reallocate designated appropriations between line items. SB164, Secure Facilities Amendments, allows the institutions to designate a hearing room as a secure facility where even concealed weapons are not permitted.

Chair Johnson mentioned HCR3, honoring Vice Chair Atkinson. He thanked Speaker Stephens for sponsoring this resolution.

Regent Jardine said the University of Utah was working through its concerns involving the legality of the concealed weapons law on campus. He expressed his support to the University in their efforts to get this resolved quickly and efficiently.

Vice Chair Atkinson said she had spent several hours at the Legislature. The Legislators struggled with how to do the least harm in this difficult process. The lobbying activity this year was incredible. Some groups had a very narrow perspective. She acknowledged the legislators' overwhelming responsibility this year. They were constantly brought out of their chambers by the lobbyists and missed crucial debate. She commended the Legislature for doing what they could do to minimize the harm on programs and agencies. Many agencies were cut more deeply than higher education.

Chair Johnson thanked Speaker Stephens and the other legislators for meeting with the Regents. He encouraged them to attend other Board meetings in the future when possible.

President Huddleston spoke of the Washington County Economic Development Council, a group of lay people who had an interest in improving wages in Washington County. In 1993, area workers received 80 percent of the average Utah wage, which was 80 percent of the national average. A big concern was that young families had to leave the county because they could not sustain a family with the wages being offered. President Huddleston approached the Council and indicated his willingness to fund a Director of Economic Development at the College for three years; thereafter, it would be the Council's responsibility. President Huddleston showed a video of the role of the College in Washington County's economic development.

Following the video, President Huddleston spoke of the economic development in the county and surrounding area which Dixie State College has helped to develop. He commended Regent Jerry Atkin for the economic impact of SkyWest Airlines.

Chair Johnson thanked President Huddleston for his presentation and congratulated him on the success of Dixie State College in the area's economic development efforts.

2002-2003 Tuition Discussion (Public Hearing)

A phone call was made to Regent Karras so he could participate in this discussion by phone. Chair Johnson reviewed the Regents' role in setting tuition and said they need to be actively involved in setting policy and direction. The Regents need to consult with the Governor and Legislators, Presidents and students; however, it is their responsibility to set tuition.

Chair Johnson said it would be appropriate for Regent members of the Presidents' Resource and Review Team to be present at the institutional tuition public hearings. The Board will set only the first-tier tuition in this meeting. The recommendation of the Board Executive Committee and the Commissioner was for a 3½ percent increase, with the additional one-half percent to be used for student financial aid and to remain with the institution. He stated other parameters: A group of institutions (as many as possible) may stay within an aggregate of 10 percent (3½ percent for first-tier tuition and 6½ percent for second-tier tuition). Institutions needing a greater increase would also be heard.

Vice Chair Atkinson expressed an interest in the amount of student aid which is available. She asked how many students were turned down for financial aid because they are just above the eligibility requirement or because funds were not available.

Commissioner Foxley said in discussions with student leaders and Presidents, their concerns are the same, for their peers who cannot qualify for financial aid or who have to work longer hours and increase the period of time they are in schools on financial aid. This was the reason for the additional one-half percent tuition increase to be used for financial aid and administered on each of the campuses. This does not help with UCOPE (Utah Centennial Opportunity Program for Education). Utah is one of the few states with relatively low need-based financial aid programs and we rely heavily on federal financial aid, both loans and Pell grants. Middle-income families generally cannot qualify.

Regent Mantes said as a WICHE Commissioner he reads many interesting comparisons for this area. The West is the least expensive area of the country in total fees and tuition for public four-year institutions. Utah is “way down” in the West. Compared with 38 peer institutions, Utah State University was ranked 38 out of 38. By continually underfunding higher education and raising tuition by the cost of living, we will slide even further into mediocrity. He asked if it were possible to realign tuition at the different classifications of schools and begin charging what the product is actually worth. This may be a long-term solution. We need to learn how we compare with peer institutions in financial aid received.

A student pointed out that the average wage is lower in Utah, and our state has more children per family. Often families are supporting more than one college student.

Chair Johnson said he, Vice Chair Atkinson, Regents Jardine, Norman and Sinclair, and Commissioner Foxley had met with the student leaders. Regent Jardine said he had come away from that meeting with some points the students had made: First, a recognition of the circumstances we are in at this time. Second, recognition that to do nothing would imperil the quality of the education they are currently sacrificing to get. Even worse than imposing a burdensome tuition increase would be to not provide these students with a quality education. The students are looking to the Regents to set a “ceiling” on second-tier increases to give them predictability. Also, the students were concerned about their perception that tuition increases were not fully staying at the institutions where they were being raised. This was a real concern to the students. He noted that 70 percent of USHE students were personally responsible for funding their own education.

Regent Norman asked to hear from the Presidents with regard to the fiscal outlook, to help the students understand the things the Presidents are doing in addition to raising tuition. He said his understanding was that if the Legislature does not fund financial aid, the only other way to raise funds would be to increase tuition.

Vice Chair Atkinson said if we want a quality education, we need to pay for it. We need to be careful about capping enrollment. Students are willing to pay for more than their fair share. However, many of them are out of jobs this summer because of the economy. Tuition will have to increase but we cannot expect to meet and match out-of-state peers without doing it gradually.

Regent Snow asked how UCAT students fit into this process. President Fitch said in Idaho, the application of averaging is done on an economic basis; it does not take into consideration the variables of family size, culture, business environment, etc. In looking at student tuition, the challenge is recognizing the difficulty of the Legislature in supporting higher education. He asked, if the state does not increase its support, is it fair for the students to increase their support? UCAT tuition is presently at 90 cents per hour. They are looking at an approximately 5.5-cent increase. The challenge facing UCAT was that the Legislative Fiscal Analyst’s office had originally projected a 38 percent increase. UCAT tuition is on a sliding scale and has charges unique in the Utah System of Higher Education. HB 1003 mandated that education must be free for high school students and low cost for adult students.

Regent Grant asked President Fitch if UCAT would have a second-tier increase in tuition. President Fitch said the UCAT Presidents were comfortable with a 5.5-cent increase. Chair Johnson pointed out that UCAT is not in the first-tier, second-tier process and was excluded from those decisions.

Regent Mantes said he was weary of the argument that Utah must be different because of its demographics. We must compete nationally for students. Costs cannot be that much different. Costs are determined on a national basis. If we do not choose to recognize that we have to provide the money to provide a quality level education, we are kidding ourselves. The students do not want a "blue light special" education.

Steve Palmer said the students understand that tuition needs to increase. They are supportive of a modest tuition increase. They also would like a discussion of financial aid and ensure that it be tied into the tuition discussion. The dialogue with Regents on Monday was extremely helpful and productive in working out a compromise between the students and the Regents.

Chair Johnson asked the Presidents to respond to whether or not they were within the 10 percent benchmark for combined first- and second-tier tuition increases.

Utah Valley State College. President Romesburg distributed a report on UVSC's proposed second-tier increase and its impact. The handout showed the 7 percent increase in 2001-2002 and where the money was allocated. It also showed the impact on students. Even when growth is funded (which it has not been for two years), the institutions lose ground because funding does not cover the full cost of education. When 75 percent of all classes are taught by adjunct faculty, those teachers are not there when students need additional help or for curriculum development. Advisement is nearly non-existent. By funding enrollment growth at 40 percent, higher education will lose all the ground we made last year.

President Romesburg noted that UVSC comparisons were made on a two-year level. All other states compare the College with four-year institutions. The *Chronicle of Higher Education* called UVSC one of the least expensive four-year institutions. They have one fee for freshmen and sophomores and add an additional fee for juniors and seniors to match Weber State University. The Board of Regents agreed a few years ago that UVSC's lower-division tuition would be equalized with Weber's over a period of three years. The College cannot meet that requirement with a 6½ percent second-tier increase this year unless tuition increased by 23 percent next year. College administrators have met with the students and agreed that the increase would not be that large; however, it will be more than 10 percent. By the end of next year, UVSC should be at WSU's rate. Two academic programs have been eliminated, along with 11 positions. Approximately 22 more positions may have to be eliminated as well. The tuition increase will be used for libraries, computing services, converting adjunct to full-time faculty, counseling, financial aid advising, and making the education experience better at UVSC. If this is not done, UVSC cannot take additional students next fall. President Romesburg said UVSC was the eighth-least expensive four-year institution in the nation.

President Romesburg said a 3½ increase at the first tier was agreeable, as long as the Presidents have the responsibility to make the necessary second-tier increases. He said he would prefer to keep the first-tier tuition increase as low as possible.

Utah State University. President Hall said 20-40 percent increases in specific programs are consequential. USU has the highest student-faculty ratio in the System. One of the most successful four-year systems in the country is in New York. That is because they have invested more in higher education on a per-student basis. Utah has one of the worst rates in the nation for college completion. This is directly related to the

funding supporting higher education. USU administrators proposed a 6 percent second-tier increase. In addition, with the advise and counsel of the students, they concluded that it is appropriate to ask new freshmen to pay an additional 2.5 percent because they will benefit more in the long run. This is a 12 percent increase for new freshmen and an aggregate increase of 9.97 percent. University administrators have spoken with the students about thinking strategically. USU's goal is similar to UVSC's. They would like to be in a position to hire additional faculty and student advisors. To enhance the student experience, more advisors and counselors will be required. USU's student-advisor ratio is 1:4000.

The Legislature has bet heavily on both USU and UVSC producing additional revenues. Non-resident undergraduates currently at an institution who have not achieved residency status but who believe they would have achieved residency status will not receive a second-tier increase. Their tuition will effectively double. Graduate students will not face a second-tier tuition increase; they will have a 20 percent increase already. USU students will be asked to accept a tuition differential in business and engineering. President Hall said he would not use tuition money to "back fill" the underfunding by the Legislature. However, we cannot continue to believe that next year the Legislature will "run to our rescue."

Regent Atkin asked for clarification of the different tuition levels. President Hall explained that for continuing undergraduate students, the second-tier tuition increase would be 6 percent. For new incoming freshmen, that 6 percent would be increased by 2½ percent. Adding in the 3½ percent first-tier increase, new freshmen would have a 12 percent increase. The point of this modest elevation for incoming freshmen is that USU student do not have to pay the same tuition as University of Utah students; however, the distance needs to be closed. USU is a Research I institution forced to teach a lot of students. He concurred with the 3½ percent first-tier recommendation. He asked the Regents to "hold us to goals; don't hold us to policy values."

Regent Jardine moved, seconded by Regents Norman and Snow, that the previously approved 3 percent tuition increase be changed to 3½ percent, with the additional one-half percent to stay with the institution in the form of financial aid.

Regent Jardine pointed out that higher education has had a long-standing policy tying financial aid to tuition for those who are underprivileged. He said he was in favor of some portion of tuition to go for those who could not otherwise afford an education without financial aid. The students requested that part of the tuition be earmarked for financial aid. Chair Johnson said each President had also identified this as one of their needs.

Ben Lowe said the students were not opposed to a tuition increase to help improve the quality of their education. However, they are worried about students who will be priced out of a college education. The students are not opposed to giving part of their financial aid to students who would otherwise have to drop out of school. President Hall said the institutions allocated additional discretionary dollars for financial aid. In the case of USU, that additional figure was nearly a million dollars – \$600,000 for incoming students and \$300,000 for transfer students. Many of the other institutions are doing the same thing.

Regent Jordan asked if the one-half percent increase for financial aid would become permanent. Chair Johnson said it would take Board action to remove the increase in the future, but it could be done. Regent Jordan said it was a good thing to do this year, but should providing financial aid for students be borne on an

institutional basis, or should the burden be borne across the whole tax base by the Legislature? This should be an item for discussion with the Legislature in the future.

Regent Atkin asked if there was more money or more student need. Associate Commissioner Norris said the money was available. The only constraint is how much individuals could repay after they graduate. He confirmed that there is more loan money availability than students are applying for.

Regent Grant offered a substitute motion, that the first-tier increase be changed to 3.5 percent with no earmarking. The motion died for lack of a second.

The original motion passed with two “no” votes.

Chair Johnson asked if any of the other Presidents wanted to speak to the 10 percent threshold. President Bennion suggested further discussion on the issues which had already been raised. None of the Presidents would be pushing for sizeable increases if they were not concerned about quality. SUU has just eliminated, reallocated or consolidated 23 programs. Some of the impact of the second-tier increase would be to help bolster programs which would not otherwise be funded. The USHE Master Plan 2000 called for SUU's tuition to reach WSU's level. President Bennion said they were close but were not there. President Cundiff jokingly clarified that SLCC was not trying to reach WSU's tuition level.

Chair Johnson proposed that all of these issues would be presented on campus for institutional public hearings. However, two issues require resolution in this meeting: (1) Any policy issues targeting new incoming students. He recommended that the Regents ask the Executive Committee to look at the implications of this proposal and come to a decision within the next week. (2) UVSC and further discussion of what appears to be a very high second-tier increase.

The meeting was recessed at 12:30 p.m. for lunch.

Following the Regents' luncheon meeting with the Dixie Board of Trustees, the meeting reconvened at 2:15 p.m. Chair Johnson excused Regent Pitcher, who had become ill and left the meeting. It was determined that some Regents needed to catch an afternoon flight. Chair Johnson asked that a report be made from the Finance and Facilities Committee before the discussion of tuition was resumed.

Reports of Board Committees

Finance and Facilities Committee

Dixie State College – Campus Master Plan (Tab A). Chair Hoggan reported that the only change since the campus master plan was last approved was the location of the Eccles Graff Fine Arts Center. **He moved approval of the Dixie State College Campus Master Plan. The motion was seconded by Regent Atkin and carried unanimously.**

Dixie State College – Property Purchase (Tab B). Chair Hoggan said the property containing the Dixie View Apartments was adjacent to the campus. It was purchased originally by the College Foundation for \$250,000, who is now requesting reimbursement of \$125,000. **Chair Hoggan moved approval of the property purchase. The motion was seconded by Regent Atkin.** Regent Grant asked about renovation, ADA, or other remedial issues. Vice President Plewe responded that the physical plant was directed to look at the facility. They reported that they did not see any issues of concern. There are still ten years' life left on the roof. It is a sound structure, and the College is looking at this property as a land bank. The student housing option is a bonus. **Vote was taken on the motion, which carried unanimously.**

USHE – Tuition for Utah Electronic College (UEC) and Proposed Revisions to Policies R510, Tuition and Fees, and R506, Inventory of Budget-Related and Self-Supporting Enrollments (Tab C). Associate Commissioner Tarbox explained that the Utah Electronic Community College had become the Utah Electronic College. This necessitated changing the way tuition is assessed. Students are presently assessed a single tuition rate. Once university courses are incorporated, it will necessitate two different tuition rates – a lower rate for community college courses and a higher rate for university offerings. Tuition will increase accordingly. Chair Johnson asked about financial aid ramifications. Associate Commissioner Tarbox said that financial aid certification should not be a barrier to this policy change. Regent Grant asked if the tuition difference would apply for lower division courses. Would a student taking the same course from a college and a university be assessed two different rates? Dr. Tarbox affirmed that would be the case. **Chair Hoggan moved approval of the revisions to policies R510 and R506. The motion was seconded by Vice Chair Atkinson and carried unanimously.**

USHE – Proposed 2002-2003 Fee Increases (Tab D). Chair Hoggan reported that the committee had approved the proposed fee increases on the basis that they had been discussed with and approved by the students. Fees increases were proposed for all institutions except CEU and SUU; they will submit their information for action in the April 2 conference call meeting of the Board. Chair Johnson pointed out that historically fees have been tied into the first-tier tuition increase. USU and UVSC have proposed to increase their fees more than the 3½ percent tuition increase and submitted evidence of student support. **Chair Hoggan moved approval of the proposed fee increases. The motion was seconded by Regent Snow and carried unanimously.**

USHE – Capital Improvement Priorities for 2002-2003 (Tab E). Chair Hoggan explained that this category included renovation of existing facilities. The Utah System of Higher Education has approximately two-thirds of the public buildings in the state. Associate Commissioner Tarbox and DFCM officials visit the campuses and go through an exhaustive ranking process. **Chair Hoggan moved approval of the capital improvement priorities for 2002-2003. The motion was seconded.** Chair Johnson asked why some projects were not ranked. Dr. Tarbox said some of them were restored from last year's priority list. Others are a function of how DFCM and the State Building Board approve money (asbestos abatement, paving, roofing, etc.). These are considered statewide priorities, and money is specifically set aside for those items. **Vote was taken on the motion, which carried unanimously.**

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds, Series 2002V and 2002W (Tab F). Chair Hoggan said these student loan revenue bonds would run the student loan program for the coming

six months. The parameters were set forth on page 3 of the Commissioner's cover letter. The bonds have been approved by the Student Finance Subcommittee and the UHEAA Board of Directors. **Chair Hoggan moved approval of the bonds, seconded by Regent Atkin, and adopted by the following vote:**

YEA: Jerry C. Atkin
Pamela J. Atkinson
Daryl C. Barret
David J. Grant
L. Brent Hoggan
James S. Jardine
Michael R. Jensen
Charles E. Johnson
David J. Jordan
E. George Mantes
John B. Norman, Jr.
Sara V. Sinclair
Marlon O. Snow
Maria Sweeten

NAY: (None)

USHE Annual Leased Space Report (Tab G). Chair Hoggan noted that this was an information item which did not require Board action. He offered to respond to questions. There were none.

Consent Calendar, Finance and Facilities Committee (Tab H). **On motion by Chair Hoggan and second by Vice Chair Atkinson, the following items were approved on the committee's consent calendar:**

1. OCHE Monthly Investment Report
2. UU and USU Capital Facilities Delegation Reports
3. UU – Property to be Liquidated
4. USU – Acceptance of Donated Properties
5. SLCC – Property to be Liquidated

Chair Johnson thanked Chair Hoggan for his excellent report.

2002-2003 Tuition Discussion (continued)

Discussion resumed on the tuition hearings. Chair Johnson clarified that the Regents on the USU and UVSC Resource and Review Teams and the Board Executive Committee would make recommendations before a decision is made by the full Board.

Regent Grant asked for clarification: After "phasing in" of an increase over three or four years, would the tuition rates of the appropriate institutions be level, or is the program to be spread out over a longer term?

Will the difference between incoming freshmen and other students at USU continue over a longer period of time? President Hall said this was a one-time increase only. The 12 percent increase to incoming freshmen will become the base level for all incoming students in successive years.

Regent Jordan said he did not see that “phasing in” an increase over a period of three or four years was a policy change. There is no significant difference between this and the University of Utah’s Medical School tuition differential. There is no legal obligation to “phase in” this plan. Regent Atkin said the colleges and universities already have a process. There is no point in deferring this to the Resource and Review Teams and the Executive Committee. Regent Jardine said he agreed with Chair Johnson in theory. In practicality, it does not allow the Presidents to reach a conclusion of the process.

President Benson said the student leaders supported a 3.5 percent increase in the second-tier tuition. President Machen said the University of Utah was discussing a total increase of 9.3 percent, including fees, 9.6 percent in tuition only. President Thompson said Weber State University was proposing a total increase of 9 percent or less, 5½ percent in second-tier increases. President Huddleston said Dixie also supported a 3.5 percent increase in the second-tier tuition. President Bennion said SUU was proposing a total increase of seven to nine percent. President Cundiff said SLCC was proposing a 5½ percent increase in second-tier tuition, one percent of which would be rolled back into the financial aid/tuition reduction. President Thomas said CEU had not finalized their proposal.

Regent Barrett said as a new Regent she felt totally unprepared and uncomfortable with the wide variety of tuition increases. She recognized the individuality of the institutional missions and roles, but as a policy-making Board, the Regents should be looking at the whole picture in assessing fairness.

Utah Valley State College. President Romesburg said public notice would be given in the newspapers the following Monday. College administrators would be requesting a 19.5 percent increase, generating \$308,000 per year. This would get UVSC halfway in their difference with Weber State University. President Romesburg said he was uncomfortable with putting this in the newspaper and then having his Resource and Review team and the Board Executive Committee come back and say the increase was too high. Chair Johnson said he and President Romesburg had had many discussions about this issue. His personal feeling was that this increase was too high. Last year, UVSC tuition increased 12½ percent, and this year it would be increased an additional 19 percent. He suggested a 15 percent maximum increase.

Vice Chair Atkinson said a 19 percent increase was steep, but she assumed President Romesburg had a good rationale for this recommendation. She asked if there had been input from the students in lower-income households and other students regarding the ramifications of this large of an increase. President Romesburg said the 19.5 percent increase would be for lower-division students. The weighted average increase for the institution would be 15 percent. They have not had input from the students except for the International Student Association. They did a survey on non-resident fees, and 60 percent of the students said they would “shop elsewhere.” Vice Chair Atkinson asked if there were financial means in college discretionary funds for any hardship students who would have to drop courses or drop out of school. President Romesburg said there were not discretionary funds for this purpose, but UHEAA funds were available to borrow. Truly needy students can

get Pell grants; other students would have to borrow money. Anyone who wishes to attend UVSC can attend without being turned away. They can borrow or get a grant.

Commissioner Foxley said when the System went to the second-tier tuition approach, three or four institutions required additional increases. It was never assumed that all nine institutions would require a second-tier increase. We did not foresee the current economic situation. The Board already approved a 3½ percent increase for the first tier this year. We arrived here by default because we did not want to place the entire burden on the backs of the students. The Board is given direction by statute to set tuition., but the Presidents need the flexibility to govern their institutions.

Regent Grant moved that President Romesburg be authorized to discuss with his students an increase of up to 16 percent for second-tier tuition for lower-division students and up to 5.5 percent for upper-division students. The motion was seconded by Regent Atkin. Regent Jordan offered a substitute motion to limit UVSC to an overall increase of 15 percent in lower-division tuition. The motion was seconded by Regent Barrett.

President Romesburg said based on Weber's increase, UVSC is \$504 below them. With 3½ percent plus 11½ percent (total 15 percent increase), they will still be \$286 below Weber's level. The plan for UVSC to reach WSU's level would have to be modified. President Romesburg said quality would suffer, but he would follow the Board's decision. Regent Norman asked the UVSC student body president if he would accept the substitute motion. Khay Douangdara said the students want everything President Romesburg was proposing, but they cannot handle a 19 percent increase. Vice Chair Atkinson asked President Romesburg if he had any feel as to how the students generally would react to a 19 percent increase proposal, given his knowledge of where the money would go and how it would benefit the students. President Romesburg said he thought the students would support the changes if they know where the money will go. Reducing the increase will eliminate support for libraries, counseling, and financial aid.

Ryan Richey, student body president at SUU, commended the Presidents, Regents, Commissioner Foxley and her staff for the thorough discussion. Students are happy about the quality of education which is the result. SUU just went through a reprioritization process, and the quality of education was improved by this process. He recommended looking at alternatives. This process helps individuals and institutions become creative and innovative.

Vote was taken on the substitute motion to limit UVSC's increase to 15 percent overall. The voice vote was inconclusive, so Chair Johnson requested vote by show of hands. The motion was defeated by a vote of 6-7.

Regent Jardine charged the Executive Committee to come up with a process so that the Regents advise the Presidents early in the year whether there will be second-tier discretion and, if so, what is regarded as the maximum, and whether or not the Regents are prepared to create any exceptions. Chair Johnson said that was a good proposal, but until the funding decisions are made at the Legislature, the Regents cannot make these decisions.

Vote was taken on the main motion authorizing President Romesburg to go to his students to discuss a proposal to increase second-tier tuition by up to 16 percent for lower-division students and up to 5½ percent for upper-division students. Vote was taken by a show of hands. The motion carried, with Vice Chair Atkinson abstaining.

Chair Johnson commended the Regents and Presidents for coming to a conclusion and for the healthy discussion. Vice Chair Atkinson said students need more warning in advance of the circumstances surrounding proposals for tuition increases. We need to also do a better job at educating the public about the shortfall and the ramifications in terms of funding and quality. The public needs to be better informed of the effect on quality when funding is cut. Chair Johnson commended the students for their participation in the discussion and for their activity with the Legislature.

Reports of Board Committees

Academic and Applied Technology Committee

University of Utah – Master of Science and Technology Degree (Tab I). Chair Jardine said this proposal had resulted from a suggestion from the Sloan Foundation to get high levels of education in science and technology in a masters degree component. Funding from the Foundation will last three years. The University expects sufficient enrollment thereafter to sustain the program with tuition. **Chair Jardine moved approval of the program. The motion was seconded by Regent Sweeten and carried unanimously.**

University of Utah – Stand-alone minor in Latin American Studies (Tab J). Chair Jardine noted the continued emphasis in international-related programs and pointed out that this minor could be done with courses already offered by the University. It is non-controversial. **Chair Jardine moved approval of the program. The motion was seconded by Regent Sweeten and carried unanimously.**

Utah State University – National Environmental Policy Act (NEPA) Certificate Program (Tab K). Chair Jardine said this was an unusual and unique proposal. The program was developed in response to an application of national environmental policy in environmental studies. Graduates would work with and for the government. USU is collaborating with the Shipley Group, a private for-profit group, with experience in taking these programs to companies around the country. Seminars would be presented around the country for college credit. This program will also be offered on campus in Logan. The committee asked many questions about partnering. They talked about drafting legal contracts with the Shipley Group, as well as the elements of risk and profitability. Committee members were satisfied with the proposal within the programmatic activity of USU's role and mission. **The committee asked that (1) Regents Jardine and Jensen be involved in drafting a contract, and (2) that a report is made in a year when the review has been completed as to the outcomes. Chair Jardine moved approval of the program with the above conditions.** Regent Sweeten said the committee had considered the benefits to the Utah System of Higher Education; for every five students enrolled throughout the country, a Utah student could take the course at no cost. Further certification would be offered to faculty at no cost. **Vote was taken on the motion, which carried unanimously.**

Utah State University – Composite Mathematics/Statistics Education Major (Bachelor of Science Degree) (Tab L). Chair Jardine said this was an efficiency proposal which would eliminate the need for a separate teaching minor. USU is trying to get more students into the field of teaching math and statistics, which is a great need. **Chair Jardine moved approval of the program. The motion was seconded by Regent Jensen and carried unanimously.**

Report of Utah State University and University of Utah Second Annual Undergraduate Poster Session (Tab M). Chair Jardine reported that undergraduate students take posters to the State Capitol which explain their undergraduate research. It is a very successful undertaking to help Legislators and others understand this research and the role of faculty who mentor undergraduate students.

Programs Under Development/Consideration at USHE Institutions (Tab N). Chair Jardine said this report was for information only. The committee requested a one-year and three-year preview of coming programs. They wanted to be able to see the areas in which there might be issues far enough in advance that the Regents could have input. An additional factor is that the Regents need the ability to scrutinize programs coming to them because of the economic situation. The committee asked UVSC to provide the “bigger picture” for their engineering programs under consideration. Regent Sweeten pointed out that the report also includes courses and programs which have been eliminated.

Information Calendar, Academic and Applied Technology Committee (Tab O). Chair Jardine noted that this information required no action by the Board. He offered to respond to questions; there were none.

Consent Calendar, Academic and Applied Technology Committee (Tab P). **On motion by Chair Jardine and second by Regent Jensen, the following items were unanimously approved on the committee’s consent calendar:**

1. University of Utah – Emphasis in Instructional Design and Technology within two approved programs, the Master of Science and Master of Education Degrees
2. Utah Valley State College
 - A. Secondary education emphasis and certification program in History Education
 - B. Secondary education emphasis and certification program in Mathematics Education
 - C. Secondary education composite Chemistry/Physics Emphasis and certification program

Chair Johnson thanked Chair Jardine for his excellent report.

General Consent Calendar

On motion by Regent Jardine and second by Regent Atkin, the following items were unanimously approved on the General Consent Calendar (Tab S):

- D. Minutes

- A. Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held January 18, 2002, at Salt Lake Community College in Salt Lake City, Utah
 - B. Approval of the Minutes of the Special Meeting of the Utah State Board of Regents held via conference call on February 5, 2002
2. Grant Proposals - Approval to submit the following proposals:
- A. Utah State University – Hamilton Sundstrand, EESP/OCO Cryogenic Link Assembly; \$1,333,302. Brett Lloyd, Principal Investigator
 - B. Utah State University – USDA-AgrAbility, AgrAbility of Utah; \$1,070,468. Rhonda Miller, Principal Investigator
 - C. Utah State University – U.S. Department of Education, Training Educators to Work with Children who are Deaf and Hard of Hearing (TEACH-D); \$1,500,899. James Blair, Principal Investigator
 - D. Utah State University – Lockheed Martin Corporation, Screener Processor Element Quote - Software; \$3,237,336. Niel Holt, Principal Investigator
 - E. Utah State University – National Science Foundation, Influence of stream-lake interactions on nutrient transport and function of aquatic ecosystems: Modeling, 15N experiments and watershed analyses; \$1,008,314. Wayne Wurtsbaugh, Principal Investigator
 - F. Utah State University – Hampton University, AIM Phase B/C/D; \$5,788,398. John Kemp, Principal Investigator
 - G. Utah State University – Lockheed Martin Corporation, Tis Screener Processor Element (Hardware); \$5,881,641. Niel Holt, Principal Investigator
 - H. Utah State University – National Institutes of Health; 1,25D3-MARRS protein and intestinal ion absorption; \$1,604,500. Ilka Nemere, Principal Investigator
 - I. Utah State University – National Institutes of Health, The Enzymes of Microbial Epoxide Metabolism; \$1,207,500. John W. Peters, Principal Investigator
 - J. Utah State University – Defense Advanced Research Projects Agency (DARPA), Semiconductor Ultraviolet Optical Sources (SUVOS); \$3,556,181. Linda Powers, Principal Investigator

- K. Utah State University – USDA-CSREES-SARE, Implementation of Western Region Sustainable Agriculture Research and Education (SARE) Plan; \$2,721,775. V. Phillip Rasmussen, Principal Investigator
3. Gateway Lease Agreement — This item was hand carried to the Board meeting, pending action by the Board Executive Committee.
4. 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 April 19, 2002, at the College of Eastern Utah, to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act

Other Business

Chair Johnson reported the appointment of Regent Jensen as a member of the Audit Review Subcommittee. In addition, Regent Sinclair has been appointed to serve on the UHEAA Board of Directors.

He announced that an executive session dinner meeting would be held in Price on Thursday evening, April 18, to review presidential evaluations. He asked the Resource and Review Teams to conduct their reviews and be prepared to make a report that evening.

Health Care Task Force

Because Regent Pitcher, who chairs the task force, had become ill and left the meeting, Chair Johnson asked Regent Sinclair to make a report of the work of the group. He noted that in addition to Regents Pitcher and Sinclair, Vice Chair Atkinson and Regent Snow also serve on the task force which was charged to look at the costs of health care and how those costs might be managed.

Regent Sinclair said the group had reviewed the benefit plans and had been asked to determine if they were designed to maximize value and were appropriate for the client, and to report to the Board in March. The group has met twice and has reviewed the base benefits. They reviewed general higher education plans designs and costs. They have reviewed health benefit plans and programs from selected employers in the Western United States. Three determinations have been made to date:

1. Plans of the work group will not be sufficiently developed to affect the 2002-2003 year. The group recommended that the institutional Presidents be allowed to negotiate one-year contracts to ensure that changes can be made in 2003-2004, if needed.
2. A set of guiding principles is needed to assist in evaluating changes to health benefit plans.
3. Professional insurance actuaries will be necessary over the next several years to assist the group in evaluating current plans and potential changes.

The following principles are currently being used:

1. Plans should have significant wellness and disease control components.
2. There should be premium sharing between employer and employee.
3. Aggressive three-tiered drug plan management seems essential.
4. Leveraging purchasing power of higher education in Utah can result in cost savings.
5. Eligibility requirements and coordination of benefits should be consistent.
6. Explore incentives to foster institutional participation.

Regent Sinclair said the next report would be presented to the Board in May or June. Commissioner Foxley apologized that copies of the report were not in the folders as planned. She said she would send copies to the Regents and Presidents.

Biennial Assessment and Accountability Report - 2002

Assistant Commissioner Phyllis C. Safman presented a PowerPoint summary of the Biennial Assessment and Accountability Report (Tab Q) prepared by Dr. Safman and David Colvin. Dr. Safman noted that over 90 percent of tested students passed the 74 percentile in their the licensure/certification exams. LSAT and MCAT scores in Utah exceeded the national average. Enrollment grew in high-demand fields while credits to completion declined across the System. College participation grew in five of the eleven rural counties currently monitored. Dr. Safman noted that Utah is the only state with a faculty-led initiative on assessment which compares students' knowledge before and after taking general education classes. The USHE was charged by the Governor to double graduates in computer science and engineering technology in five years and triple that number in ten years. Data regarding job placements will be available next year from the Division of Workforce Services. Dr. Safman noted that we do not get scores where there is not an officially appointed test representative. USHE graduate performance on the job is the strongest indicator of the quality of academic preparation.

Dr. Safman said the report revealed that using 60 and 120 credits as the ideal number for graduation is too low. This must be recalculated to be more realistic. Students stop out, change majors or add additional courses for marketability. Certificate programs prepare students to be more marketable in the workplace. Courses are also taken toward the next degree. We also need to reassess credits to graduation in light of present budget cuts. The time to graduation will also be impacted. A certain number of credits must be maintained to meet financial aid requirements. Sometimes those courses are not in the student's major field.

Headcount enrollment was up by 6.8 percent to 134,939 students, and faculty taught 11 percent more credit hours than in the previous year. Faculty met or exceeded Regents' standards with contact hours and credit hours. We need to assess the effect of the budget cuts on the use of part-time faculty. The Presidents assumed that, in a budget crunch, part-time faculty would be hired and full-time faculty would not. We need to assess the impact of budget cuts on contact and credit hours and reconsider the role of UVSC regarding Regents' standards on faculty contact and credit hours. UVSC offers 30 baccalaureate programs, yet is held to the

community college standards. We need to assess the impact of the budget cuts on the System's ability to deliver courses and programs in rural areas.

Assistant Commissioner Safman referred to the nine recommendations on pages 7-8 of the report. In addition, she offered the following recommendations:

1. Include UCAT data.
2. Study concurrent enrollment.
3. Report back on budget cuts.
4. Consider changes to the number of credits to graduation.
5. Include Workforce Services data on job placement in high-demand fields.

Chair Johnson thanked Dr. Safman and Mr. Colvin for compiling this information and for their report. He thanked Representatives Clark and Urquhart for remaining in the meeting all day.

The Committee of the Whole recessed to small groups at 4:25 p.m. to consider the master planning issues identified on Tab T-2. Chair Johnson asked the groups to review their discussion questions briefly and to begin the following morning at 8:00 a.m., rather than at 8:30 a.m. as listed on the agenda.

Friday, March 15

Chair Johnson reconvened the meeting at 10:30 a.m. following small group discussion meetings. He expressed the Board's appreciation to President Huddleston and his staff for the wonderful food, arrangements, and hospitality. He reminded the Board of the executive session dinner in Price on Thursday evening, April 18, to hear the reports of the Presidential Resource and Review teams. Commissioner Foxley reminded the Regents and Presidents of the conference call on April 2 to discuss and approve second-tier tuition. It appears the best time for the call will be 3:00 p.m. As soon as she receives the results of the hearings on the institutional campuses, she will submit the information to the Regents in preparation for the call.

President Huddleston thanked everyone for coming to St. George. The students were on spring break and were competing in the academic decathlon and a speech tournament.

Commissioner Foxley announced that it was Gary Wixom's birthday. In addition, Kerry Romesburg, Joyce Cottrell, and Nancy Lyon had observed birthdays earlier in the week.

Reports of Group Discussions

Group 3 – Finance/Formula Funding

Regent Atkin facilitated the group and reported that the discussion had yielded no clear-cut answers but some recommendations: (1) Formula funding – Progress has been made in past years. A formula is useable

if it provides accountability at the institutional and Board levels and if protection is included. (2) We need to foster relationships at the state Legislature and help get people elected who will be supportive of higher education. (3) Tuition – It is possible to raise the ratio of tuition/student funding. However, we would want to keep the tuition money if that were to happen. (4) Local communities may be able to help with taxes in their areas. (5) Private money would be helpful. (6) More bonding for capital projects is needed. (7) Partnerships with public/private organizations should continue to be developed. (8) If all else fails, limit enrollment. (9) Synergies in the System – if the System works together, we could do some things better to reduce costs and provide funding. (10) Federal grant funds may be available on a System level which are not available to the individual institutions. (11) Long-term planning – We need a five- to ten-year plan operating plan which includes demographics, tax base and projections. We also need a five- to ten-year plan for capital projects with an estimate of how much bonding would be realistic. (12) Less decentralization in administrative and service processes. UCAT was mentioned. (13) Employee benefits – Benchmarks should be established and we should look at reasonable costs. (14) Get more funding and accountability at the Regents/Presidential level for greater efficiency. (15) Look more aggressively at the business units within the institutions (food services, IT, printing, etc.). Is privatization a possibility? Would a change in personnel help? Regent Atkin summarized that his priorities would be to develop a ten-year plan and identify potential problems and suggested solutions from the institutions.

Regent Jardine referred to Attachment 4, intent language for formula funding. Chair Johnson said this was written a couple of years ago. We need to revive the enthusiasm for formula funding. Commissioner Foxley pointed out that although no progress was made this year, the Legislature did not delete the language.

Group 2 – Institutional Roles and Missions

Vice Chair Atkinson facilitated the group and reported a very involved discussion.

How does UCAT's role and mission relate to the other institutions' roles and missions and to public education? Many things need to change, particularly relating to the legislative mandates. Change is needed in the organizational structure and services being provided, as well as an overextension of programs. There is a confusion over the role of the additional boards and legislative mandates about provision of general education requirements. There is a greater need for cooperation and collaboration so that the USHE institutions and UCAT do not duplicate programs. Many people do not fully understand the role of UCAT. The group suggested that President Fitch develop a document describing what is happening with UCAT and its vision, along with a plan to get there. We have eight months to let the Legislature know what changes need to be made to the previous House bill. Perhaps a joint session of the State Board of Regents and State Board of Education to discuss this issue would be helpful. The UCAT Board must look at their role as it relates to the State Board of Regents and the other nine Boards of Trustees. We need to strategize and come up with a strategic plan and let the Legislature know what changes need to be made.

Regent Jardine asked if Vice Chair Atkinson and Commissioner Foxley could come back to the Board in April with timelines and benchmarks. Regent Atkin said he would like to better understand UCAT and its issues and would like President Fitch to spend some time discussing UCAT in greater depth with the entire Board. Vice Chair Atkinson explained that this had been her rationale for a joint meeting with the State Board of Education.

Tighter degree and program approvals – More questions have been raised about the process and economic viability. Is there unnecessary duplication? Sometimes there is political pressure to add courses about which there are concerns. The Board should continue to review programs which are duplicated. High-cost programs should not be duplicated. There are concerns about existing programs. If an existing program is not performing well, should another institution offer that program, or should the faculty and administration at the existing institution work more on improving that program? The approval process (before programs come to the Board) was discussed. The group also discussed two-year colleges wanting to offer four-year programs. Are there different ways of doing this? At CEU, many students go on to a four-year college and do not return to the local area. Perhaps UVSC could do a pilot study at CEU with one program and help their faculty develop those courses. We need to look at the roles and missions and where the various institutions are authorized to develop programs or classes. Could there more partnerships? Best practices could be developed to eliminate unnecessary duplication of programs. The group discussed the importance of the physical presence of a facility and faculty. More students are likely to go to an institution than to take their courses completely online or via distance learning. Sometimes a building is important for students. The group also discussed financial incentives for students to enroll at the rural two-year colleges.

Performance measures – Current performance measures are somewhat narrow but it is a Legislative mandate. The group would like to explore other areas with measurable outcomes. Additional suggestions were: (1) Success of students transferring from two-year to four-year institutions, from ATCs to colleges and universities, etc. This information needs to get back to the colleges – both positive and negative results. (2) Placement and employability situation, and (3) focusing on credits for graduation. It is important to let students define their goals as well as their successes and outcomes. President Romesburg mentioned in the group that he asks incoming UVSC students what their goals are. It is interesting to learn why students have chosen to attend a particular institution. Regent Jordan referred to the video President Huddleston had presented the previous day regarding Dixie State College's contribution to the economic development of a region. This generated a discussion in the group about four-year degrees becoming available at the rural institutions so that people could stay in the area. The idea was discussed of having CEU faculty who hold terminal degrees appointed jointly to the other institutions under the supervision of an administrative structure of an institution which already knows how to deliver four-year programs. This would generate economic activity with a degree being offered without duplicating the infrastructure.

Vice Chair Atkinson said the group had asked Regent Barney to speak about the accountability measures being undertaken by public education. A test is administered to tenth graders which must be passed in order for a student to receive a high school diploma. This is part of the teaching performance measures being done. Regent Jensen referred to the time to completion issue and the importance of developing incentives to reward students for finishing their education quickly.

Group 4 – Governance and Public Outreach

Regent Mantes said the group agreed that the Board of Regents was critical as a buffer between the public, Legislature, and higher education. If the Board were disbanded, as has been proposed in previous legislative sessions, the entire System would be put into chaos. However, the Board's accountability must be improved in all of these areas, most importantly, the Legislature. The group felt strongly that a closer relationship should be developed between the Board Executive Committee and Legislative Leadership on a philosophical

basis (problems? Solutions? Where are our growth areas? Should we cap enrollments? etc.). Hopefully by the time the 2003 Session begins, everyone will be in agreement on these areas. The group agreed that higher education is losing some champions in the Legislature. There are not too many current legislators who will stand up for higher education. We need to be pro-active in developing and cultivating “champions.”

There is a feeling of disconnect and a lack of communication between the institutional Boards of Trustees and the Board of Regents. The group suggested a semiannual conference with the Chair of the Board of Regents and the Trustee Chairs. Perhaps the Trustee Chairs should receive an e-mailed report from our Chair of the Board of Regents’ discussions/decisions. The Trustees need to know what is happening at the Regents’ level and why. There should be better training on the campuses for the Boards of Trustees. Perhaps one or two of our Regents could give a seminar when we are on a campus before the Regents’ luncheon meeting with the institutional trustees.

Relationship with general public – We have not done a good job in explaining to the public how important higher education is. Everyone needs to promote the same messages. Some important messages suggested by the group were: (1) Economic development is the #1 benefit of higher education. Regent Mantes said Mike Christensen had authored an article saying that higher education was the single most important economic development tool. (2) Another message is that kids get prepared by public education but empowered by higher education. The Presidents can be more visible in their areas by expounding the same messages.

Productivity of Board meetings could be improved. It is difficult to get substantive issues resolved in large groups. Regent Mantes’ group suggested fewer meetings of the full Board with small group discussions about one or two particular issues, with those issues summarized for the entire Board.

Chair Johnson thanked Regent Mantes for the good suggestions, some of which can be implemented fairly quickly and reasonably.

Group 1 – Student-centered issues

Regent Grant reported that the group spent most of their time on two of the issues.

HB 331 and its impact on existing students regarding tuition structure – The group thought there was legal concern, public relations concern, and concern about how the Legislative Fiscal Analyst came up with the numbers. Their recommendation was to ask Chair Johnson, with Regent Norman and Presidents Hall, Machen and Romesburg to discuss the bill and its impact with the Governor before he signs the bill into law. A Regent policy could be developed to allow for grandfathering of existing students. Their feeling was that this should happen quickly. Regent Jordan said he thought asking the Governor to veto the bill could be very dangerous. Chair Johnson said it would be an exploratory discussion only but agreed that the legal obligations and financial impacts need to be addressed.

The group’s top priority was concurrent enrollment. They reviewed the costs to the institutions in lost tuition and actual hard costs. USU’s “hard costs” are about \$500,000 each year, about half of which is recoverable from the general budget. There is approximately \$1.7 million of tuition difference between concurrent enrollment and regular tuition. The cost to the students is low, and there is a greater potential to

graduate sooner. The high schools are very supportive of concurrent enrollment, where there is a better student-teacher ratio. Courses are self-supporting and save the state money as well. The general consensus is that advanced placement (AP) classes are a better indicator with more quality control, because there is not sufficient money to develop quality control measures for concurrent enrollment. Ultimately, does the end justify the cost and the means? Are these students better students, do they graduate sooner and get better jobs? The group recommended an outcome-based analysis of students who have been involved in concurrent enrollment to determine the outcomes after a college/university experience and whether or not concurrent enrollment actually made a difference.

Financial aid – As tuition and fees increase, it will have a relative financial impact on a greater number of students. If tuition were raised ten percent, it would cost \$7 million more to meet the needs of those students who are currently receiving financial aid. The Legislature effectively placed a tax on the students, given the Regents' desire to protect access and quality. The Regents want to maintain access and the level of quality; however, when our budget is cut, all the Regents can do is pass those increased costs on to the students. The group's conclusion was that this was a complex situation but financial aid does need to be increased as tuition is increased. Financial aid increases should be a state response. If institutions fund aid increases for general tuition revenues, it is a cost transfer to those not receiving financial aid. It was noted that sometimes scholarship recipients are already able to afford a college education.

Chair Johnson clarified the meeting with Governor Leavitt. A common understanding of the financial model is needed. We need to make sure the legal questions have been answered. Regent Jordan recommended that a formal legal opinion be requested.

The group's recommendation on financial aid was that it was important and should be considered, but they would like to see an economic model following the various complexities with the consequences of non-state funding, keeping in mind the Regents' goals and objectives.

The group's third discussion item was retention and graduation rates. They raised more questions than answers and requested additional data on student services, cultural perceptions, demographics, and their impact on graduation rates. More high school students are enrolling in college and then dropping out after a year. Perhaps better advisement would be helpful.

The final discussion issue was public education's U-Pass program. The Board is eager to learn more about this and to get data when it becomes available.

Summary

Chair Johnson summarized that short-term and long-term issues had been identified in these discussions. There is now the basis to establish the next phase of planning. We will discuss this again in the April meeting. Commissioner Foxley asked her staff to bring their notes back to the office to make a compilation of all the recommendations.

Adjournment

Chair Johnson thanked the Regents and Presidents for the intense, productive discussion. The meeting was adjourned at 11:35 a.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved