

MINUTES
MEETING OF THE STATE BOARD OF REGENTS
SOUTHERN UTAH UNIVERSITY
July 12, 2002

Regents Present

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

Regents Excused

Kim R. Burningham
James S. Jardine
David J. Jordan
E. George Mantes

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
Philip V. Bernal, Manager of Outreach Services
Joyce Cottrell, Executive Secretary
Harden R. Eyring, Executive Assistant
Linda Fife, Assistant Commissioner for Programs
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
Paul T. Brinkman, Associate Vice President for Budget and Planning
Nancy S. Lyon, Assistant Vice President for Governmental Affairs
Laura Snow, Special Assistant to the President and Secretary to the University

Utah State University

Kermit L. Hall, President
Celestial Starr Bybee, Student Body President

Weber State University

Paul H. Thompson, President
Norman C. Tarbox, Jr., Vice President for Administrative Services

Southern Utah University

Steven D. Bennion, President
Renee C. Ballenger, Director of News Services
David T. McGuire, Director of Human Resources
Lucinda B. Mitchell, Assistant Director of Human Resources
Dean O'Driscoll, Director of Marketing & Public Relations and Assistant to the President
Dorian G. Page, Associate Vice President for Administrative and Financial Services
Gregory L. Stauffer, Vice President for Administrative and Financial Services
Matt Glazier, Student Body President

Snow College

Michael T. Benson, President

Dixie State College

Robert C. Huddleston, President
Shandon D. Gubler, Member, Board of Trustees
Ben Joe Markland, Student Body President

College of Eastern Utah

Ryan L. Thomas, President

Utah Valley State College

Kerry D. Romesburg, President
Ryan Vogel, Student Body President

Salt Lake Community College

H. Lynn Cundiff, President

Utah College of Applied Technology

Gregory G. Fitch, President

Representatives of the Media

Brandy Lee, *Weber State University Signpost*
Kirsten Stewart, *Salt Lake Tribune*
Twila Van Leer, *Deseret News*

Others

DeMar "Bud" Bowman, Utah House of Representatives
Boyd Garriott, Office of the Legislative Fiscal Analyst
Kristen Small, Brigham Young University (Utah Student Association)
Kevin Walthers, Office of the Legislative Fiscal Analyst

Following a breakfast meeting with the SUU Board of Trustees, Chair Karras called the meeting of the Committee of the Whole to order at 9:12 a.m. and welcomed everyone to the Southern Utah University Campus. He excused Regents Burningham, Jardine, Jordan and Mantes.

Update on Legislative Special Sessions

Chair Karras referred to the material in Tab A and said System officials had originally feared an additional cut of 1.6 percent. However, on the Saturday preceding the Special Legislative Session, Governor Leavitt said there would be no more cuts to education. A compromise was reached between the Governor and Majority Leadership so that higher education ended up with a .56 percent cut. The College of Eastern Utah was held harmless and was asked to pay a corresponding amount toward their deficit. The tuition waivers issue was delayed. Chair Karras explained that "the hole had been plugged" with one-time money. He advised the Presidents to "batten down the hatches" for the problem with the economy is not over. He expressed the System's appreciation to the Governor and Legislature for their help in keeping the cuts to education as low as possible.

Commissioner Foxley referred to Replacement Tab A in the Regents' folders. The information in that replacement tab was presented to the Higher Education Appropriations Subcommittee co-chairs. With the cut going into this year, the unfunded enrollment growth, and the new cuts, we are still facing a challenge. The proper balance must be determined between the students' share of the cost of their education and the state's share. She noted that most other states are facing similar challenges.

Southern Utah University – Campus Master Plan

Vice President Stauffer presented SUU's Campus Master Plan. He reminded the Regents that an extensive revision had been presented to the Board when they were last on the SUU Campus. No changes have been made since that time. Vice President Stauffer expressed the appreciation of the entire SUU community for the beautiful campus which provides a stimulating learning environment for the students. Future plans are to keep the academic buildings close together, with the parking on the perimeter of the campus. He offered to respond to questions. **Regent Barrett moved approval of Southern Utah University's Campus Master Plan. The motion was seconded by Vice Chair Atkinson and carried unanimously.**

President Bennion expressed his delight to have the Regents in Cedar City. He said SUU's new Provost, Abe Harraf, would be arriving on campus the following week. The University has also promoted two existing administrators to vice presidencies: Georgia Beth Thompson is Vice President for Student Services, and D. Mark Barton is Vice President for Advancement.

Amendments to Policy R851, *Guidelines for Retirement Programs*

Harden Eyring thanked Richard Hill, University Counsel at Weber State University, for working with TIAA-Cref and the Internal Revenue Service on the retirement issue. In consultation with these and other experts, Mr. Eyring learned that there is no legal requirement for a 55-year age limit; it is merely a guideline in Regent policy. A suggestion was made to remove that limitation. Since there is no good reason for retaining the age limit, the proposed amendments to policy R851 removed that guideline. Mr. Eyring pointed out that the IRS still restricts individuals who have not terminated their employment to be at least 59½ years old in order to opt for cashability. Clarification of this restriction was included in the proposed amendments to the policy. **Regent Atkin moved approval of the proposed amendments to policy R851. The motion was seconded by Regent Sinclair. Mr. Eyring said one institution had suggested substituting “withdrawal” for “cashability” in the policy. He asked that this change be included in the motion. Regents Atkin and Sinclair agreed, and the motion carried unanimously.**

Amendments to Policy R512, *Determination of Resident Status*

Commissioner Foxley said the Legislature had made no change to move the date of implementation (May 6) to “grandfather” those students already in the System who are working toward the establishment of residency for tuition purposes. Harden Eyring has been working with the residency officers at the institutions to change college and university policies so that they are consistent with the law. Commissioner Foxley referred to Replacement Tab D in the Regents’ folders and asked Mr. Eyring to explain the proposed amendments to the policy.

Mr. Eyring said the System has been dealing with a 12-month standard, which will change as a result of H.B. 331, enacted by the 2002 Legislature. He reviewed the adjustments needed to policy R512: (1) The policy has had two sections – one dealing with adults and one with minors. The policy was first approved when individuals gained majority at the age of 21. Now the age of majority is 18 so there is no need for two sections. (2) Legislation extended the time required for residency from 12 months to 24 months, or the completion of 60 semester credit hours (four semesters at 15 credit hours per semester). An alternative would be to demonstrate that a person moved to Utah for a purpose other than being a student. (3) The policy now puts less emphasis on the requirement for a student to physically remain in Utah during the process of completing the 60 credit hours. (4) Since 10 semester credit hours is a full load for graduate students, graduate credit hours count 1.5 times toward the 60-hour requirement, or a total of 40 credit hours of graduate-level course work. (5) The law makes explicit the relationships that indicate domicile, such as a Utah driver’s license, voter registration, etc. (6) The policy has been revised to clarify that someone who is absent from the state for specific purposes (military service, church mission, etc.) would not have to re-establish residency. (7) Credits earned by military personnel, their spouses and children can count toward the 60-hour requirement. Mr. Eyring said the plan is to develop a Residency Officers’ Handbook which would provide further interpretation of each of these issues.

President Romesburg said an individual had approached him recently to say that he could not attend UVSC as a resident under the new guidelines. President Romesburg said he was surprised that the

presumptive rule of 12 months had been changed to 24 months. The individual had moved to Utah for a job and was recently laid off. He will have been here for more than 12 months and he wants to go to school to better his employability. UVSC will prepare an appeal and treat this case as an exception. President Romesburg said these changes will impact many people. He asked if this was in keeping with the intent, and if the Regents really wanted to make this requirement. Commissioner Foxley responded that we do not want to penalize those people who moved to Utah for employment purposes when they need education or training for their employment. President Romesburg asked Commissioner Foxley to address this problem directly when working with residency officers at each campus. Mr. Eyring said this issue would be handled through the Residency Officers' Handbook.

Regent Grant asked about students who accumulate credit hours through the Internet before moving to Utah. Mr. Eyring said the policy specifies that the 60 hours of credit must be earned while living in Utah. Commissioner Foxley added that those students in Utah who take these 60 credit hours have other requirements, such as primary residency, driver's license, and voter registration. The out-of-state student is not doing these things to establish residency. **Regent Atkin moved approval of the proposed amendments to policy R512. Regent Barrett seconded the motion.**

Regent Johnson noted that sections 4.1.2 and 4.1.7 of the policy are not consistent regarding the documentation required to establish residency and asked why the policy was not consistent. Commissioner Foxley said § 4.1.7 was an old part of the policy. Mr. Eyring clarified that § 4.1.7 would be used in the appeals process for students in situations such as that described by President Romesburg. President Bennion said he had received calls from individuals who have worked in Utah for 18-20 months before losing their jobs. These people want to go to school in Utah. Some individuals have a financial plan and feel they have been "booted out." Without an implementation period and warning period, this is difficult for them. Regent Snow asked if it would be possible to reduce the credit hour requirement to 48. Mr. Eyring responded that the 60-hour requirement was required by legislation. **Vote was taken on the motion, which passed.**

Progress Report of the Health Benefits Committee

Regent Pitcher, who chairs the committee, referred to the Supplement to Tab E in the Regents' folders, which was previously faxed to the Regents and Presidents. The Supplement contained information from a 1989 study. Pages 3-4 of the report detailed the materials researched by the committee, and page 4 outlined their observations. Regent Pitcher briefly reviewed some of the observations. He noted that only two of the USHE institutions (University of Utah and Utah State University) require employee participation in the insurance premiums. The other seven require no contribution. Health studies to date have not included UCAT. The committee believes this should be done in the future. The committee also recommended including in the study workers compensation insurance, short- and long-term disability, and life insurance. Regent Pitcher said it was the committee's recommendation to move ahead on a request for proposal (RFP) for health benefits for FY2003-04. Included in the RFP should be standardized benefits for the institutions on a self-funded basis, and central administration. The committee did not recommend the inclusion of the University of Utah and Utah State University, as they are already in a self-funded arrangement and have received savings from those arrangements. The committee would like to work closely with the Presidents and their financial and human

resources executives in developing this program. They also felt strongly that the System should consider using best practices currently being used in the various institutions.

There also should be more emphasis on wellness programs. The committee suggested exploring the use of implementation of disease management programs such as those being used for diabetes and cardio-care. Another area which might be explored is that the size of the group (total number of employees and dependents) may be as high as ten to twelve thousand. The committee felt it may be possible to negotiate better terms with providers because of that size. The cost and use of prescription drugs will probably not improve. There will be steep increases in medical malpractice coverage which will filter back to the employer and employee. Also, general liability coverage has gone up four or five times and will continue to increase. Medicare and Medicaid reimbursements in this state have been cut back. Providers have to have a way to transfer these costs to the users. The cost for the construction of new health care facilities is another drastic expense. These costs will have to be absorbed. A national actuarial firm has projected dramatic HMO cost increases in 2003. This does not include traditional coverage.

Regent Sinclair agreed that it was a very serious situation, but we do have an opportunity for savings. Regent Grant said if the employees of the University of Utah and Utah State University were included in the RFP, the total participation rate could drive the costs down still more.

President Thomas asked if, in addition to participation on the part of the employee, the committee could consider the possibility of restructuring the plan design to include higher deductibles. This would result in more significant savings. Regent Pitcher agreed. Chair Karras noted that this would be included in the best practices. For example, the IHC plan for their own employees is a "best practices" system.

Vice Chair Atkinson said as the program is restructured, it would provide a good opportunity to build in some accountability on the part of the participants. She endorsed the idea of a greater focus on prevention. Participants in health plan groups who work on prevention with diet, exercise, group support programs, etc. are finding that these factors make a big difference in keeping premiums down because the overall cost of their health care is down.

Chair Karras said he would also like to include student health insurance in the committee's considerations, as well as early retirement. He said it was important to be aware of the cost of these issues and to curb some of the costs associated with early retirement. He asked Regent Pitcher to include this in the committee's study. He also asked Regent Hoggan to participate on the committee. A student asked that students be included in the discussion on student health insurance. Regent Snow suggested that faculty and staff also be included and asked to provide input on their needs.

President Cundiff said Salt Lake Community College plans to be self-insured by this time next year. The College covers all of the benefits for the employees without a co-pay. The general feeling is that this is a very unusual thing; however, salaries are 10 to 12 percent below average for community colleges, so the College has been able to use benefits as an incentive in recruiting new faculty, staff, and administrators. If employees are asked to contribute toward their insurance premiums, it will be problematic for faculty retention. Chair Karras said the Regents do not want the employees to feel that the Regents do not care or that they want to inflict pain on them. However, our health care costs are skyrocketing. We need to get these costs under

control and do a better job of managing these costs. He pledged to make this process as positive as possible for the employees so that they do not want to seek employment elsewhere.

Regent Sinclair called attention to an article in a recent issue of the *Harvard Business Review*. The article described a different approach to health care insurance: the employees receive the money that the employer would have spent on the insurance and then the employees make the choice.

Regent Atkin pointed out that there were substantial opportunities for efficiency gains in this program. He asked Regent Pitcher about the proposed RFP and benchmarking. He recommended that the benchmarking be done before an RFP is issued and asked if the committee would do that. Regent Pitcher said the committee would need help from consultants as well as consultation with institutional human resources representatives.

President Huddleston said the worst thing that could happen would be for our employees to pay increased premiums and increased deductibles with no salary increases. Most of our colleges are poor in salaries but rich in benefits. If we force our employees to pay a co-pay on their premiums and higher deductibles with no salary increases, we will lose employees. President Machen said when he came to Utah he was surprised to learn that most institutions had no employee participation in the area of health insurance.

Regent Atkin moved approval of the process and moving forward as quickly as possible. The motion was seconded by Regent Sinclair.

Chair Karras asked Regent Atkin to have the Compensation Committee look at total compensation in their future deliberations. President Romesburg encouraged the committee and the consultants to look at this on a System approach involving the institutions. The large schools will, in fact, be subsidizing the smaller schools. This should be approached as a System decision rather than how it will affect the individual institutions. Regent Grant asked if cafeteria plans could be included in the study. Vice Chair Atkinson said flexible reimbursement programs would be included in the best practices. President Bennion said standardization was vital. One concern shared by some of the Presidents is centralization and how that will affect institutions outside the Wasatch Front. President Cundiff asked the committee to move quickly. SLCC will be having discussions in December or January about next year's compensation.

Vote was taken on the motion, which carried unanimously.

Southern Utah University – Campus Master Plan

Chair Karras referred to Tab B and said there had been no changes since SUU's Campus Master Plan was last approved. **Regent Barrett moved approval of the SUU Master Plan. The motion was seconded by Vice Chair Atkinson and carried unanimously.**

Overview of 2002 Master Planning Effort

Commissioner Foxley referred to the Supplement to Tab F in the Regents' folders. The four Regents excused from this meeting happen to serve on the Missions and Roles Master Planning Task Force. That task force meeting will be rescheduled as soon as possible. Thus, the Regents and Presidents on the Missions and Roles Task Force have been asked to meet with one of the two other groups for the current discussion.

Two items which would provide a helpful background for discussion by all of the task forces were shown on the Supplement to Tab F. Commissioner Foxley asked that the presentations on Population and Student Enrollment Projections and the demonstration of AdviseUtah and UtahMentor be made before the group broke into meetings of the Funding and Student Success Task Forces.

Population and Student Enrollment Projections. Associate Commissioner Spencer distributed an enrollment report and noted an increase of eight percent in FTE and six percent in headcount for 2001-2002 over the previous year's enrollment figures. Figure 3 of the enrollment data showed enrollment growth over the past 20 years, which has doubled in headcount and increased significantly in FTE. Chair Karras asked about population projections. Dr. Spencer referred to Figure 1 which showed projections for 18- to 29-year-olds, and Figure 2 which projected population in Utahns aged 30 and older. He noted that the 20-year projections were made in 2000 and are now outdated. He will check current data before bringing this information back to the Board. Over the next 20 years, it is estimated that Utah will continue to have a 2½ to 4 percent increase in population, with some peaks. Future data will also be broken out by institution. Copies of last year's projections were available for the task force discussion. Chair Karras asked if the System could still anticipate a 27 percent increase for the next five years. Associate Commissioner Spencer said the percentage will go down slightly but the numbers should be the same. Other factors impact participation rates, such as the economy, tuition increases, less than full funding for enrollment growth, etc.

AdviseUtah. Assistant Commissioner Safman said the AdviseUtah web site (www.adviseutah.org) is fully up and running. It was done for \$40,000, considerably under the budgeted \$200,000 that was projected. Seven categories of users are featured, and each category has specific information for those particular users. The web site is rich with advising information. We are able to track how many people enter the site, not counting OCHE staff, as well as where the hits are coming from, which pages receive the most attention, etc. There are direct links to each of the institutions, including UCAT. The "Can I Go to College If...?" page is very useful for all categories of students and the various obstacles they might face. This has been incorporated into UtahMentor. Other helpful topics are career and job clusters and lower division preparation, which shows which lower division courses are transferable to a major. Dr. Safman pointed out that community college faculty must talk with university faculty about transfer and articulation issues and requirements. A majors meeting will be held in the fall to look at issues with general education, how those courses prepare students for entry into the majors, and which courses will transfer. Assistant Commissioner Fife has spent a great deal of time on the majors guide and putting it into a database. Regent Johnson asked if a student could see which credits would be accepted at other institutions. Dr. Safman said this information was available in the transfer guide. She noted that AdviseUtah will become part of UtahMentor in a year or so.

UtahMentor. Associate Commissioner Norris referred to the hand-out in the Regents' folders. He offered to set up the Student Success Task Force in the computer training room at the Gateway offices to give members a chance for a better look at UtahMentor (www.utahmentor.org). This site is maintained in close cooperation with Utah's public and private institutions. UtahMentor is focused primarily on secondary students

and their families. It helps them with researching various careers, understanding a campus, and learning what financial aid options are available. Online applications are available for both college admissions and financial aid. Coming this fall will be a free test preparation module. Also, a special module will be available for high school counselors to enable them to use UtahMentor as an online tool to counsel electronically with their students. Regent Johnson expressed his enthusiasm for both programs.

The Regents and Presidents met with their respective task forces beginning at 11:10 a.m. The Committee of the Whole reconvened at 1:55 p.m.

Report of the Chair

Chair Karras said he had intended to make some changes in Board committee assignments but had been unable to contact one of the key individuals. The intent is to better distribute the work to all of the Regents. Chair Karras said he appreciated the support he had received from the Executive Committee. He asked the Regents on the Presidents' Resource and Review Teams to be more involved with the institutions, in addition to performing the presidential reviews. He asked them to be aware of the impact of what is happening on the campuses and to report back to the Board. The Public Relations Committee will become more active, and trustees will become more involved in System issues. Chair Karras said we need more personal involvement with the legislature. The Public Relations Committee should handle the "disconnect" with some legislators. He asked Vice Chair Atkinson to chair a special committee on programs being discontinued and to coordinate with the institutions to make sure key programs are not eliminated. Other members of that committee will be Regents Jensen and Sinclair and Presidents Machen and Romesburg.

Commissioner Foxley said she would let the Regents and Presidents know the future meeting dates of the task forces. Everyone is invited to all of the meetings, regardless of where they are assigned. She told the student leaders that they were also invited to attend the discussions and that she had appreciated their excellent input today.

Reports of the Task Forces

Student Success. Chair Johnson said the objective of the Student Success Task Force was to identify the issues, and then rely on the institutions to develop the appropriate solutions. Four student leaders participated in the discussion, which he called "very intellectually stimulating." The group learned that some students do not go to college primarily to become educated. Some go to find a spouse or to get away from home for a year or two. He made the following observations: (1) Finding out what actually happens in the classroom is very important. The USHE General Education Committee (referred to as the "Educated Persons Group") will report at the next meeting of the task force. Assessment, teaching methods and techniques to educate a student are also vital. (2) Advising is key. Different advising and success measures are required for lower division students, upper-division students, and graduate students. He pledged to continue the work on AdviseUtah to ensure that every need is met. (3) Best practices should be documented. Good things are happening, and each institution will be asked to report on their best practices for student success. Students will determine their own success, but we will try to remove the institutional barriers. The next meeting of the Student Success Task Force will be on August 8 in the Gateway offices, beginning at 12:00 noon.

Funding. Chair Karras said the task force had endorsed the funding formula. The issue is how to implement it. The group will put together forecasts, look at internal efficiencies, discuss the right mix of adjunct and full-time faculty, etc. The students' share of tuition is approximately 25-30 percent, but is much higher at a few schools. The task force needs to look at the proper role of tuition and how much state revenue could be predicted. UCAT must be included as goals are differentiated. One idea was to look at peer institutions as different levels of funding are built. It is also important to "sort out" institutional missions and roles.

General Consent Calendar

Upon motion by Regent Hoggan and second by Regent Atkin, the following items were unanimously approved on the General Consent Calendar (Tab J). Regent Hoggan called attention to a \$35 million grant at Utah State University. President Hall said this was added to approximately \$136 million in grants. President Machen noted that the University of Utah had received approximately \$250 million in grants.

1. Minutes –
 - A. Minutes of the Regular Meeting of the Utah State Board of Regents held May 31, 2002, at Weber State University in Ogden, Utah
 - B. Minutes of the Special Meeting of the Utah State Board of Regents held July 2, 2002, at the Regents' Offices at The Gateway, Salt Lake City, Utah
2. Grant Proposals - Approval to submit the following proposals:
 - A. University of Utah – National Institutes of Health; "Comparative Functional Genomic of Homeostatic Control;" \$2,621,779. Jean-Marc Lalouel, Principal Investigator.
 - B. Utah State University – National Institute of Neurological Disorder and Stroke; "Slow Inactivation of Sodium Channels;" \$1,884,241. Peter C. Ruben, Principal Investigator.
 - C. Utah State University – National Aeronautics and Space Administration; "ORZS - Optimization of Root Zone Substrates for Reduced Gravity Experiment, Phase II;" \$1,226,647. Gail Bingham, Principal Investigator.
 - D. Utah State University – National Science Foundation; "Engineering, Math and Science Partnerships with Native Americans;" \$2,212,700. Sue Haupt, Principal Investigator.
 - E. Utah State University – Space Exploration Technologies, Inc.; "Space Exploration Technologies, Inc. - Elan Musk;" \$35,545,779. Pat Patterson, Principal Investigator.
3. Elimination of Policy R171, Postsecondary Proprietary School Act and Rules. In conformance with legislation passed in the 2002 Legislative Session transferring responsibility for postsecondary proprietary schools to the Department of Commerce, Division of Consumer Protection, there is no longer a need for this policy.

4. USHE – 2001-2002 Final Work Program Revisions
5. USHE – 2002-2003 Work Program Revisions
6. USHE – 2002-2003 Budget Implementation Reports
7. USHE – 2002-2003 Appropriated Operating Budgets
8. USHE – 2001-2002 Spring Semester and End-of-Year Enrollment Report
9. 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 September 12-13, 2002, at Utah State University, to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act

Adjournment

Chair Karras thanked President Bennion for the opportunity of meeting on the SUU Campus. The meeting was adjourned at 2:10 p.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved