

MINUTES OF MEETING  
UTAH STATE BOARD OF REGENTS  
SNOW COLLEGE, EPHRAIM, UTAH  
November 8, 2002

Regents Present

Nolan E. Karras, Chair  
Pamela J. Atkinson, Vice Chair  
Linnea S. Barney  
Daryl C. Barrett  
Kim R. Burningham  
L. Brent Hoggan  
James S. Jardine  
Michael R. Jensen  
Charles E. Johnson  
David J. Jordan  
E. George Mantes  
John B. Norman, Jr.  
Jed H. Pitcher  
Marlon O. Snow  
Maria Sweeten

Regents Excused

David J. Grant  
Sara V. Sinclair

Office of the Commissioner

Cecelia H. Foxley, Commissioner  
David Buhler, Associate Commissioner for Public Affairs  
Joyce Cottrell, Executive Secretary  
Linda Fife, Assistant Commissioner for Programs  
Brad Mortensen, Assistant Commissioner for Finance and Facilities  
Chalmers Gail Norris, Associate Commissioner for Student Financial Aid  
Phyllis C. Safman, Assistant Commissioner for Academic Affairs  
Mark H. Spencer, Associate Commissioner for Finance and Facilities  
Deanna D. Winn, Associate Commissioner for Academic Affairs  
Gary S. Wixom, Assistant Commissioner for Applied Technology Education and Special Projects

INSTITUTIONAL REPRESENTATIVES

University of Utah

David W. Pershing, Senior Vice President for Academic Affairs  
Paul T. Brinkman, Associate Vice President for Budget and Planning  
John G. Francis, Associate Vice President for Undergraduate Studies  
Michael G. Perez, Associate Vice President for Administrative Affairs  
Laura Snow, Special Assistant to the President  
Bill Edwards, Student Body President

Utah State University

Kermit L. Hall, President  
Stan Albrecht, Executive Vice President and Provost  
Richard W. Jacobs, Director, Budget Office

Jack Payne, Vice President for Extension

Weber State University

F. Ann Millner, President

Norman C. Tarbox, Jr., Vice President for Administrative Services

Southern Utah University

Steven D. Bennion, President

Abe Harraf, Provost

Dorian G. Page, Associate Vice President for Administrative and Financial Services

Gregory Stauffer, Vice President for Administrative and Financial Services

Snow College

Michael T. Benson, President

Larry Christensen, Vice President for Administrative Services

Diane Murphy-Martin, Education Advisor

Rick Wheeler, Interim Vice President for Academic Affairs

Dixie State College

Robert C. Huddleston, President

Max H. Rose, Vice President of Academics

Ben Joe Markland, Student Body President

College of Eastern Utah

Ryan L. Thomas, President

Utah Valley State College

Lucille T. Stoddard, Interim President

Bradley J. Cook, Vice President for Academic Affairs

Elaine E. Englehardt, Vice President for Scholarship and Outreach

Douglas E. Warner, Vice President for Finance and Human Resources

Ryan Vogel, Student Body President

Salt Lake Community College

H. Lynn Cundiff, President

Judd H. Morgan, Interim Vice President for Administrative Services

Melissa Christiansen, Student

Tony Dowse, Student

Jamie Judy, Student

Ryan Kemp, Student

Scott Stratton, Student

Utah College of Applied Technology

Gregory G. Fitch, President

Representatives of the Media

Brandy Lee, *WSU Signpost*  
Jake Parkinson, *University Daily Chronicle*  
Kirsten Stewart, *Salt Lake Tribune*  
Twila Van Leer, *Deseret News*

Others

Leonard Blackham, Utah State Senate  
Race Davies, Governor's Office of Planning and Budget  
Benjamin J. Fisher, Utah Student Association  
Boyd Garriott, Office of the Legislative Fiscal Analyst  
Debbie Headden, Office of the Legislative Fiscal Analyst  
Kelly Murdock, Wells Fargo Public Finance  
Kenneth G. Nye, Program Director, Capital Development, DFCM

Chair Karras called the meeting of the Committee of the Whole to order at 9:35 a.m. He welcomed President Millner to her first Board meeting as President of Weber State University and excused Regents Jensen and Sinclair. He announced that Regent Kim Burningham had been elected to receive the Carl Perkins Humanitarian Award. Chair Karras congratulated him and expressed the Board's appreciation to Regent Burningham for his service to higher education. Regent Jordan congratulated Regent Burningham on his recent re-election to the State Board of Education. Chair Karras thanked President Benson for the wonderful activities the previous day surrounding his investiture.

Preliminary Proposed Tuition Increases for 2003-2004

Commissioner Foxley referred to Agenda Tab A and said no action would be taken on tuition increases until the students had made their presentation. She said it is always difficult to think of taxing our students more; however, the Regents are charged to bring forward to the Legislature and the Governor their recommendation for revenue based on tuition. The Utah System of Higher Education went to a two-tiered tuition approach a few years ago. The first tier is a uniform, across-the-board increase for all institutions except UCAT. The second tier is from individual institutions after input and recommendations from their students. Commissioner Foxley reminded the Regents that the second-tier tuition monies stay with the individual institutions. Additional increases for special graduate programs are also institution-specific.

As everyone knows, the fiscal situation this year is very uncertain. Revenue projections indicate that we could be in the same situation as last year with the potential for additional budget cuts. The economy of the entire country has not rebounded as quickly as everyone hoped. With tuition increases comes an additional need for financial aid. In Utah we also look at availability of resources in Utah families, which are larger than the national average, with some having more than one family member attending college simultaneously.

In this meeting the Regents will be asked to set the parameters for the first-tier tuition increase. Commissioner Foxley asked the Presidents to share their plans for a second-tier increase. She said she had consulted with Assistant Attorney General Bill Evans to see if, in his opinion, the Board could go with a tight range throughout the Legislative Session and still be within the spirit of the "Truth in Tuition" legislation. He has indicated that he thought this would be acceptable. After revenues are known, the final decision will be made about tuition increases.

After a thorough discussion with the Council of Presidents, the Commissioner's recommendation was for a 4½ percent first-tier increase with one-half percent to go toward need-based financial aid at the institutions. A regional comparison done by the Western Interstate Commission on Higher Education (WICHE) showed that Utah's tuition is still at a reasonable level when compared with other western states, although community college tuition is still comparatively high. Institutional hearings will be held on the campuses prior to the January Board meeting. The Regents would like to be fair to the students who have already experienced tuition increases in the past several years and still be realistic about what is needed to keep our institutions open.

Regent Grant said he was not opposed to the action; however, he was troubled that some students were expected to help pay for others who could not afford it. He said tuition is not the place for financial aid. Commissioner Foxley pointed out that there were other places in the budget where financial aid is included; this is only a small piece and comes at the recommendation of the students, both last year and this year. If Utah had an adequately funded financial aid program, this would not be necessary. Every time tuition is increased, there are students who can no longer afford to pay tuition. Regent Jordan said he agreed with Regent Grant's sentiment but disagreed with burden shifting. Expecting students to pay for other students' education is a regressive tax. He expressed his appreciation to the students for their willingness to shoulder the responsibility which is not fairly theirs.

Regent Johnson said the issue of tuition had been discussed extensively with the Education Coalition. Many states were studied, revealing different policies. Utah has a low tuition and low financial aid policy in comparison with other states. The Coalition's discussion was about moving toward more financial aid. The university tuition levels are lower than average. The broad-based feeling from a public policy standpoint, and from a business standpoint, is that the more citizens we educate, the better off we all will be. This shift of burdens is a fair way of doing that. If we are going to continue to increase tuition dramatically, we should continue to increase financial aid availability.

Commissioner Foxley asked to hear from some of the student leaders. UVSC Student Body President and UCSP Vice President Ryan Vogel distributed a handout prepared by the Utah Student Association and read the following excerpt:

"The students of Utah are in strong opposition to the proposed tuition hike and the disconcerting trend of perpetual increases – making higher education in the state of Utah more unaffordable and inaccessible. The students request that 1% of any increase be allocated to financial aid to alleviate some of the problem with the disproportionate cost increase. The

students also request that caps be implemented for second-tier tuition to avoid unrealistically high one-year hikes that we have witnessed in the past couple of years.”

Ryan said the students were very concerned with multiple years of double-digit tuition increases during a time of recession. UCSP President Bill Edwards said students were concerned on all campuses. He enrolled at the University of Utah in Fall 1999 and is now paying over \$500 more annually for his tuition. Students who live from paycheck to paycheck are having a difficult time making ends meet. If education is made unaffordable and inaccessible, it will hurt our economy. He pointed out that Utah’s tuition is comparable with other states in the region when factors unique to Utah are taken into consideration. Tuition in Utah has been known as being affordable and accessible. This is something in which we should take pride because it improves the quality of life in the state. Since 1992, financial aid has decreased dramatically. He called attention to a graph on the back of the students’ handout which demonstrated the dramatic trend away from affordability.

Ryan said if this were a one-year experience, students would not be opposed to the increase. However, over three years this could be a 50 percent increase altogether. Regent Jardine asked, “Are the students opposed to any increase in tuition?” Bill replied, “Yes.” Regent Atkin said the Regents agree in principle with the student’s concerns, but they are not always successful in receiving adequate funding. Education is funded partly from taxpayers and partly from students. If our institutions are not adequately funded by the Legislature, the Regents have to either ask for increased tuition from students, increase class sizes, cut classes or programs, or limit enrollment. He asked which of these options was preferable from the students’ standpoint. Bill said the students feel helpless as they realize that this trend toward larger tuition increases is going to continue.

Regent Snow remarked that the burden for student tuition is often borne by the parents. Vice Chair Atkinson said at a recent WSU Commencement, President Thompson had asked all graduates who were working to stand. Over 90 percent of the students stood. The majority of our students receive little, if any, help from their parents. They are working full-time and also taking a partial or full load of classes. Students have to choose between paying rent or paying tuition, and they get creative. Many do not have a choice, so they drop some classes and work longer hours. Students from moderate-income families are also experiencing a hardship.

Chair Karras asked the Regents if they felt the 4½ percent increase was reasonable. Regent Jardine said in order for the Regents how to evaluate a tuition increase, it would be helpful to know the amount or percentage the Presidents were considering for second-tier increases.

Regent Douangdara asked what would be the lowest percentage of increase the Regents would consider. Chair Karras said the assumption is that higher education will get a lower allocation from the Legislature. The Regents need to know how much tuition is necessary to help the institutions survive. To be fully funded, we would need \$97 million. A 4½ percent increase would be only about one percent of that amount.

Commissioner Foxley asked the Presidents what they were considering for their second-tier tuition increases. Their responses were:

Dixie: 3% plus \$35 fee increase for Banner conversion.  
WSU: 5-7%  
UVSC: 8-10% (WSU's increase plus 3%)  
SLCC: 2½-4% with ½% to go toward student financial aid  
UofU: 5-7%  
USU: 5-7%  
CEU: 1½-4%  
UCAT: 5¢ (to \$1.00 to \$1.05 per membership hour)  
SUU: 3½-7%  
Snow: 3-5% plus \$15 fee increase for Student Center conversion

Most of the Presidents indicated that their second-tier tuition increases would be going toward compensation or hiring additional faculty and staff. Regent Grant asked about UCAT. President Fitch said the tuition increase would only apply to adult learners, not to secondary students in the public school system.

Bill Edwards said he felt strongly about one percent of any tuition increase going to student financial aid. He asked if the students could receive any assurance that there will not be dramatic second-tier increases. The concern is that the ranges for second-tier tuition were in addition to the 4½ percent first-tuition already recommended. Commissioner Foxley said some institutions will be adding one-half percent in the second tier for financial aid purposes. Regent Jardine pointed out that the second-tier increases allow the student leaders to have dialogue about where the money will be going.

Regent Pitcher asked about the conversion to Banner software. Commissioner Foxley said the need had been identified to be paid from second-tier tuition by some institutions. The technology piece is included in the overall budget request to address some of the conversion. Chair Karras pointed out that the conversion will take several years.

**Regent Grant moved that the first-tier tuition be increased by 4 percent with nothing to go toward financial aid. The motion died for lack of a second. Regent Atkin moved the Commissioner's recommendation of a 4½ percent increase with one-half percent to go to student financial aid. The motion was seconded by Regent Pitcher.**

Regent Jardine said the students had a valid point about one percent of their tuition increase going toward student financial aid. Because of the differing levels of financial aid at the various institutions, he suggested that the Presidents be allowed to consider the additional one-half percent with their students. He also asked that the Regents make a long-term goal of making as much financial aid as possible available for the students' benefit. **Regent Douangdara moved to amend the motion to a 4½ percent increase with one percent to go to student financial aid. The motion died for lack of a second.**

Regent Jordan said he was opposed to the motion and suggested a first-tier tuition increase of 3½ percent with one-half percent for financial aid and any additional increases to come from second-tier tuition. Regent Douangdara said the students would agree with this suggestion. Regent Johnson said the Regents

have a responsibility to set tuition, and they need to fulfill their statutory responsibility. The second-tier increases will remain at the institutions.

Commissioner Foxley said that the first-tier tuition increase last year was 3½ percent, with one-half percent going to financial aid. Had our funding formula been implemented, the multiplying factor would be 3 percent. Also, tuition increases now include a compensation piece. This year, with a more uncertain economic environment and unfunded growth, the first-year tuition increase should not be less than last year's increase. There are increased costs which must be paid. We have already made budget cuts and may have to make additional cuts. We now expect the state to do their part in helping to fund these programs and these students.

Vice Chair Atkinson said more student aid will be needed. Many generous individuals donate money for individual students. Knowing how our costs are increasing and our emphasis on quality, we have to have the money to maintain quality. She reminded the Regents that 25 percent of the tuition increase goes toward salary increases for faculty and staff. The Presidents know the students' situation and are very creative in stretching their revenues. She suggested asking individuals who can afford to help to donate more money to our campuses. The ramification of insufficient funding is that quality will be affected.

**A motion to close debate was made and carried. Vote was taken on the motion to approve a 4½ percent first-tier tuition increase with one-half percent to go toward student financial aid. The motion carried with four opposing votes.**

Regent Jardine asked for a report on financial aid at each of the institutions at the end of the second-tier process.

#### 2003 USHE Priorities and Renaming of Board Committees

Chair Karras quoted Stephen R. Covey who said that 80 percent of value added in this economy is knowledge-based. He said we need a rallying cry to our citizens about the importance of higher education. He referred to the handout entitled "Higher Education Matters." Vice Chair Atkinson referred to Tab B and said it had come to the point where the areas of Formula Funding, Student Success/Quality/Accountability, and Institutional Roles and Missions were requiring involvement from the Board committees. The Executive Committee decided it made sense to rename the committees and to fold into them the work of the three major task forces. These issues will also become key responsibilities and priorities within the committees. The Funding Task Force will be incorporated into the Finance and Facilities Committee, which will be renamed the Finance, Facilities and Accountability Committee. The Institutional Missions and Roles Task Force and Student Success Task Force will be included in the other committee, which will be renamed the Academic, Applied Technology, and Student Success Committee.

Vice Chair Atkinson said the committee titles would be taken seriously. The committee work will reflect the renamed titles. Both committees will have more accountability, and this will prioritize the work of the Board more accurately. **Regent Atkin moved that the committees be renamed as described by Vice Chair Atkinson. The motion was seconded by Regent Grant and carried unanimously.**

Commissioner Foxley said the priorities shown on the handout are the priorities represented in the Regents' budget request. She referred to the first paragraph under "Background" in the Commissioner's cover letter to Replacement Tab C: "Statute requires Regents to weigh three factors in adopting a budget request: (1) the need for additional higher education funding in the state, (2) equitable distribution of funding among institutions, and (3) the financial ability of the state to pay for such services." Unfunded enrollment and this year's growth, if put into the formula, would be for \$93 million. The COP discussed this issue and recommended funding 60 percent of the formula. Unfortunately, we cannot afford to fully fund our institutions. Funding them at 60 percent would cost \$71 million, a 12.7 percent increase. This includes the compensation component.

Commissioner Foxley referred to Table 2a under Replacement Tab C which showed the distribution of the formula. The allocation would be distributed with 40.8 percent to fund new student growth, 36 percent to fund existing enrollment (with a 4 percent tuition increase), 5.2 percent for public service, research, and other non-instruction programs, and 18 percent for system core support. The Commissioner then referred to Table 1, Financing Calculation Summary, which showed a net total of \$54 million. Table 4 showed those items commonly referred to as "below the line," which included ongoing base adjustments or mandated costs not included in the formula. Those costs total \$71 million.

The Commissioner referred to the information in the folders on the nursing shortage and the nursing initiative. The nursing shortage is national and is particularly severe in Utah. Talented students cannot get into our nursing programs because of lack of funding to hire adequate faculty. The technology portion includes some funding for the Banner software conversion and other technology needs.

Regent Johnson stressed the critical need to have Regent involvement in the funding process. This involves accountability of the Regents.

Regent Barrett asked how the priorities were set. Commissioner Foxley said the budget priorities were major issues by institution which were presented at the last Board meeting. They are common areas where the institutions need funding. The Presidents looked at all of the needs and determined which were most pressing.

Commissioner Foxley referred to Table 5 which showed the dollar allocation based on the formula. Pages 7-25 showed the institutional allocations. Chair Karras said the question was what percentage should be applied to the budget. Regent Jordan asked if we were likely to get more money if the percentage of funding enrollment growth was increased and the money allocated to salary increases was decreased. We are trying to indicate a system concern, which is that we are concerned about all students, not just new students, and balancing existing students with new students. Our message should be consistent that we think that both groups of students are important. Chair Karras noted we were experiencing historic growth. The Regents need to stand behind the formula and fund all enrollments. The rest of our costs continue to increase.

Commissioner Foxley explained the 4 percent multiplier in student support: If there is a compensation increase, one-fourth of it must be paid from student tuition. If there is no compensation increase, the money is still needed to fund ongoing programs and students. President Stoddard said UVSC supports the funding



formula although the College is experiencing a very rapid enrollment growth. In fact, UVSC will be damaged with this formula. Chair Karras said the money needs to be allocated by the Regents for needs which aren't getting funded through the Legislature. Until we know the revenue projections, we will not know how much money we might receive. We will be competing with Medicaid, the Capital restoration and other important projects.

Regent Johnson pointed out that the Regents' statutory responsibility is to show the Legislature what is needed in view of the expected resources of the state. The Board is trying to fulfill its statutory responsibility of maintaining balance. Regent Barrett said when the Regents are asking the students to pay more, they need to also ask the state to share in that burden of paying for higher education. Chair Karras agreed that the Regents need to make it very clear that it is not fair to raise tuition by 4 percent if the state decreases higher education funding.

Vice Chair Atkinson said a variety of groups had looked at alternative revenue sources. Some suggestions were very creative without increasing personal income taxes. She emphasized the importance of the nursing initiative, which was acute a couple of years ago; now it is critical. It is higher education's role to educate nurses. In a number of states the Legislature has come up with nursing initiatives and funding for nursing scholarships. Reports coming from hospitals which are short of nurses show more complications and poorer outcomes of treatments because of the lack of nurses. She encouraged the Regents and Presidents to consider alternative revenues.

**Regent Mantes moved approval of the budget proposal as presented. The motion was seconded by Regents Jordan and Sweeten. Chair Karras noted that the Regents would be approving \$9.7 million under Category IV, Core Support - USHE Issues, with the Board revisiting the categories in concept. Regent Mantes accepted this as part of the motion. The motion carried.**

Regent Jordan asked if the material in the students' handout could be incorporated into the "Higher Education Matters" discussion paper. Regent Atkinson asked that the Executive Summary of "Slamming Shut the Doors to College" be sent to the Regents. Commissioner Foxley said the Regents cannot tell the Legislature where additional funds should be raised. However, we need to get a message to our partners in the Legislature and the Governor that additional revenues should be raised. Regent Johnson moved that a message be conveyed from the Regents that funding for higher education is inadequate, that additional resources and/or reprioritizing of resources within the state budget are needed. The motion was seconded by Regents Barrett and Atkin. The motion carried.

The Committee of the Whole recessed to Board committees at 11:15 a.m.

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

Following the meetings of Board committees, Chair Karras recognized Joe Jenkins, Director of the State Department of Facilities Construction and Management (DFCM) and welcomed him to the luncheon meeting. Mr. Jenkins noted that there is great need for building maintenance in Utah, including higher

education facilities. The state has a statutory requirement that 1.1 percent of the replacement value of facilities be put into AR&I funding for capital improvements. In last year's budget, that figure was cut to .9 percent, and the same thing may be done this year. This amounts to \$10.5 million in lost allocation for facilities. Private institutions provide for more than double that amount for deferred maintenance. Our state facilities are rapidly falling behind.

DFCM has implemented the use of "Facility Focus," software which all state agencies, including higher education, have been asked to use. This will provide a database of every state-owned facility and operating system in a central location. DFCM staff hopes to have every state facility on this program in the next two or three years. In determining the Computerized Maintenance Management System (CMMS) implementation, DFCM staff developed a schedule to test the system on a few of the institutions to make sure the system was workable before implementing it with all facilities. Vice Chair Atkinson asked how those priorities were determined. Mr. Beers said the Alcohol Beverage Control (ABC) had turned the delegation of maintaining their buildings over to DFCM. All of the facilities managed by DFCM are currently online, including the ABC facilities. The smaller higher education institutions were chosen first. It will be necessary to increase the DFCM staff to bring all of the higher education facilities online. DFCM is not demanding that the institutions use the Facility Focus software; there are other good software programs, and some of the institutions already have them. DFCM has bought the license for the entire state so it is free to all state institutions.

Kent Beers and Jeff Reddoor presented a slide show presentation on the condition assessment program (Tab Q). They discussed the Facilities Condition Needs Index (FCNI), which showed the repairs needed for a building as a percentage of replacement cost. Scores of USHE facilities were shown at the bottom of page 4. When a facility has an FCNI score of 150 percent, it becomes more cost effective to demolish and replace the building than to repair it.

Mr. Jenkins said immediate needs for higher education facilities total \$135 million. The total AR&I allocation for the entire state is \$40 million. A message must be conveyed to the Legislature and others that O&M and AR&I must be funded or we will continue to get further and further behind, and the costs to the state will be considerably more in the future. Putting more money into capital improvements will save money in the long run. However, when buildings do not meet health safety and welfare standards, they should be replaced.

Chair Karras asked what the next step should be. Mr. Jenkins said DFCM cannot carry this burden alone. The Regents need to decide on the most important needs for higher education. The Legislature tends to look at short-term needs rather than long-term needs. This must be corrected. Two years ago the Building Board indicated we would not build any new facilities until we start taking care of our existing buildings. We are now building new facilities again. Sixty percent of the state's facilities budget is for higher education buildings.

Commissioner Foxley expressed her appreciation for the support of DFCM and the State Building Board when AR&I issues have come before the Legislature. Unfortunately, this competes with other needs for funding. Chair Karras said it is illogical to keep building new facilities rather than maintaining our existing facilities simply because it is easier to get funding for a new building than to get maintenance funding for existing buildings. Regent Jardine asked if other states were in similar circumstances. Mr. Jenkins said every state is in the same situation of human needs competing with building needs for state resources. Regent

Mantes asked what percentage is added to the funding of new buildings and set aside for O&M. Mr. Jenkins said that is not done any more. That amount is determined by the Capital Facilities Appropriations Subcommittee.

Chair Karras expressed his appreciation to Mr. Jenkins and the DFCM staff for their hard work and advocacy of higher education. He thanked Brian Plumb, Food Services Manager, for the excellent catering during the two days and expressed his appreciation to Marci Larsen for her hard work in coordinating the presidential inauguration and Board meeting.

#### Report of the Chair

Chair Karras said the "Higher Education Matters" document was the first effort for a talking paper where Regents, Presidents and Trustees would deliver a consistent message. He welcomed input, saying we cannot ignore education. Students who come up through the public education system need to be well educated and well prepared for higher education or vocational training. The economic engine of the state is knowledge-based. We need to do a better job of talking about the impacts of education. There is an obvious correlation between education and income. Although our freshman classes may be smaller, our overall enrollments are up because people are coming back for more education and training.

Chair Karras said accountability is a big issue. He emphasized the mission of UVSC, for example. We need to be increasingly accountable and vigilant in maintaining our institutional missions and avoid duplication. We cannot afford educational creep. Regarding a funding formula, Chair Karras said we were better off to have control of higher education in the hands of the Regents than to try to have it individually legislated and have only partial control. He welcomed input on putting this information in the best format as a talking paper. The Public Affairs Committee will help present our message to the Legislature and the general public.

#### Report of the Commissioner

Commissioner Foxley referred to the information in the Regents' folders. The Measuring Up 2002 report came out after the September Board meeting. The Commissioner referred to the Utah Report Card. The high grade for preparation reflects well on public education. The footnote on page 56 to allow for students going on two-year missions was put on the Completion section but not in the Participation section. Affordability has remained about the same in Utah, but other states have improved, causing Utah's grade to drop. We need to do a better job on completion. An average first-time full-time student in Utah completes a bachelor's degree in six years. The Student Success Task Force has been looking at the reasons we are not retaining students more effectively. Why are our completion rates not higher? The Task Force recommended that the nationally known consulting firm of Noel-Levitz be contacted. Drs. Lee Noel and Lana Low have agreed to come to Utah in early January to do an assessment for the System as a whole.

The Commissioner reviewed the other items in the folders. She reminded the Regents and Presidents of Weber's Winter Commencement on December 13 at 2:00 p.m. Former President Paul Thompson will be given an honorary doctorate and will be the commencement speaker. He will be returning to a teaching role next fall. Commissioner Foxley asked the Regents who planned to attend that ceremony to let President Millner know.

### Reports of Board Committees

#### Academic, Applied Technology and Student Success Committee

Policy R401, Approval of New Programs, Program Additions, or Program Changes (Tab D). Chair Jardine said the emphasis in the policy was on the two-year follow-up of all approved programs. The policy has been completely rewritten and was presented to the Regents as an information item in the September meeting. Major changes to the policy were shown on the Commissioner's cover letter. He clarified that independent consultants can be retained if deemed necessary by the committee or the Board. The committee thoroughly reviewed the proposed policy and recommended its approval with the following changes: (1) clarification of language regarding a decision to hire external reviewers/consultants, (2) addition of language regarding an institution's faculty preparedness to disseminate the proposed programs, and (3) minor editing changes. **Chair Jardine moved approval of policy R401, including the above changes. The motion was seconded by Vice Chair Atkinson and carried unanimously.**

Proposed Policy R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles (Tab E). Chair Jardine said after thorough discussion, the committee recommended that the Commissioner's recommendation be amended to add "as a discussion draft" after "...and give preliminary approval." The committee also recommended changing Section 312.7 to "Community Colleges: Type IV." Chair Jardine asked the Presidents for their comments by January 7 so they could be incorporated into the agenda material for the January 17 Board meeting. **Chair Jardine moved approval of policy R312 as a preliminary discussion draft. The motion was seconded by Regent Barrett.** President Benson requested clarification: Should the Presidents discuss their mission roles with their trustees and come back with comments or concerns by January 7? Chair Jardine said there was general agreement in the committee that the deadline was not as important as "getting it right." Also, each institution has been asked to submit its mission statement, either its current mission statement or its proposed mission statement. Regent Snow agreed that it was important that the Boards of Trustees be in agreement with the institutional roles and missions. Chair Karras reminded the Presidents of the need to avoid unnecessary duplication. **Vote was taken on the motion to approve the discussion draft, which carried unanimously.**

Exceptions to the Moratorium on New Programs (Tab F). Chair Jardine explained that a third category, Urgent Need, had been proposed to give the institutions more flexibility. To have program proposals considered under this category, they must also address Category I, Demonstrate Cost Savings and Efficiencies. **Chair Jardine moved approval of Category III to the reviewing exceptions to the moratorium on new programs. The motion was seconded by Regent Atkin and carried unanimously.**

Information Calendar, Academic, Applied Technology and Student Success Committee (Tab G). The only item on the Information Calendar was UVSC's proposed name change of the Department of Philosophy and Humanities. Chair Jardine said the committee had requested that proposed name changes be listed in the Information Calendar as succinctly as possible.

Consent Calendar, Academic, Applied Technology and Student Success Committee (Tab H). Chair Jardine said UVSC was proposing to break out its Culinary Arts Institute into a separate unit because it would simplify the accreditation process. He moved approval of that request. The motion was seconded by Regents Atkin and Snow and carried unanimously.

#### Finance, Facilities and Accountability Committee

Snow College - Campus Master Plan (Tab I). Chair Pitcher said the Performing Arts Building on the Ephraim Campus and the Multi-events Center in Richfield were currently under construction. The College also has plans for a football stadium. **Regent Grant moved approval of the Snow College Campus Master Plan. The motion was seconded by Chair Pitcher and carried.**

Southern Utah University - Revenue Bond for Student Housing (Tab J). Chair Pitcher noted that the summary of financing for this bond was shown on Attachment 1. The principal of the bond is not to exceed \$12 million, including up to \$10 million for on-campus student housing. Bond counsel is Ballard Spahr, and Wells Fargo will underwrite the bonds. Since the bonds will likely be sold after January 1, they are identified as Series 2003 bonds. The transaction has been approved by the SUU Board of Trustees. **Chair Pitcher moved adoption of the authorizing resolution for the revenue bonds, with the understanding that final pricing, structuring and execution of the bonds will be performed by the Chair or Vice Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee. The motion was seconded by Regent Snow and adopted by the following vote:**

YEA: Jerry C. Atkin  
Pamela J. Atkinson  
Daryl C. Barrett  
Khay Douangdara  
David J. Grant  
L. Brent Hoggan  
James S. Jardine  
Charles E. Johnson  
David J. Jordan  
Nolan E. Karras  
E. George Mantes  
Jed H. Pitcher  
Marlon O. Snow  
Maria Sweeten

NAY: (None)

Snow College - Revenue Bond for Multi-Events Center at the Richfield Campus (Tab K). Chair Pitcher said the committee had enjoyed a lively discussion on this agenda item. The \$2.5 million project will be built with funds from the school district, city, county, and private donations. Associate Commissioner Spencer referred to it as a "project by committee" and said an agreement is in place about who is going to maintain the facility. Snow College will have this responsibility, but they do not have adequate O&M funding. Of the \$500,000 needed, \$167,000 is in place. Operating revenues may or may not be sufficient to pay the O&M funding, and President Benson will look at alternative solutions. The committee had spoken at length about this ongoing challenge. President Benson said he would be meeting with the County Commission the following Monday. Snow College's obligation is \$2.5 million; however, other entities are claiming pieces of this building, and Snow's piece is very small. The building is 90 percent complete and has been many years in the making. Chair Karras said the Board needed to approve the bond but had indicated their concern. He noted that DFCM had not been involved in the building. There will be more discussions about the facility later. He asked the Board not to tie President Benson's hands. **Chair Pitcher moved approval of the bond. The motion was seconded by Regent Hoggan and carried with the following vote:**

YEA: Jerry C. Atkin  
Pamela J. Atkinson  
Daryl C. Barrett  
Khay Douangdara  
David J. Grant  
L. Brent Hoggan  
James S. Jardine  
Charles E. Johnson  
David J. Jordan  
Nolan E. Karras  
E. George Mantes  
Jed H. Pitcher  
Marlon O. Snow  
Maria Sweeten

NAY: (None)

Tuition for UCAT AAT Degree Students in General Education Courses and Proposed Revisions to Policy R510, Tuition and Fees (Tab L). Chair Pitcher said there was agreement on the \$65 per credit hour fee for UCAT students, based on an average credit for tuition. There was also agreement for one uniform fee for all nine institutions. Vice Chair Atkinson asked if arrangements would be made for low-income students to receive financial aid for these fees. **Chair Pitcher moved approval of a uniform, per-credit-hour tuition rate of \$65 for UCAT AAT Degree students taking general education courses at other USHE institutions and a one-time application fee of \$30. The motion was seconded by Regent Snow. The motion carried, which included approval of the revisions to policy R510.**

State Building Board Capital Development Recommendations (Tab M). Chair Pitcher referred to Attachment 1, which compared the Regents' priorities with the State Building Board priorities. The item was for information only and required no action.

Fall 2002-2003 Enrollment Report (Tab N). Chair Pitcher noted that enrollment in USHE institutions had increased by 3.6 percent over last year. Enrollment is close to the 20-year average. Five institutions experienced growth this fall and four did not. Growth was primarily in the urban Wasatch Front institutions and at Dixie State College.

UHEAA Board of Directors Report (Tab O). Chair Pitcher said Associate Commissioner Norris had presented a comprehensive report to the committee. He encouraged all of the Regents to read the report, which was presented for information only. Mr. Norris said approximately half of our students need assistance to get through college.

Consent Calendar, Finance, Facilities and Accountability Committee (Tab P). On motion by Chair Pitcher and second by Regent Atkin, the following items were approved on the committee's consent calendar:

1. OCHE Monthly Investment Report
2. UofU and USU Capital Facilities Delegation Reports
3. UofU - Property to be Liquidated

Chair Pitcher said the committee had reviewed its "to do list" which included health care, early retirement, capital facilities, and standardization. He said it was a great committee, which was up to the challenge of meeting these commitments.

#### General Consent Calendar

Regent Hoggan pointed out the \$40 million grant to USU's General Propulsion Laboratories and the \$15 million and \$11 million grants for the University of Utah. **Regent Hoggan moved approval of the General Consent Calendar, with commendation to the institutions. The motion was seconded by Regent Grant and carried unanimously.** The following items were approved on the General Consent Calendar:

1. Minutes – Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held September 12-13, 2002, at Utah State University in Logan, Utah (Attachment 1)
2. Grant Proposals - Approval to submit the following proposals:
  - A. University of Utah – Public Health Service; “Enhanced Surveillance for Newly Vaccine Preventable Disease;” \$3,049,693. Carrie L. Byington, Principal Investigator.

- B. University of Utah – Huntsman Foundation; “Huntsman Cancer Institute, Cost Reimbursable;” \$15,000,000. Stephen M. Prescott, Principal Investigator.
- C. University of Utah – National Institutes of Health; “Surveillance, Epidemiology and End Results (Seer) Program;” \$11,296,573. Charles L. Wiggins, Principal Investigator.
- D. University of Utah – National Science Foundation; “Advance: Institutional Transformation Award at the University of Utah;” \$3,187,421. JoAnn Lighty, Principal Investigator.
- E. Utah State University – Department of Justice; “Youth and Families With Promise;” \$1,045,800. Thomas R. Lee, Principal Investigator.
- F. Utah State University – National Aeronautics & Space Administration (NASA); “Geostationary Imaging Fourier Transform Spectrometer (GIFTS);” \$5,000,000. Gail Bingham, Principal Investigator.
- G. Utah State University – Missile Defense Agency; “Ramos Joint Preliminary Design Review Task Plan 6” (awarded 8/16/02); \$1,000,000. Thomas Humpherys, Principal Investigator.
- H. Utah State University – Missile Defense Agency; “Ramos Joint Preliminary Design Review Task Plan 6” (awarded 8/30/02); \$1,000,000. Thomas Humpherys, Principal Investigator.
- I. Utah State University – Whatcom County; “Phase III Technical Studies for WRIA 1 Watershed Management Project;” \$2,160,061. Thomas Hardy, Principal Investigator.
- J. Utah State University – US Navy; “Time Critical Sensor Image/Data Processing Task Order #3;” \$1,196,039. Niel S. Holt, Principal Investigator.
- K. Utah State University – US Navy; “Response to Time Critical Sensor Image/Data Processing Task;” \$1,998,934. Niel S. Holt, Principal Investigator.
- L. Utah State University – National Science Foundation; “Building Evaluation Capacity of Stem Projects;” \$1,500,001. Blaine Worthen, Principal Investigator.
- M. Utah State University – The William and Flora Hewlett Foundation; “Three-Track Engineering;” \$1,249,962. Randy Haupt, Principal Investigator.
- N. Utah State University – Jet Propulsion Laboratory; “The Next Generation Sky Survey (HGSS);” \$39,561,976. Scott Schick, Principal Investigator.
- O. Utah State University – National Science Foundation; “ADVANCE-US: Applying a Successful Business Model to a University;” \$2,998,953. Ronda Callister, Principal Investigator.



- P. Utah State University – Lockheed Martin; “TIS Sustainment;” \$1,049,715. Niel Holt, Principal Investigator.
  - Q. Utah State University – National Science Foundation; “IGERT: USU Integrated Program in High Performance Computing;” \$1,162,573. Robert Spall, Principal Investigator.
  - R. Utah State University – National Science Foundation; “IGERT: Water as Thematic and Engaging Rational for Integrative Graduate Education and Research Traineeship Program;” \$3,523,673. David Tarboton, Principal Investigator.
3. Proposed Policy R254, Secure Area Hearing Rooms. It is proposed that this policy be approved to implement the provisions of SB 64, *Secure Facilities Amendments*, as enacted by the 2002 Legislature. It authorizes a USHE institution to establish a secure area to protect a hearing room, provides guidelines for such secure areas, and lists criminal and institutional sanctions available to enforce compliance with the secure areas. (Attachment 2)
  4. Proposed Revisions to Policy R341, Computing Systems Programs. It is proposed that this policy be revised to reflect current practice in statewide planning, coordination, and cooperation to share and optimize computing resources and expertise in the Utah System of Higher Education. (Attachment 3)
  5. Proposed Revisions to Policy R513, Tuition Waivers and Reductions. It is proposed that Policy R513 be amended to exempt certain students, except specifically defined non-immigrant aliens under federal law, from paying the non-resident portion of total tuition if they meet specified requirements and have attended a Utah high school for three or more years and received a high school diploma or its equivalent in this state. (Attachment 4) The passage of Utah HB 144 permits institutions to charge resident tuition for these students, which is a valid benefit allowed under federal law according to a recent opinion of the Utah Attorney General’s Office
  6. Executive Session(s) — Approval to hold an executive session or sessions prior to or in connection with the meetings of the State Board of Regents to be held January 17, 2003, at the University of Utah, to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

#### Utah College of Applied Technology - First Annual Report

Chair Karras said he was impressed continually that the Board had made the right decision to appoint Greg Fitch as the first President of the Utah College of Applied Technology. He invited Senator Blackham, who sponsored the bill which created UCAT, to comment.

Senator Blackham said the Legislature should support funding for what we have. If public education does not do its job, the budget pressure will be so high on the colleges that it will be impossible to fund. Vice Chair Atkinson said she serves on the ad hoc curriculum committee of the State Board of Education. That

committee is looking at changing graduation requirements to include more English, mathematics and sciences, and to require not so much seat time as competency. They are also looking at more students taking math, science and English in the 11th and 12th grades. The third change the committee is considering is making the senior year more meaningful to high school students. Senator Blackham said he expected a bill in the 2003 Legislative Session to charge the high schools for the cost of remedial education. The public, business community, and higher education want accountability from public education.

President Fitch said UCAT's Annual Report had been sent to the Legislative Education Interim Committee and to key legislators. He said he had received no direction for the format or presentation of the report. President Fitch reviewed the Table of Contents and briefly explained what was contained in each section of the report. He noted that Section III of the report was a response to the Legislative Commerce and Revenue Committee. Section IV was directed primarily to the Legislature. Section V contained recommendations based on current operations.

President Fitch pointed out that UCAT has ten member colleges with a budget of \$38.5 million. It has the largest student head count in the state, with 60,000 head count and 7700 FTE. Yet the College's administration is made up of only 2.33 individuals. He expressed his appreciation for the support from the Commissioner and her staff.

Chair Karras referred to a discussion among some of the ATCs that they want to get into the general education area. He emphasized that "this is not a turf war." The Regents' and Legislature's intent was not to start a system of ten junior colleges. President Fitch's response was an emphatic "Absolutely not." UCAT is the technical college of the state. Member colleges can offer general education courses on campuses through shared facilities, but those courses come through USHE institutions who grant the credits. Regent Grant asked if ten separate boards of trustees were needed. President Fitch said the Legislators had felt it very important to recognize in legislation each of the stakeholders in all of the appropriate areas. The majority of the 138 UCAT board members come from business and industry. Members of the UCAT Board of Trustees truly look at the institutions of the entire state.

President Fitch clarified that regional boards are not trustees; they are regional boards. However, in suggested revisions to the legislation, he will be asking that they be called Boards of Directors. Regent Jordan said he was concerned about calling them Boards of Directors. His suggestion was that it would make sense to ultimately evolve into a situation where there was only one governing board with the rest as advisory boards to the separate campuses. "Board of Directors" indicates governance responsibility. President Thomas, who serves on the Northwest Commission on Colleges, said the challenge was that the organizational structure is a piece of the accreditation review. One of UCAT's statutory obligations is to gain accreditation for UCAT.

President Fitch said the proposed changes to the legislation would be presented to the UCAT Board of Trustees on November 13. Regent Johnson said the Regents also have some responsibility over the legislation and suggested that the Board Executive Committee be authorized to review the proposed changes. The UCAT Board needs to understand that there is still one more review process. President Fitch noted the UCAT Board of Trustees answers to multiple groups. They have 60 percent responsibility to the State Board of Regents, 30 percent to the legislature (Commerce and Revenue Committee, State Building Board, etc.), 5 percent to the State Board of Education and 5 percent to business and industry.

President Fitch said he would forward to the Regents what is discussed in the November UCAT Board Meeting as well as alternative recommendations. He has been advised that for students to become eligible for financial aid under accreditation candidacy, these changes must be made. Some of the questions arising as a result of the accreditation process are (1) Who is in charge? and (2) Where is the main campus? Senator Blackham suggested getting key legislators together to discuss the proposed changes. He said he personally was agreeable to calling the governing boards Advisory Boards as long as the number and board make-up did not change. President Fitch responded that a key component to being recognized as a Board of Directors or Board of Trustees was local pride.

No changes were being proposed to the budgeting process of allocation. President Fitch said he had audited the entire UCAT system and cut several things which have occurred in the transition from public education to higher education. He called attention to the recommendations on pages 25-26 of the UCAT Annual Report. One recommendation was to develop a matrix for technical education. Assistant Commissioner Linda Fife and Mary Shumway from the State Office of Education have been working to determine what technical education is being provided in each area of the state. The matrix will identify all of the courses which are similar and where they are provided. An evaluation process will be developed to determine who is providing the best education. Dr. Fitch commented that Norm Bangerter, Chair of the UCAT Board of Trustees, had recently advised the regional presidents: "If someone else is doing it better than you are doing it, let them do it."

President Benson asked if a specialized version of Banner were available which UCAT could use. President Fitch said UCAT has a computer program which is being utilized by some of the ATCs. Open-entry, open-exit delivery provides unique challenges for programming. A complete analysis had been made of the needs of the entire state. Some of the audit responses highlight difficulties with the data collection issue.

Chair Karras asked about the accreditation issue of credit hours for Weber State University students. President Fitch said UCAT cannot give credit hours. Commissioner Foxley inquired about the possibility of having the Utah System of Higher Education or some of the other nine institutions grant the AAT Degrees. President Fitch said that would be a solution to the accreditation problem, but it will impact the institutions which would be granting the degrees and may put the other institutions at risk.

Chair Karras said we need to reassure the public that the skills the students receive work toward getting their degrees if they choose to do so. This should include competency-based training. He asked President Fitch to let the UCAT Board know that the Regents have much concern about the ATCs expanding their roles and recommended that this issue be pursued to its fruition. Regent Johnson commended President Fitch for making his position clear from the beginning.

Regent Jordan suggested that Senator Blackham, half a dozen key legislators, Chair Karras, President Fitch, Commissioner Foxley, Vice Chair Atkinson, and Regent Johnson meet to discuss this issue. Chair Karras said he and Chair Bangerter had already agreed to meet. Vice Chair Atkinson said it became very obvious in the last UCAT Board meeting that President Fitch needs a lot of support. It is time to bring everything under control so that we work closely with the legislators, get rid of the backbiting, and give President Fitch a chance to do what he was hired to do. Chair Karras again commended President Fitch on the excellent job he has done. President Fitch, in turn, acknowledged the help of Assistant Commissioners Linda Fife, Gary Wixom, Brad Mortensen, UCAT Secretary Sandie Kronenberg, and other individuals on the Commissioner's staff.

Adjournment

Chair Karras thanked President Benson for his hospitality. President Benson thanked Marci Larsen and everyone who worked with her to make the two days' activities successful.

The meeting adjourned at 3:10 pm.

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Joyce Cottrell CPS  
Executive Secretary

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Date Approved