

AGENDA

MEETING OF THE UTAH STATE BOARD OF REGENTS

May 30, 2003

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

AGENDA
STATE BOARD OF REGENTS MEETING
BOARD OF REGENTS' OFFICES, THE GATEWAY
60 SOUTH 400 WEST, SALT LAKE CITY, UTAH
May 30, 2003

9:00 a.m. - MEETINGS OF BOARD COMMITTEES
11:00 a.m.

Academic, Applied Technology, and Student Success Committee
Multipurpose Room (adjacent to Board Room)

ACTION:

- | | |
|---|-------|
| 1. Policy R312, <i>Configuration of the Utah System of Higher Education, and Institutional Missions and Roles</i> | Tab A |
| 2. Utah State University – Mission and Role Statement | Tab B |
| 3. Relationship of Policy R401, <i>Approval of New Program, Program Additions or Program Changes;</i>
Exceptions to the Moratorium on New Programs; and Guiding Principles for Program
Discontinuation and Personnel Reductions | Tab C |

DISCUSSION:

- | | |
|---|-------|
| 3. USHE Institutional Survey Regarding Noel-Levitz/Student Success Task Force Recommendations | Tab D |
|---|-------|

INFORMATION:

- | | |
|---|-------|
| 4. Information Calendar, Academic, Applied Technology and Student Success Committee | Tab E |
| A. Discontinued Program – Weber State University | |
| B. Name Changes | |
| i. University of Utah | |
| ii. Utah State University | |
| iii. Utah Valley State College | |
| iv. Salt Lake Community College | |
| 5. Consent Calendar, Academic, Applied Technology and Student Success Committee | Tab F |
| A. Southern Utah University – Restructuring of the Department of Teacher Education | |
| B. Utah Valley State College – Reconfiguration of the School of Learning Resources | |
| C. Salt Lake Community College – Digital Media Institute | |

Finance, Facilities and Accountability Committee
Board Room

ACTION:

- | | |
|--|-------|
| 1. USHE – Proposed Benchmark Target for Institutional Health Plans | Tab G |
| 2. USHE – Proposed Operation and Maintenance (O&M) Budget Request Calculation | Tab H |
| 3. USHE – Financial Controls, Auditing Practices and Proposed Replacement Policy R565, <i>Audit Committees</i> | Tab I |
| 4. Utah State University – Sale of Building and Lease of Property | Tab J |
| 5. Utah Valley State College – Proposed Purchase of Vineyard Elementary and Alpine Life/Learning Facility | Tab K |
| 6. Utah College of Applied Technology – Proposed Tuition Increase for 2003-2004 | Tab L |

INFORMATION:

- | | |
|---|-------|
| 7. USHE – 2003-2004 Final Capital Improvement Allocations | Tab M |
| 8. USHE – Administrative Efficiencies - Consolidation/Clustering of Some Functions | Tab N |
| 9. USHE – Proposed Review of Current Institutional Investment Practices & Status of Trustee Investment Committees | Tab O |
| 10. UHEAA – Board of Directors Report | Tab P |

CONSENT:

- | | |
|--|-------|
| 11. Consent Calendar, Finance, Facilities and Accountability Committee | Tab Q |
| A. USHE – Initial Work Programs | |
| B. USHE – 2003-2004 Tuition Rate for UCAT AAT Degree Students in General Education Courses | |
| C. USHE – Utah Electronic College (UEC) 2003-2004 Tuition Rates | |
| D. USHE – Proposed Amendment to Policy R513, <i>Tuition Waivers</i> (National Guard) | |
| E. OCHE – Monthly Investment Report | |
| F. UofU and USU – Capital Facilities Delegation Reports | |
| G. USHE – Proposed Amendments to Policy R710, <i>Capital Facilities</i> | |
| H. Utah State University – Proposed Sale of Property to UDOT | |
| I. Salt Lake Community College – Expansion of Leased Space of Sandy Center (Ratification) | |

11:00 a.m. -
12:30 p.m.

COMMITTEE OF THE WHOLE AND
REGULAR BUSINESS MEETING OF THE BOARD
Board Room

- | | |
|--|-------|
| 1. Engineering, Computer Science and Technology 2003-2004 Funding Recommendation from the Technology Initiative Advisory Board | Tab R |
| 2. Update on The Leonardo and the Utah Science Center | Tab S |
| 3. Report of the Chair | |
| 4. Report of the Commissioner | |
| 5. Reports of Board Committees | |
| Academic, Applied Technology & Student Success (Tabs A - F) | |
| Finance, Facilities, and Accountability (Tabs G - Q) | |
| 6. General Consent Calendar | Tab T |
| A. Minutes | |
| B. Grants | |
| C. Executive Session(s) | |

12:30 a.m. -
2:00 p.m.

RECOGNITION LUNCHEON
(By invitation)

2:00 p.m.

EXECUTIVE SESSION MEETING – STATE BOARD OF REGENTS
Board Room

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Projected times for the various meetings are estimates only. The Board Chair retains the right to take action on any item at any time. In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify ADA Coordinator, 60 South 400 West, Salt Lake City, UT 84180 (801-321-7124), at least three working days prior to the meeting. TDD # 801-321-7130.

MEMORANDUM

May 30, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: R312, Configuration of the Utah System of Higher Education, and
Institutional Missions and Roles

Issue

The Regents' 2002 Master Planning Task Force on Missions and Roles recommended the development of Policy R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles, to incorporate the changes that have occurred in the USHE since 1993. This document, which has since been renamed, has been shared with institutional Boards of Trustees, at a meeting of chairs and vice chairs of all institutional Boards of Trustees, and with the Council of Presidents.

Background

At the November 8, 2002 Board of Regents' meeting, proposed Policy R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles, was introduced. This is a new policy which replaces two previous policies: R311, Institutional Roles and Missions, and R313, Institutional Categories and Accompanying Criteria. It has now been renamed R312, Configuration of the Utah System of Higher Education, and Institutional Missions and Roles.

The purpose of this policy is to incorporate the changes that have occurred in USHE institutions and create a comprehensive, system-wide approach to the individual roles of the institutions that reflects what is in the best interest of Utah students and citizens. Policy R312 exhibits what is considered to be the appropriate roles and missions for each type of institution at this point in time and for the near future. However, as stated in the policy, every five years institutions will have an opportunity to have roles and mission statements reviewed to determine if state-wide needs have changed.

Between the November 8, 2002 and the January 17, 2003 Board meetings, input was received from several institutions. These revisions were discussed at the January Board meeting, but not all institutions had an opportunity to discuss the proposed policy with their Boards of Trustees. All Boards of Trustees have now revised the policy. On April 16, 2003 a meeting was held with the Trustee Chairs and Vice Chairs to further discuss Policy R312.

Changes that are included in the most recent draft of R312 include: a rewriting of the purpose statement, and additional language in sections of the policy dealing with accreditation and teaching load areas.

At the April 18, 2003 Board of Regents meeting, the Academic, Applied Technology and Student Success Committee approved moving policy R312 forward to the Committee of the Whole for approval at the May 30 Board meeting.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Board review Policy R312, Configuration of the Utah System of Higher Education, and Institutional Missions and Roles, and if they think all major issues/concerns have been addressed, approve the policy.

Cecelia H. Foxley, Commissioner

CHF/DDW
Attachment

DRAFT

05-13-03

R312, Configuration of the Utah System of Higher Education and Institutional Missions and Roles

R312-1. Purpose

To recognize the distinct and unique missions and roles of the institutions in the Utah System of Higher Education. To organize a system of colleges and universities to meet the educational needs of the citizens of the State of Utah, and to maintain system integrity by defining institutional categories.

The Regents will review institutional roles and missions every five years to ensure congruence with the economic and social conditions in the State of Utah.

R312-2. References

- 2.1. Utah Code §53B-6-101 (Master Plan for Higher Education)
- 2.2. Policy and Procedures R301, Master Plan Executive Summary
- 2.3. Policy and Procedures R310, System-wide Vision and Mission Statement
- 2.4. Policy and Procedures R315, Service Area Designation and Coordination Off-Campus Courses and Programs
- 2.5. Policy and Procedures R485, Faculty Workload Guidelines

R312-3. Definitions

3.1. **“Institutional Categories”** – categories of institutions have been adapted from the Carnegie Classification of Institutions of Higher Education:

<http://www.carnegiefoundation.org>.

3.2. **“Mission Statements”** – the general purposes and functions of various institutions.

3.3. **“Roles”** – the types and levels of educational programs and services assigned to and offered by the institutions.

3.4. **“Teaching Load”** – the institutional average teaching workload for full-time faculty at the various institutions.

R312-4. Doctoral/Research Universities : Type I.

(University of Utah, Utah State University)

4.1 Definition - Type I institutions offer a wide range of baccalaureate programs and are committed to graduate education through the doctorate. Doctorate granting institutions in this category generally award 50 or more doctoral degrees per year across at least 15 disciplines.

4.1.1. Mission - The institution's mission is to discover, create, and transmit knowledge through education and training programs at the undergraduate, graduate, and professional levels; through research and development; and through service and extension programs associated with a major teaching and research university. Emphasis is placed on teaching, research, and service. The institution contributes to the quality of life and economic development at the local, state, and national levels.

4.1.2. Land Grant Institution - Through its extension services, a land grant institution may offer associate degrees and fulfill a community college role in areas of need pursuant to Policy R-315.

4.2. Programs

4.2.1. Instructional Programs - Type I institutions offer baccalaureate programs, advanced professional training, graduate education of national significance and prominence at the master's and doctoral levels. Research, both independent of and complementary to the important teaching and service roles, is strongly emphasized.

4.2.2. Accreditation - Regional, specialized, and state accreditation is a goal for all programs for which this accreditation is available and appropriate for the institution's mission and role. Such accreditation should enhance the excellence of the program and education of the student.

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

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

4.3. Faculty

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

4.3.1.1. evidence of effective teaching;

4.3.1.2. research, scholarship, and creative contributions; and

4.3.1.3. service and extension activities.

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

4.3.3. Teaching Loads and Research Activities - Average teaching loads are expected to be lower than that of faculty in Type II and Type III institutions, reflecting necessary faculty involvement with research, scholarship, and creative contributions. Institutional teaching loads will average at least 18 credit hour equivalents each academic year.

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

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

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

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

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

R312-5. Master's Colleges and Universities: Type II.
(Weber State University, Southern Utah University)

5.1. Definition - Type II institutions typically offer a wide range of associate and baccalaureate programs, and are committed to graduate education through the master's degree. Master's granting institutions generally award 40 or more master's degrees per year across three or more disciplines. No course work or awards above the master's level are offered.

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

5.2. Programs

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

5.2.2. Accreditation - Regional, state, and specialized accreditation is a goal for programs for which such accreditation is available and appropriate for the institution's mission and role. Such accreditation should enhance the excellence of the program and education of the student.

5.2.3. Scholarly and Creative Efforts - Faculty scholarly and creative efforts that complement and support the teaching role, regional and community service, and economic development are expected.

5.2.4. Community College Function – Within the organization of the institution there is evidence that the community college function within the institutional mission is identifiable, supported through programs and services, and includes transfer education, applied technology education, customized training for employers, developmental education, and strong student services to support these primary components of the comprehensive community college mission. Oversight of and advocacy for this function are discrete components of position descriptions.

5.3. Faculty

5.3.1. Criteria for Selection, Retention, and Advancement - Faculty are selected, retained, and promoted primarily on the basis of evidence of effective teaching. Additional criteria include scholarly, professional and creative efforts, and service that complements the teaching role.

5.3.2. Educational Preparation - Regular full-time tenure track faculty will have earned or be working toward the appropriate terminal degrees for their field and

specialty. Faculty in applied technology or professional fields also will have practical, related work experience.

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

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

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

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

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

R312-6. Baccalaureate/Associate's Colleges: Type III (A and B)
(Utah Valley State College; Dixie State College of Utah)

6.1. Definition - Type III institutions are undergraduate colleges with a major emphasis on associate and baccalaureate programs. Certificate and training programs designed to meet employers' needs are also emphasized. No graduate level course work or awards above the baccalaureate level are offered.

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

6.A.1.1. Mission - The institution's mission is to transmit knowledge and skills through undergraduate programs at the associate and baccalaureate levels, including applied technology education programs. Certificate programs are offered. Emphasis is placed on teaching, scholarly, professional, and creative efforts complementary to the teaching role, and community service. The institution contributes to the quality of life and economic development at the local

and state levels. Student success is supported through developmental programs and services associated with a comprehensive community college.

6.A.2. Programs

6.A.2.1. Instructional programs - The institution offers certificates, diplomas, general education, associate degrees and awards in applied technology education, lower division major transfer programs, and baccalaureate degree programs, including those built upon strong associate degree programs. Specialized training programs designed to meet employers' needs are also provided. In addition, where need has been demonstrated and costs are not prohibitive, additional degree programs beyond the baccalaureate degree are offered on Type IIIA campuses by other USHE institutions through cooperative agreements or university centers.

6.A.2.2. Accreditation - Regional, state, and specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role. Such accreditation should enhance the excellence of the program and education of the student.

6.A.2.3. Community College Function – Within the organization of the institution there is evidence that the community college function within the institutional mission is identifiable, supported through programs and services, and includes transfer education, applied technology education, customized training for employers, developmental education and strong student services to support these primary components of the comprehensive community college mission. Oversight of and advocacy for this function are discrete components of position descriptions.

6.A.3. Faculty

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

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

6.A.3.3. Teaching Loads - Average teaching loads are higher than those of faculty in Type I and Type II institutions and somewhat lower than those of faculty in Type IIIB institutions. Institutional teaching loads will average at least 27 credit hour equivalents each academic year.

6.A.4. Student Admission - All incoming students are tested for course placement and advising purposes. Satisfactory completion of developmental or

prerequisite courses and work experience also may be factors. Lower-division courses are primarily open admission, while students must meet admissions' criteria for upper-division courses and programs.

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

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

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

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

6.B.2. Programs

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

6.B.2.2. Accreditation - Regional, state, and specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role. Such accreditation should enhance the excellence of the program and education of the student.

6.B.2.3. Community College Function – Within the organization of the institution there is evidence that the community college function within the institutional mission is identifiable, supported through programs and services,

and includes transfer education, applied technology education, customized training for employers, developmental education, and strong student services to support these primary components of the comprehensive community college mission. Oversight of and advocacy for this function are discrete components of position descriptions.

6.B.3. Faculty

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

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

6.B.3.3. Teaching Loads - Institutional teaching loads will average at least 30 credit hour equivalents each academic year for lower division instruction, and will average at least 27 credit hour equivalents each academic year for upper division instruction.

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

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

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

R312.7. Community /Associate's Colleges: Type IV

(Snow College, College of Eastern Utah, Salt Lake Community College)

7.1. Definition -Type IV institutions offer associate's degrees and certificate programs. No upper-division course work or awards above the associate's degree level are offered.

7.1.1. Mission - The institution's mission is that of a comprehensive community college, transmitting knowledge and skills through transfer education at the Associate of Arts and Associate of Science Degree level; applied technology education; customized training for employers; developmental education; and strong student services to support these functions. Transfer programs are intended to prepare graduates to begin upper-division work. Emphasis is placed on teaching, training, scholarly/professional/creative efforts, and community service. The institution contributes to the quality of life and economic development of the community and the state. Student success is supported through developmental programs and services associated with a comprehensive community college.

7.2. Programs

7.2.1. Instructional Programs - The institutions offer general education, certificates, diplomas, and Associate of Arts, Associate of Science, and Associate of Applied Science Degrees. Transfer programs are intended to prepare graduates to begin upper-division work. Specialized training programs designed to meet employers' needs are also provided. Where need has been demonstrated and costs are not prohibitive, selected degree programs beyond the associate degree are offered on community college campuses by other USHE institutions through cooperative agreements or university centers.

7.2.2. Accreditation - Regional, state, and specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role. Such accreditation should enhance the excellence of the program and education of the student.

7.3. Faculty

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

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

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

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

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

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

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

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

R313-8. Technical Colleges: Type V
(Utah College of Applied Technology)

8.1. Definition -Type V institutions award certificates and Associate of Applied Technology Degrees. General education courses are provided, in partnership, through other Utah System of Higher Education institutions. No upper-division course work or awards above the associate degree level are offered.

8.1.1. Mission - The institution's mission is to transmit knowledge and skills to both high school and adult students, and to meet the needs of employers primarily through education and training programs, whether long term, short term, or custom designed for specific employer needs. These programs provide students with opportunities to enter, re-enter, upgrade, or advance in the workplace. To meet this mission the institution also assists students to enhance the necessary basic skills to succeed in technical training programs and provides life-long learning opportunities designed to meet the individual needs of Utah's citizens. Programs are offered in an open-entry, open-exit competency-based environment using a flexible approach to meet individual student and employer needs. The institution contributes to the quality of life and economic development at the local and state levels.

8.2. Programs

8.2.1. Instructional Programs - The institution offers competency-based certificates and Associate of Applied Technology Degrees that result in appropriate licensing, certification, or skill training to qualify students for specific employment. The general education components of the Associate of Applied Technology Degrees are offered by the other USHE institutions. The institution

also provides rapid response to training needs of Utah employers through several programs including specifically designed custom fit training. Competency-based high school diplomas will be offered. In performing these responsibilities, the applied technology college cooperates with local school districts and other higher education institutions.

8.2.2. Accreditation – National, regional, state, and specialized accreditation is a goal for programs for which this accreditation is available and appropriate for the institution's mission and role. Such accreditation should enhance the excellence of the program and education of the student.

8.3. Faculty

8.3.1. Criteria for Selection, Retention, and Advancement - Faculty are selected, retained, and promoted primarily on the basis of evidence of appropriate levels of technical knowledge and skills, related industry experience, and effective teaching and training. Secondary criteria complementary to the teaching role include service and creative efforts.

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

8.3.3. Teaching Loads - Teaching loads of technical faculty and ongoing daily student contact are at a somewhat higher level than at a Type IV institution. Institutional teaching loads will average at least 30 clock hours per week.

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

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

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

(Approved September 14, 1990, amended May 14, 1993. Proposed merger of Policies and Procedures R311 and R313, submitted November 8, 2002; discussed January 17, 2003, March 14, 2003, April 18, 2003, and May 30, 2003.

MEMORANDUM

May 30, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Utah State University - Mission and Role Statement

Issue

The Regents' 2002 Master Planning Task Force on Missions and Roles recommended the development of Policy R312, Configuration of the Utah System of Higher Education, and Institutional Missions and Roles. This policy will contain a new mission and role statement for each institution of higher education in Utah.

Background

Policy R312 categorizes the Utah System of Higher Education institutions according to their missions and roles. It reflects changes that have occurred within the system during the last decade, and describes the institutions at this point in time and for the near future. In order to complete the policy, each institution will review its current mission and role statement and update and revise it as appropriate. Mission and Role statements will be approved by the institution's Board of Trustees and then submitted to the Board of Regents for their approval.

Utah State University has submitted its mission and role statement for Board of Regents' approval. As indicated on the attached document, the statement has been approved the USU's Board of Trustees.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Board review Utah State University's mission and role statement, and if satisfied that it accurately describes the institution, approve its inclusion in Policy R312, Configuration of the Utah System of Higher Education, and Institutional Missions and Roles.

Cecelia H. Foxley, Commissioner

CHF/DDW
Attachment

Mission and Role Statement

Utah State University

7 May 2003

MISSION STATEMENT (approved by trustees):

The mission of Utah State University is to be one of the nation's premier student- centered land-grant and space-grant universities by fostering the principle that academics come first; by cultivating diversity of thought and culture; and by serving the public through learning, discovery, and engagement.

ROLE STATEMENT (approved by trustees):

Utah State University fulfills a unique role in the Utah System of Higher Education as the state's land-grant and space-grant university. The land-grant designation makes Utah State responsible for programs in agriculture, business, education, engineering, natural resources, sciences, and the traditional core of liberal learning—humanities, arts, and social sciences. The university gives particular emphasis to programs involving the interaction of land, people, and the environment.

Utah State University also is a research extensive university, as designated by the Carnegie Corporation, meaning that in selected areas historically associated with its designation as a land-grant and space-grant university, it provides doctoral and master's level education and supports and expects of its faculty significant research efforts. The university offers a broad array of doctoral and master's level degrees in areas appropriate to its mission. Hands-on learning is also a hallmark of its undergraduate programs.

As a space-grant institution, Utah State University plays a preeminent role in the development of the sciences and engineering associated with research and teaching about outer space. These include the mission of the Space Dynamics Laboratory and its related components on the Innovation Campus.

Utah State develops knowledge as part of its discovery mission, as reflected in research generated by the Agricultural Experiment Station and the Utah Water Research Lab, and disseminates that knowledge through technical assistance provided by Cooperative Extension in each of the state's twenty-nine counties. The land-grant mission also means that Utah State delivers degrees through continuing education programs, whether through on-site or time-enhanced methods, throughout the state.

Taken together these designations as a land-grant and space-grant university also mean that Utah State University has a leading role in economic development of the state and the region. These goals are realized through the effective transfer of research from the laboratory to commercial enterprises. To that end, Utah State University has an aggressive position in the identification of intellectual property, the commercialization of new technologies, and the development of research programs that will be of benefit to the state. It also brings government, business, and education together on its Innovation Campus, with the goal of stimulating economic development.

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The Board of Regents will support Utah State University by seeking to make it one of the premier land-grant and space-grant universities in the nation. To do so, it will:

1. Support a budgeting system that selectively invests resources in the development of programs focused on its role as a land-grant and space-grant university. In so doing, the university will give emphasis to the following:
 - Aerospace Research and Education
 - Environmental and Water Resources
 - Engineering and Computer Sciences
 - Agricultural and Natural Resource Bio-technology
 - Education and Human Services
 - Extension and Continuing Education
 - Selected Fine and Performing Arts Through a School of the Arts
 - Selected Humanities, Social Science, and Business Programs
2. Support the development of measures of assessment and accountability for the institution that will be used both within the university and externally in making decisions about funding and program support.
3. Seek differential funding support that recognizes its state-wide role and that will support the efforts of the university to improve instruction at all levels, to facilitate discovery, and to promote its various engagement efforts to make it competitive with its peer institutions.
4. Support a program of increased admission standards at the baccalaureate, master's, and doctoral levels competitive with its peer institutions.
5. Support the goal of increasing the ratio of graduate-to-undergraduate enrollment to a level commensurate with our peer institutions.
6. Support enrollment consistent with our resource base including faculty size and institutional aspirations of academic excellence.
7. Support flexibility in setting tuition rates to place Utah State University in a competitive position with its peer institutions.
8. Support the use of tuition dollars to enhance academic programs and the use of selective investment by the university of these and other resources to achieve its mission.
9. Support the development of cooperative and collaborative relationships by Utah State with other institutions in the state designed to foster its land-grant and space-grant mission.
10. Build a socially and intellectually vibrant campus community, enhanced by the diversity of its faculty, staff, and students.

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Combining of Policy R401, Approval of New Programs, Program Additions or Program Changes; "Exceptions to the Moratorium on New Programs"; and "Guiding Principles for Program Discontinuation and Personnel Reductions"

Issue

Policy R401, Approval of New Programs, Program Additions or Program Changes, should contain all the information pertinent to the approval of new programs and the process for discontinuing programs.

Background

Policy R401, Approval of New Programs, Program Additions or Program Changes, was approved by the Board of Regents on November 8, 2002. Since that time an additional document dealing with programs has been written. Due to the imposed moratorium on new program approvals "Exceptions to the Moratorium on New Programs" was developed by the Program Review Committee. This document provides institutions with information regarding criteria for program approvals that would be considered during the moratorium. These criteria have application regarding the evaluation of program proposals even without a moratorium in place. Because of the rigor demanded by the criteria, section 9.1.6. "Rank Order of Program within the Proposing Institution" was amended to include only "...a clearly defined relationship to a high institutional priority." A fourth category concerning "transfer, restructuring, or consolidation of existing programs" is included within this document. An appendix identifying the "Exceptions to the Moratorium on New Programs" has been added even though language throughout Policy R401 has been strengthened to include the concept in each exception.

A fourth category has been added to the previously approved “Exceptions to the Moratorium on New Programs.” This category is intended to accommodate restructuring efforts at institutions as they modify existing departments and colleges. Category IV has been approved by the Academic, Applied Technology, and Student Success Committee and is now ready for full board approval.

In addition “Guidelines for Program Discontinuation and Personnel Reductions” has been developed in conjunction with the Legislative Higher Education Appropriations Subcommittee and the Regent’s committee reviewing program discontinuation, chaired by Regent Pamela Atkinson. This document identifies eight criteria to be used when considering program discontinuation. The additional information for identifying programs for discontinuation and the treatment of students currently admitted to such programs has been merged into section 4.2.2 in Policy R401.

New language that precluded students from eligibility for financial aid was corrected in the “Fast Track Program” section of Policy R401. These programs approved by the Commissioner and with the Regents’ consent will enable students to seek financial aid. Additional language now requires a two-year review of programs approved through the fast track process.

Commissioner’s Recommendation

It is the recommendation of the Commissioner that the Board approve Regents’ Policy R401, Approval of New Programs, Program Additions or Program Changes with the inclusion of “Exceptions to the Moratorium on New Programs” and “Guidelines for Program Discontinuation and Personnel Reductions.”

Cecelia H. Foxley, Commissioner

CHF/DDW
Attachment

R401, Approval of New Programs, Program Changes, and Discontinued Programs

R401-1. Purpose

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

R401-2. References

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

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

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

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

4.1. Action Calendar. Programs placed on the Action Calendar require Board approval upon recommendation of the Academic, Applied Technology and Student Success Committee (See **R401-9.1 for Template for Letter of Intent**). The following programs, including incubated programs in any of the following categories, require action by the Board:

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

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

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

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

4.1.5. New Associate of Applied Technology (AAT) Degrees. Programs of study intended to prepare students for entry-level careers. The AAT Degree is competency-based and offered on an open-entry/open-exit basis. A mastery of a series of identified competencies, general education course work that is less extensive than in AA and AS Degrees, and other requirements as established by the Utah College of Applied Technology, regional boards, and program advisory committees, are necessary for completion of the degree. The average time to completion of the AAT Degree should fall within a range of 1890 to 2070 clock hours; however, open-entry/open-exit, competency-based instructional delivery allows students to complete their course of study at their own pace. Like the AAS Degree, the AAT Degree is designed to prepare students for direct entry into the workforce; however, the AAT Degree may also transfer directly into Bachelor of Applied Technology (BAT) Degree programs.

4.1.6. New Bachelor of Arts, Bachelor of Science and Professional Bachelor

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

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

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

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

4.1.9. New K-12 School Personnel Programs. Endorsement and licensure programs for teacher education, counselors, administrators, and other school personnel and which are within existing major degree programs previously approved by the institutional Board of Trustees and the Board. These programs adhere to a parallel approval process which requires the following steps: review by the Office of Academic Affairs, the Chief Academic Officers, appropriate officials and faculty from USHE colleges and schools of education, and the Program Review Committee (PRC); review and approval by the Board; review and approval by the Educator Development Advisory Committee (EDAC); and review and approval by the State Board of Education. Institutionally-approved proposals may be submitted to the EDAC once they have been reviewed by the Office of Academic Affairs, CAOs, colleges and schools of education faculty and officials, and the Program Review Committee. Program proposals are then reviewed by the EDAC, which is advisory to the Board of Regents and the State Board of Education. Following its review, the EDAC may recommend approval to both boards, which have the final approval authority.

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

4.2.1. Reinstatement of Previously Eliminated Administrative Units and Instructional Programs.

4.2.2. Discontinuation of Instructional Programs. The following criteria should be

used to guide the review of programs for discontinuation and attendant reductions in personnel or funding prioritization.

4.2.2.1. Maintain Consistency with Institutional Mission and Roles. Review necessity of program continuation for the centrality or essence of the institution's role and mission.

4.2.2.2. Demand. Assess student demand as well as workforce and employer needs. Use program reviews to assess ongoing relevance and avoid continuing programs that may be antiquated. Identify placement and success of students in the work force.

4.2.2.3. Duplication. Consider unnecessary duplication of programs within the System, particularly programs that may be high cost and/or low producing.

4.2.2.3.1 System Coordination. Consider the statewide impact of discontinuing the program, and identify opportunities for establishing the program at another USHE institution.

4.2.2.4 Program Costs. Examine relative costs and anticipated savings from program reduction or deletion, and the comparative advantage of reallocating resources to other priorities in order to maintain student access as much as possible. Public service, institutional support, academic support and other operating areas should absorb a share of the burden.

4.2.2.4.1. Factors Affecting Short-term Cost Savings. The discontinuation of a program at a USHE institution does not produce an immediate financial savings nor reduction in personnel. It is the cost saving in the long term, which is beneficial to an institution. For example, faculty teaching in the program are not terminated immediately, but based on their hiring status (tenured or non-tenured) must be given the appropriate length of notification and they also must work with students to help them complete the program. Facilities still require maintenance and are generally absorbed by other programs resulting in no reduction in costs to the institution. Student FTE will be decreased as programs are discontinued.

4.2.2.5. Program Quality. Assess quality of the program as measured by the success of its graduates, reputation of faculty, and employer/community acceptance.

4.2.2.6. Enrollment Management and Institutional Capacity. Consider institutional enrollment management policy, limited access at the institution, upper division access, or caps within given majors.

4.2.2.7. Economic Stimulus and Recovery. Protect programs vital to economic stimulus and recovery.

4.2.2.8. Long-term Impact. Examine potential long-term impact of program discontinuations.

4.2.2.9 Role of Decision Makers. Through the process of determining which programs should be considered for possible discontinuation it is intended that the decisions should be made at the local campus in consultation with the Commissioner's Office regarding unnecessary duplication of programs. Those closest to the situation can best understand the multitude of ramifications involved in such a critical decision.

4.2.2.10. Treatment of Students. Students currently admitted to the program will be given a way to complete the program. This may require the enrollment of students at other institutions of higher education or that courses be taught for a maximum of two years after discontinuation of the program. All students must be given the opportunity to complete their program within a reasonable amount of time.

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

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

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

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

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

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

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

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

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

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

4.2.6. Non-credit Certificates Eligible for Financial Aid. Non-credit certificates that do not fit the definition in 4.1.1 but that are eligible for financial aid.

4.3. Information Calendar. Program Additions or Changes Requiring Notification on the Board's Information Calendar. Board notification is required for changes to programs and administrative units, institutional program reviews, and programs under development. (See **Template, R401-9.4.1.**)

4.3.1. Transfer, Restructuring, or Consolidation of Existing Programs or Administrative Units.**4.3.2. Name Changes of Existing Programs.****4.3.3. Institutional Program Review Report.****4.3.4. Programs under Development.**

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

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

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

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

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

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

R401-6. Procedure for Submitting New Program or Program Changes for Board Approval**6.1. New Program and Program Changes as specified in the Action Calendar,**

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

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

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

Commissioner's Office and to all USHE institutions.

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

6.1.3. Submission to Program Review Committee (PRC). Once the proposing institution addresses issues raised by the CAOs, the revised Letter of Intent and institutional issues that have and have not been resolved will be forwarded for review by the Program Review Committee (PRC). The role of the PRC is to assess the proposal based upon six elements (description, market/student demand, source of funding, mission fit, current availability of similar programs already offered in the USHE, and institutional ranking according to the priorities of the submitting institution. Confidential information may be submitted to the Commissioner under seal. (See **Letter of Intent Template R401-9.**) The PRC will review the Letter of Intent and accompanying information, raise questions, and request additional information as appropriate, including a request for a consultant to review the proposed program and surrounding issues. In this case, the proposing institution will provide to the Commissioner's staff a list of appropriate consultants. The staff will contact one of the consultants and arrange for the review. Once the consultant's report has been completed, it will be made available to the PRC, proposing institution, and the CAOs. As programs are reviewed, additional individuals, such as institutional representative(s) appointed by the CAO, and Commissioner's staff, may meet with the PRC. A member from the institution's Board of Trustees also may be included.

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

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

6.3. Council of Chief Academic Officers (CAOs). The Council of Chief Academic Officers will meet prior to the Council of Presidents' and Regents' meetings. This meeting is for the purpose of discussing institutional proposals on the basis of comments submitted by other USHE institutions, any external reviews that have been conducted, initial evaluation from the Office of Academic Affairs, and comments from the PRC. This discussion will be reported to the Council of Presidents and considered by the Commissioner's staff in preparing materials and recommendations for the Board's agenda.

The Commissioner's review for the Board will address not only the readiness of the institution to offer the program and the need for the program, but also the impact of the program on other USHE institutions.

6.4. Board of Regents Consideration. Program proposals that have been reviewed according to the procedures described in **R401-6**, are placed on the Board agenda for consideration by the Regents. The Board's Academic Applied Technology and Student Success Committee reviews proposals for new programs or program changes and recommends action to the Board. The Board then takes action on the proposed program during the meeting of the Committee of the Whole.

6.4.1. Two-year Review of New, Approved Programs. Institutions with approved programs will be responsible for submitting a two-year report to the Commissioner's Office based upon quality indicators determined by the proposing institution and the Board.

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

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

R401-7. Fast-Track Programs.

7.1. Fast-track Approval of Applied Technology Education Certificates of Completion and Diplomas. Credit or non-credit applied technology training programs, leading to certificates of completion, that meet the criteria in **R401-4.1.1** or **R401-4.2.6** may be approved according to the fast-track approval procedure outlined in **R401-7.2**. The procedure is designed to accommodate the need for rapid action by institutions in providing opportunities for students to be trained to meet changing job requirements of business and industry.

7.2. Fast-Track Program Approval Procedure. If programs meet the requirements in **R401-4.1.1**, and the Commissioner has previously approved the institution's internal program development and approval process, the Commissioner may approve the program, effective immediately. To request approval, the proposing institution will submit a Letter of Intent to the Commissioner's Academic Affairs Staff. The Commissioner will respond within 15 working days and will place the program on the Consent Calendar of the next Board meeting. Fast-Track programs do not require institutional ranking.

7.2.1. Two Year Review of Programs Approved through the Fast-Track Procedure. Institutions operating programs approved through the fast-track process must submit a report to the Commissioner's Office two years from the date that the program is implemented, outlining the continued viability of the program in terms of enrollment, student outcomes, budget and regional business and industry need.

R401-8. Programs Under Development/Consideration

8.1. Advance Information. Each institution shall submit to the Commissioner's Office of Academic Affairs an updated matrix of programs under development or consideration that may be brought to the Board for formal approval during the next thirty-six months.

A compilation of this information will be included on the Information Calendar of Board of Regents' agendas. These planning documents will provide Regents with a continuously updated, system-wide view of the programs that may be brought to them for approval.

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

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

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

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

9.1. Template for Submission of Letter of Intent

9.1.1. Program Description. Present a short description of the program. Include information on current faculty preparedness to deliver a quality program.

9.1.2. Market and Student Demand. Provide specific data on market and student demand for the program, including how the program will function if market demand changes. Include information regarding employment opportunities both in and out of state. Indicate student demand for the program. If there is evidence of urgent need in the business and industry communities, provide appropriate details.

9.1.3. Budget. Provide specific budget information for five years, including the source of funding, and specify if enrollment growth funding is to be used. If internal reallocation is to be made, state which programs will need to be adjusted in order to support the proposed program, and the anticipated amount of funding from such a reallocation. Incorporate information regarding any new funding that is immediately available to this program. Be specific and detailed.

Confidential information may be sent to the Commissioner under seal

9.1.4. Institutional Mission. Describe how the proposed program fits within the institutional mission as defined by Policy R-312.

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

data. Identify any articulation or collaboration with other USHE institutions, including supportive statements if appropriate.

9.1.6. Rank Order of Program within the Proposing Institution. There should be a clearly defined relationship to a high institutional priority.

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

9.2. Template for Submission of Proposals for New Programs Following the Successful Review of the Commissioner's Staff, PRC, and CAOs. This template provides the formats and information to be used when submitting program proposals for review and Board action and approval. Please use Ariel Narrow 12 point font.

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

SECTION I The Request

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

SECTION II Program Description

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

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

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

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

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

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

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

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

[Faculty - Identify the need for additional faculty required in each of the first five years of the program. State the level of preparedness of current faculty and the level of preparedness that will be needed by the fifth year. Describe the faculty development processes that will support this program.]

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

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

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

[Institutional Readiness - Describe the impact of the new program upon existing administrative structures and identify new organizational structures that may be needed to deliver the program.]

SECTION III Need

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

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

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

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

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

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

[Consistency with Institutional Mission - Explain how the program is consistent with

and appropriate to the institution's board-approved mission, roles and goals.]

SECTION IV

Program and Student Assessment

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

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

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

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

SECTION V

Finance

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

Salaries and Wages
Benefits
Current Expense
Library
Equipment
Travel
TOTAL]

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

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

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

Appendix A

Program Curriculum.

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

Course Number	Title	Credit Hours
---------------	-------	--------------

[**All Program Courses** - List all courses, including new courses, to be offered in the proposed program by prefix, number, title, credit hours, or credit equivalences. Use the following format: (please include all course descriptions in appendix.)]

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

Appendix B

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

Appendix C

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

9.2.2. Signature Page to Accompany Proposals Requiring Board Approval. This signature page, with all appropriate signatures included, should be sent to the Commissioner's Office and kept on file at the proposing institution.

Institution Submitting Proposal:

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

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

Program Title:

Recommended Classification of

Instructional Programs (CIP) Code: ____ . ____ _

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

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

Proposed Beginning Date:

Institutional Signatures (as appropriate):

_____ Department Chair	_____ Dean or Division Chair
_____ Applied Technology Director	_____ Graduate School Dean
_____ Chief Academic Officer	_____ President
_____ Date	

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

9.3.1. Template for Consent Calendar Items, to Include Reinstatement of Previously Eliminated Administrative Units and Instructional Programs, Out of Service Area Delivery of Approved Programs, Certificates of Completion, Proposals for Centers, Institutes, Bureaus Program Discontinuation, and Non-credit Certificates Eligible for Financial Aid.

**SECTION I
Request**

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

SECTION II

Need

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

SECTION III Institutional Impact

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

SECTION IV Finances

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

9.3.2. Signature Page to Accompany Proposals Requiring Board Consent. This signature page, with all appropriate signatures included, should be sent to the Commissioner's Office and kept on file at the proposing institution.

Institution Submitting Proposal:

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

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

Program Title:

Recommended Classification of
Instructional Programs (CIP) Code: __ __ , __ __ __ __

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

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

Proposed Beginning Date: _____

Institutional Signatures (as appropriate):

_____	_____
Department Chair	Dean or Division Chair
_____	_____
Applied Technology Director	Graduate School Dean
_____	_____
Chief Academic Officer	President

Date	

9.4. Template for Submission to the Information Calendar of the Academic. Applied Technology and Student Success Committee and Board Action

9.4.1. Template for Information Calendar Items to Include Transfer, Restructuring or Consolidation of Existing Programs or Administrative Units, Stand-alone Minors, Interdisciplinary Minors, and Name Changes. (Approved by the Board of Trustees and sent to the Board of Regents as an information item.)

SECTION I The Request

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

SECTION II Need

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

SECTION III Institutional Impact

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

SECTION IV Finances

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

9.4. 2. Signature Page to Accompany Proposals Providing Board Notification. This signature page, with all appropriate signatures included, must be attached to proposals submitted for Board notification.

Institution Submitting Proposal:

College, School or Division affected:

Department(s) or Areas(s) affected:

Change Description:

Proposed Beginning Date:

Institutional Signatures (as appropriate):

Department Chair

Dean or Division Chair

Chief Academic Officer

President

Date

R401-10. Template for Submitting Program Reviews. The following information will be contained in the Program Review Report submitted to the Commissioner's Office.

10.1. Template for Submission of Program Reviews

10.1.1. Background Information. Identify the program under review and the date of the review. List each reviewer including degree and current affiliation. Provide any additional information to better understand the context of the review, i.e. date of last review, in conjunction with accreditation or national review, etc.

10.1.2. Student and Faculty Statistical Summary. List in chart form the past five years of data regarding students, graduates, faculty, student/faculty ratio and other data that are pertinent to understanding the program.

10.1.3. Program Strengths. List the program strengths as identified by the review team.

10.1.4. Areas Suggested for Improvement. List the areas where the review team indicated improvement is needed

10.1.5. Recommendations. What specific suggestions does the review team make in regards to program improvement?

10.1.6. Commendations. List any outstanding aspects of the program as identified by the review team.

10.1.7. Institutional Response to the Review Team Report. List specifically, what the institution intends to work on prior to the next review.

(Approved November 7, 1972, amended September 25, 1973, February 21, 1984, April 27, 1990 and revised and combined with R402 October 27, 2000; amended June 1, 2001. [R402 was approved September 10, 1971, amended November 18, 1980, July 19, 1983, March 20, 1984, September 12, 1986, August 7, 1987, October 26, 1990, April 16, 1993, January 21, 1994, May 1, 1997, May 29, 1998, and revised and combined with R401 October 27, 2000.]) R401 re-written and approved: November 8, 2002.

Appendix to Policy R-401**EXCEPTIONS to the MORATORIUM
on NEW PROGRAMS**

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

Category I - Demonstrate Cost Savings or Efficiencies

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

Category II - Accreditation

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

Category III - Compelling Need

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

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

Approved Board of Regents, November 8, 2002

Category IV - Transfer, Restructuring or Consolidation of Existing Programs

Demonstrate the necessity of moving programs forward in cases where major internal reorganization has occurred resulting in a shift in focus to strengthen academic programs. Existing programs are replaced with new or restructured programs, while requiring no new resources. Any costs associated with the new or restructured programs are covered by the elimination or restructuring of original programs. Justification for changes may include shifts in: public sector demand, labor market demand, student needs, efficiencies, etc.

May 21, 2003

MEMORANDUM

To: State Board of Regents

From: Cecelia H. Foxley

Subject: USHE Institutional Survey Regarding Noel-Levitz/Student Success Task Force Recommendations

At the April meeting of the Academic Affairs, Applied Technology and Student Success Committee, a report summarizing and consolidating the recommendations of both Noel-Levitz and the Regents' Student Success Task Force was considered. The Committee determined that it would be useful to try to determine which of the recommendations were already being implemented by USHE institutions. The Commissioner's Office prepared the attached questionnaire, which was sent to the Chief Student Services Officers of each institution.

Survey results are still being compiled and will be hand-carried to the meeting.

Cecelia H. Foxley, Commissioner

CHF/DB:jc

USHE Institutional Survey Regarding Noel-Levitz/Student Success Task Force Recommendations

The purpose of this survey is to ascertain what is currently being done by USHE Institutions in implementing the various recommendations of Noel-Levitz and the Regents' Student Success Task Force. Please indicate whether or not your institution is engaged in each of the following efforts/activities, and **return the survey by Wednesday May 21** to David Buhler at dbuhler@utahsbr.edu or fax (801) 321-7156.

Name of Institution: _____

Contact Name: _____ Phone Number: _____

1. Does your institution currently conduct a student expectation/satisfaction survey(s)? (If yes, please enclose a copy of the most recent questionnaire.)
☐ Yes ☐ No

2. Does your institution currently implement a systematic effort to inform potential and current students of ways to maximize reasonable borrowing and all forms of financial aid to assist them in completing their education efficiently?
☐ Yes ☐ No

3. Has your institution, within the past three years, conducted a study on the financial impact on the institution of various enrollment levels (recruitment) and re-enrollment (retention)?
☐ Yes ☐ No

4. Does your institution currently have organized efforts underway to actively attract students from diverse backgrounds (i.e. low income, minority, geographically diverse)?
☐ Yes ☐ No
 IF YES, please briefly explain the best of these efforts:

5. Does your institution provide remedial/developmental courses in the following areas? (Check all that apply.)
 - ☐ Reading
 - ☐ Mathematics
 - ☐ English as a Second Language
 - ☐ English Composition
 - ☐ Other (specify): _____

6. (If you provide remediation) what test-score standard is used to determine the area in which students should be remediated?

Reading ACT Score of ____
 Mathematics ACT Score of ____
 English as a Second Language TOEFL (or similar) Score of ____
 English Composition ACT Score of ____
 Other (specify)_____ ACT Score of ____

7. Does your institution currently have a mentoring program for first-time students?

☐ Yes ☐ No

(IF Yes) Please check all that apply:

- ☐ Mandatory Freshman Orientation Class
☐ Voluntary Freshman Orientation Class
☐ Upper-class person assigned as Mentor
☐ Mandatory meetings with Advisor
☐ Other (specify):_____

8. Have steps been taken at your institution to increase the number of class sections of mandatory courses to prevent bottle-necks from occurring?

☐ Yes ☐ No

9. Does your institution have policies or practices to assure that General Education courses are transferable to other USHE institutions?

☐ Yes ☐ No

10. Have steps been taken at your institution to increase opportunities for students to obtain credit through competency-based means such as CLEP, Challenge Examinations, A.P. credit, etc.?

☐ Yes ☐ No

11. Does your institution have a specific written policy that supports the availability of required courses for first and *second* year students?

☐ Yes ☐ No

12. What is the ratio, at your institution, of undergraduate students per full-time academic advisor?

1 advisor per ____ undergraduate students

13. Does your institution send targeted communications to the following groups of students:

Students not currently enrolled who began but did not complete a degree

☐ Yes ☐ No

Students who interrupted their studies to fulfill a religious mission or military assignment

☐ Yes ☐ No

14. Does your institution perform "outcomes assessments" of graduates to measure job placements in field of study or admission to graduate school?

☐ Yes ☐ No

15. Are there other assessments of students in use to measure program effectiveness or student achievement/learning?

☐ Yes ☐ No

IF Yes, please list

THANK YOU FOR YOUR ASSISTANCE! Please return the completed survey **no later than Wednesday May 21** to: David Buhler, at dbuhler@utahsbr.edu or fax (801) 321-7156 (or mail to 60 South 400 West, Fifth Floor, Salt Lake City, UT 84101-1284).

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Information Calendar: Academic, Applied Technology, and Student Success Committee

The following administrative and academic program changes have been submitted for review by the Regents on the Information Calendar of the Academic, Applied Technology, and Student Success Committee. These changes have been previously approved by the respective institutional Boards of Trustees.

1. Discontinued Program

Weber State University

Elimination of the Software Developer Certificate Program

The Department of Information Systems and Technologies (IS&T) recently completed a review of their curriculum, using a national model derived from information technology and information systems professional organizations and institutions of higher education. Focus groups were also conducted with alumni and graduating seniors as part of an outcomes assessment process. The impact was to significantly increase the requirements for the certificate program – currently a 22-credit two-semester program preparing individuals to work as entry-level software developers. Current students can complete the certificate program, but the collective judgment of the faculty was that future students interested in Software Developer positions should be advised to complete an A.S. degree in IS&T, a Bachelor of Integrated Studies emphasis in IS&T, a minor in IS&T, or a major in IS&T.

2. Name Changes

The following name changes have taken place at the institutions indicated:

Institution	Old Name	New Name
University of Utah	Graduate School of Social Work	College of Social Work
Utah State University	College of Education	College of Education and Human Services
	Department of Family and Human Development	Department of Family, Consumer, and Human Development
	Department of Languages and Philosophy	Department of Languages, Philosophy, and Speech Communication
Utah Valley State College	LEC Department of College Success and Academic Literacy	Department of College Success
Salt Lake Community College - Apprenticeships		
	Automotive	Auto Collision Repair/Paint Technology
	Boilermaker	Boilermaker JATC Technology
	Boilermaker/Welder	Boilermaker/Welder/Layout
	Brick Mason	Brick Mason Technology
	Building Maintenance	Building Maintenance Technology
	Carpenter	Carpentry Independent Technology
	Carpenter JATC	Carpentry JATC Technology
	Cement Mason	Cement Mason JATC Technology

	Chef <i>or</i> Culinary Arts	Culinary Arts
	Heavy Duty Mechanics <i>or</i> Heavy Duty Repair	Diesel Systems Technology
	Electrical Independent	Electrical Independent Technology
Salt Lake Community College Apprenticeships (continued)	Electronics	Electronics and Computer Technology
	Field Machinist	Field Machinist Technology
	Heating, Ventilation, and Air Conditioning	Heating, Cooling & Refrigeration Technology (HVAC)
	Hospitality	Hospitality Management
	Independent Electrical Contractors	Independent Electrical Contractors Technology (IEC)
	Maintenance and Repair	Industrial Maintenance and Repair Technology
	Instrumentation/Electronics Equipment Analyst/Electrical Electronic Technician	Instrumentation Technology
	Ironworkers JATC	Ironworkers JATC Technology
	Landscape	Landscape Technology
	Machinist	Machinist Technology
	Welding	Metal Fabrication & Jointing Technology
	Millwrights JATC	Millwrights JATC Technology
	Operating Engineers	Operating Engineers Technology
	Plumber	Plumbing Independent Technology

	Plumber/Pipefitter Independent	Plumber/Pipefitter Independent Technology
	Plumber/Pipefitter JATC	Plumber/Pipefitter JATC Technology
	Refrigeration JATC	Refrigeration JATC Technology
	Sheet Metal JATC	Sheet Metal JATC Technology
	Stagehand JATC	Stagehand JATC Technology
Salt Lake Community College Programs		
	Aviation Maintenance Technician	Aviation Technology/ Aviation Maintenance Technician
	Basic Electronics (certificate of completion)	Electronics Technician
	Flight Technology	Aviation Technology/ Professional Pilot
	Heavy Duty Mechanics	Diesel Systems Technology
	Non-Destructive Testing	Non-Destructive Testing Technology
	e-Business Technology	Digital Media Technology

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents review the Information Calendar and raise any issues for clarification. No action is required by the Board.

Cecelia H. Foxley, Commissioner

CHF:DAC

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Consent Calendar, Academic, Applied Technology, and Student Success Committee

The following requests have been submitted by the designated institutions for consideration by the Regents on the Consent Calendar of the Academic, Applied Technology, and Student Success Committee.

1. Southern Utah University (SUU)

- A. Restructure the Department of Teacher Education to Create Three Administrative Units: Department of Elementary Education, Department of Secondary Education, and the Office of Education Graduate Studies and Field Services

Request: Southern Utah University requests the restructuring of its Department of Teacher Education from one academic department into three separate administrative units, all within the College of Education. If the restructuring is approved, the Department of Teacher Education would be dissolved. There would be no changes in the degree programs or credit offerings throughout the College of Education.

Need: The SUU College of Education found itself in non-compliance with Standard 6 of the National Council for the Accreditation of Teacher Education (NCATE) which calls for effective management and coordination for coherent planning, delivery, and operation of programs. Such management and coordination are needed to assure that teaching candidates meet standards. The SUU Department of Teacher Education is too large and inefficient to meet the NCATE standard.. SUU, with 1,884 graduates over the last five years, is second to Utah State University (USU) in the number of teacher candidates it graduates. However, USU's College of Education is organized with separate Elementary, Secondary, and Graduate Departments, which is the organization requested by SUU. In addition, SUU's current management structure places all of the class scheduling, catalog preparation, curriculum management, personnel issues, recruitment, and retention for Elementary, Secondary, and Graduate Education in a single department. By separating these three functions, more attention could be given to the needs of each. Planning for the restructuring has been ongoing for four years.

Institutional Impact: The formation of two separate departments (Elementary and Secondary Education) and one new administrative unit (Education Graduate Studies and Field Services Office) would allow unit administrators to give increased attention to program marketing with expectations for greater enrollments. Implementation of the requested changes would assist the College of Education meeting NCATE standards and increase attention to the Master's of Education Degree Program, which has potential for growth. There would be no change in the composition or distribution of faculty. There would be a new Chair of the Department of Elementary Education, a new Chair of the Department of Secondary Education, and a new Director of the Education Graduate Studies and Field Services Office, all coming

from existing faculty appointments.

Finances: No new funds are required to implement the restructuring. The shift of existing funds from the Department of Education and the College of Education to the new units is expected to cover new unit budgets. No new faculty or staff are required.

2. Utah Valley State College (UVSC)

A. Request for Reconfiguration of the School of Learning Resources into the School of General Academics

Request: This request is to reconfigure the School of Learning Resources and rename it the School of General Academics. Its new function is to expand and unify both academic and student services under one administrative unit.

Need: The proposed reconfiguration of the School of Learning Resources into the School of General Academics has two major thrusts: first, to increase the well-being, progress, and success of students; and second, to integrate both academic and student services. UVSC officials are dissatisfied with the current, outdated system of generically assigning undecided students to an academic school that has neither the mission nor means to provide the assistance needed to help students identify a major, intervene to provide supportive services, and improve academic effectiveness. Furthermore, as the institution has become more complex, there is a disconnect between academic and support units. A more refined academic model was sought to develop programs and processes that link and align a variety of institutional resources to ensure that students have the opportunity for high levels of educational achievement.

The open access mission of UVSC attracts a large, diverse student population with varied academic, personal, and career needs. Partly because of the open enrollment policy, many students coming to UVSC have no specific academic goals, are exploring the direction of their academic careers, and may take several semesters to declare a major. Many first-year students experience difficulties due to the gap between their academic and social skills and the demands of the college environment. Because these students do not understand how to obtain pertinent information or how to determine and implement their educational and personal goals, they frequently make poor decisions and often spend more time than needed to complete an academic program. As a result, many highly-talented, bright students become frustrated with the college experience and leave UVSC without realizing their academic potential. The present College structure does not address these impediments to learning and academic success.

The proposed School of General Academics would serve as an entry point for various groups of two-year general education students: They are:

- First-year exploratory students who have not yet declared a major.
- Students who have declared the individualized option for an AA/AS Degree.
- Students who need to strengthen academic skills before matriculation.
- Students who are pursuing a major not offered at UVSC and intend to transfer.

Providing an early academic home for entering students would allow other academic units to

establish educational thresholds to ensure matriculated students are prepared for rigorous majors. Both students and the institution benefit from efficient use of resources as students enter majors courses better prepared. The proposed School of General Academics would continue to strengthen students' ability to succeed by offering a holistic, student-centered, and intrusive advising model and full developmental education services. Other support services would continued to be offered.

Institutional Impact: UVSC officials believe that the impact would be positive as students would be advised sooner and directed specifically to the services they need. UVSC officials believe that students would experience fewer problems if services were provided early in their post-secondary experience.

Finances: The proposed organizational changes do not require additional personnel or facilities. The changes would be in how existing personnel relate to each other to support student success.

3. Salt Lake Community College (SLCC)

A. Request to Create a Digital Media Institute

Request: Salt Lake Community College officials request approval to create the Digital Media Institute (DMI) as a self-supporting, continuing education initiative operated under the auspices of the Larry H. Miller Campus. The DMI would provide online and blended-learning courses in digital media subjects, emerging technologies, and applications. The Institute would also partner with other educational and technology innovators to create useful digital content while providing portfolio-building opportunities. DMI curriculum would consist of self-paced asynchronous activities and hands-on exposure in a classroom setting with an instructor. The DMI would offer both certificates and Continuing Education Units.

Need: The DMI would make accessible cutting-edge, blended-learning-based training, not yet available in Utah. Individuals who work in organizations interested in digital media and Internet technology could earn a certificate from the DMI, improving their contribution in the workplace and enhancing their careers. College students, with permission from their division chairs, could enroll in DMI courses for elective credit. SLCC officials envision other institutions adopting DMI online training and providing their own hands-on classroom and laboratory experiences. SLCC would be able to market training and services related to digital media which are considered to be under-served segments of the economy.

Institutional Impact: Programs providing foundational skills for the more advanced DMI certificates, such as visual arts, may see a modest increase in enrollments. The DMI would be folded into existing continuing education operations, thus having no impact upon the college administrative structure.

Finances: The DMI would be a self-supporting, continuing education initiative. Adjunct instructors would teach the classes. Minor changes would be made to the Larry H. Miller campus to create a digital video editing bay. Additional equipment would be purchased with anticipated DMI revenue sources.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents approve the institutional requests on the Consent Calendar of the Academic, Applied Technology, and Student Success Committee.

Cecelia H. Foxley, Commissioner

CHF/PCS

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: USHE – Proposed Benchmark Target for Institutional Health Plans

Issue

The Health Benefits Working Group presents a proposed list of best practices to guide USHE institutions in ensuring cost-effectiveness and comparability in health benefit plans within the context of total employee compensation. Regents are asked to adopt this list and direct institutions to continue implementing best practices, with the objective of having a Health Benefits and Premium Index equal to or less than 1.0 when compared to the State of Utah PEHP Preferred plan by 2006-2007.

Background

On April 18, 2003, the Regents' Finance, Facilities, and Accountability Committee received a report summarizing current practices in health benefits plans across the nation. The primary source of these findings was a 2002 national health benefits survey of 400 questions to 2,014 employers categorized by firm size, industry, and region. The report was issued by the Kaiser Family Foundation and Health Research and Educational Trust (Kaiser/HRET). Combining this report with other sources listing best practices, the USHE Health Benefits Working Group, comprised of representatives from each USHE institution and the Commissioner's Office, has developed a list of best practices, a timeline for implementation, and a measurement instrument.

Attachment 1 presents the working group's "Recommendations for USHE Health Benefits Best Practices." The list of best practices is intended to be a menu of items each institution may employ with the overall objective of reducing its Health Benefit and Premium Index. This approach maintains flexibility for the institutions while promoting best practices, efficiency, and comparability. In addition to stating the purpose and the desired outcome of the best practices, the list itself is broken into two components. The first set of best practices has a direct impact on the index score. The second set includes other best practices which may not affect directly the index score, but would have the benefit of promoting employee wellness and improving efficiency in health benefit administration. The impact of this second set of best practices, though indirect to the index, could be significant in promoting health, reducing utilization, and affecting premium costs.

State Board of Regents
May 21, 2003
Page 2

Other attachments are provided for background purposes and have been reported to the Regents previously. Attachment 2 shows the Health Benefits Premium Index as calculated by an external consultant. Attachment 3 is the report on current national practices in health benefits reported to the Finance, Facilities, and Accountability Committee in April. Attachments 4 and 5 summarize the current health benefits plans at each USHE institution and UCAT campus, respectively. A number of these plans are being revised for the new fiscal year which begins July 1. A report on plan changes for 2003-2004 will be provided to the Regents at a future meeting.

Regents should note the concern of institutional officials regarding the relationship between redesigning health benefit plans and the current state of faculty and staff salaries. Requiring greater employee contributions through premiums, co-payments, or cost-sharing at a time when salaries are also behind comparable positions in the marketplace and when there may not have been salary increases for two years creates concern over employee morale and retention. Institutional officials urge the Regents to continue addressing salary equity through market-based surveys and the operating budget request.

Commissioner's Recommendation

It is the recommendation of the Commissioner that Regents review the "Recommendations for USHE Health Benefits Best Practices" and the supporting information contained in the attachments, ask clarifying questions, and adopt the recommendations, including the direction for institutions to begin as soon as possible but not later than the 2004-2005 plan year, to institute a combination of best practices in plan design and premium sharing with the objective of having a Health Benefits and Premium Index equal to or less than 1.0 when compared to the State of Utah PEHP Preferred plan by 2006-2007.

Cecelia H. Foxley, Commissioner

CHF/MHS/BLM
Attachments

USHE Health Benefits Working Group

Recommendations for USHE Health Benefits Best Practices

May 21, 2003

Purpose: Building upon the best practices present in existing plans, continue encouraging best practices, efficiency, and comparability in health benefit plans at USHE institutions within the context of total employee compensation while promoting improvement in the well-being and health of USHE employees.

Outcome: Beginning as soon as possible but not later than the 2004-2005 plan year, USHE institutions should continue to institute a combination of best practices in plan design and premium sharing with the objective of having a Health Benefits and Premium Index (HBPI) equal to or less than 1.0 when compared to the State of Utah PEHP Preferred plan by 2006-2007.

Best Practices with Direct Impact on HBPI

1. **Employee Contribution for Premiums** – Implement premium sharing with employees, with the option of differentiating the percent by type of coverage (single, two-person, family).

Kaiser/HRET Survey: Nationally, the percent of workers whose employer fully covers premiums decreased from 30% in 2001 to 23% in 2002. Nationally employees pay about 16% for single coverage and 27% for family coverage.

Milliman USA: Requirements for premium-sharing encourage spouses of USHE employees to enroll for coverage under their own employer.

State of Utah: Employees in the PEHP plan pay 7% of total premium costs.

2. **Preferred Provider Networks** – Include preferred provider networks in health benefits plan design, and evaluate vendor efforts to negotiate appropriate discounts and monitor the quality of network providers.

Kaiser/HRET Survey: PPOs continue to be the most heavily enrolled and frequently offered type of health plan.

3. **Vendor Fees** – Reduce vendor fees to a minimum percentage of program costs.

Segal: At least 90 percent of total program costs should fund claim liabilities, suggesting administrative costs should be 10 percent or less.

- 4. Employee Cost Sharing** – Establish meaningful employee cost-sharing arrangements to encourage consumerism and market-incentives with regard to utilization and the consumption of healthcare. This should be done with sensitivity concerning the potential not only to save costs, but also to encourage cost-effective courses of treatment and impact overall employee health and productivity. Areas to consider for cost sharing include:

- a. Deductibles** – Implement first dollar deductible provisions.

Kaiser/HRET Survey: The average deductible in 2002 for PPO plans was \$276 and \$259 for large firms with more than 200 employees.

- b. Coinsurance** – Institute coinsurance requirements.

Kaiser/HRET Survey: The most common coinsurance rate in 2002 was 20%, which applied to 46% of workers.

- c. Co-payments** – Evaluate the appropriateness of co-payments.

Kaiser/HRET Survey: Co-payments for workers in PPO plans clustered in the \$10 to \$20 range for 2002, with 35% at \$10, 31% at \$15, and 25% at \$20.

- 5. Maximum Out-of-pocket Liability** – Adjust maximum out-of-pocket liability levels.

Kaiser/HRET Survey: Nationally, 59% of employers have maximum out-of-pocket liability for individuals with single coverage of \$1,500 or more.

- 6. Three-tier Prescription Drug Cost-sharing** – Utilize a three-tier model (generic, preferred-brand, and non-preferred brand) to encourage the use of generic and preferred-brand name drugs.

Kaiser/HRET Survey: Firms using a three-tier model jumped from 29% in 2000 to 57% in 2002.

- 7. Pharmaceutical Cost-sharing** -- Adjust employee cost-sharing for pharmaceutical co-payments and coinsurance.

Kaiser/HRET Survey: For co-payments, average cost-sharing in 2002 was \$9 for generics, \$17 for preferred, and \$26 for non-preferred drugs. The largest increase over the prior year was for non-preferred drugs (\$6). Generic and preferred increase \$1 and \$2, respectively.

Kaiser/HRET Survey: For co-insurance, average cost-sharing in 2002 was 21% for generics, 24% for preferred, and 28% for non-preferred drugs.

8. **Pharmaceutical Formulary** – Create financial incentives for employees to utilize drugs contained in formulary lists.

Kaiser/HRET Survey: Plans using a formulary list have increased from 43% in 2000 to 69% in 2002.

9. **Pharmaceutical Treatment Options** – Create financial incentives for employees to utilize drugs contained in formulary lists.

Kaiser/HRET Survey: Plans using a formulary list have increased from 43% in 2000 to 69% in 2002.

Other Practices to Promote Efficiency and Employee Wellness

1. **Self-Insured** – Explore the potential financing reductions of self-insurance.

Kaiser/HRET Survey: The percentage increase in premiums has been 1% to 2.5% lower for each of the last four years for self-insured plans compared to fully-insured plans.

2. **Reasonable Maximum Lifetime Benefit** – Create reasonable lifetime maximum benefits to reflect the increasing treatment costs for severe illness.

Kaiser/HRET Survey: The percentage of firms with a maximum lifetime benefit of \$1 million or more was 62% in 2002.

3. **“Carve-out” Pharmaceutical Plans** – Create a “carve-out” prescription drug plan and provide it separate from the standard health plan.

Kaiser/HRET Survey: Firms for 30% of covered workers have “carve-out” drug plans.

4. **Wellness Plans** – Consider or continue plans that educate and motivate employees to improve personal health and wellness through fitness, diet, and screenings.

5. **Disease Management** – Introduce disease management programs for chronic conditions, such as diabetes, hypertension, and depression (Segal).

6. **Utilization Data** – Require vendors to provide access to timely utilization data, which can be used to flag areas that need particular cost-management attention or identify underused services that can be reduced or eliminated (Segal).

7. **UHEPAC Forum Discussions** – Engage the Utah Higher Education Personnel Advisory Committee (UHEPAC) to share best practices and developing efficiency and wellness trends at their regular meetings.

- 8. Health Insurance Choice** – As institution size and benefit-cost analysis indicates its appropriateness, offer employees multiple plan options so they may choose a plan that better suits their individual needs.

Kaiser/HRET Survey: Nationally, 62% of covered workers can choose from multiple plans.

Sources:

- Kaiser Family Foundation and Health Research and Educational Trust (HRET). 2002. *Employer Health Benefits: 2002 Annual Survey*. Found at <http://www.kff.org/content/2002/20020905a/>, April 9, 2003.
- The Segal Company, April 2003 *Public Sector Letter*, “A Three-Pronged Approach to Managing Health Care Costs.” Abstract and ordering information available at <http://www.segalco.com/government/pub-govt.cfm?ID=429>, May 21, 2003.
- Milliman USA. Presentation by Mr. Troy J. Pritchett, F.S.A., M.A.A.A., to the State Board of Regents Finance, Facilities, and Accountability Committee, December 18, 2002.

Utah System of Higher Education

March 13, 2003

Health Insurance Relativities, 2002-2003

Red = Highest Relativity

Green = Lowest Relativity

University of Utah				USU	WSU	SUU	Snow	DSC	CEU	UVSC	SLCC	State of Utah
BCBS Indemnity	VC Basic	VC Preferred	UUHP									

I. Benefit Plan Relativities - Value of Net Employer Paid Benefits ⁽¹⁾

Hospital In-Patient	0.904	0.906	1.006	1.010	0.950	0.950	1.057	1.000	1.000	1.000	1.061	0.912	1.000
Hospital Out-Patient	0.913	0.915	0.981	0.984	0.940	0.938	1.091	1.000	1.000	1.000	1.023	0.925	1.000
Physician/Professional	0.996	1.001	1.090	1.092	1.051	1.006	1.107	1.000	1.000	1.000	1.082	0.996	1.000
Pharmacy	1.087	1.090	1.017	1.017	1.000	1.078	1.008	0.847	1.000	1.000	1.018	0.922	1.000
All Employer Paid Benefits	0.977	0.978	1.032	1.037	0.995	1.002	1.068	0.972	1.000	1.000	1.061	0.949	1.000

II. Premium Contributions

Employer Contribution	81%				93%	100%	100%	100%	100%	100%	100%	100%	93%
Employee Contribution	19%				7%	0%	0%	0%	0%	0%	0%	0%	7%
Employer Premium Relativity Index	0.871				1.000	1.075	1.075	1.075	1.075	1.075	1.075	1.075	1.000

III. Average Benefit and Premium Index

Employer Benefit/Premium Index	0.924	0.924	0.951	0.954	0.998	1.039	1.072	1.024	1.038	1.038	1.068	1.012	1.000
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IV. Demographic Relativity Factors ⁽²⁾

Per Covered Person Relative Cost Factor	0.977				1.022	1.110	0.924	0.975	1.063	0.973	1.026	1.038	1.038
Per Covered Employee Relative Cost Factor	0.924				1.013	1.285	1.092	1.357	1.362	1.223	1.071	1.152	1.152

Notes:

(1) Assumes a constant demographic mix and provider network. The PEHP plan at DSC and CEU is used as the standard 1.0 plan, since it is nearly identical to the PEHP plan offered to state employees. Source: Milliman USA, *Utah System of Higher Education Benefit Relativity and Demographic Study*, January 2003.

(2) Assumes a constant plan benefit (DSC/CEU plan) and provider network. Source: Milliman USA, *Utah System of Higher Education Benefit Relativity and Demographic Study*, January 2003.

USHE Finance, Facilities, and Accountabilities Committee

Report on Common Practices and Benchmarks in Health Benefits

April 2003

Common Practices and Benchmarks

I. Cost of Health Insurance

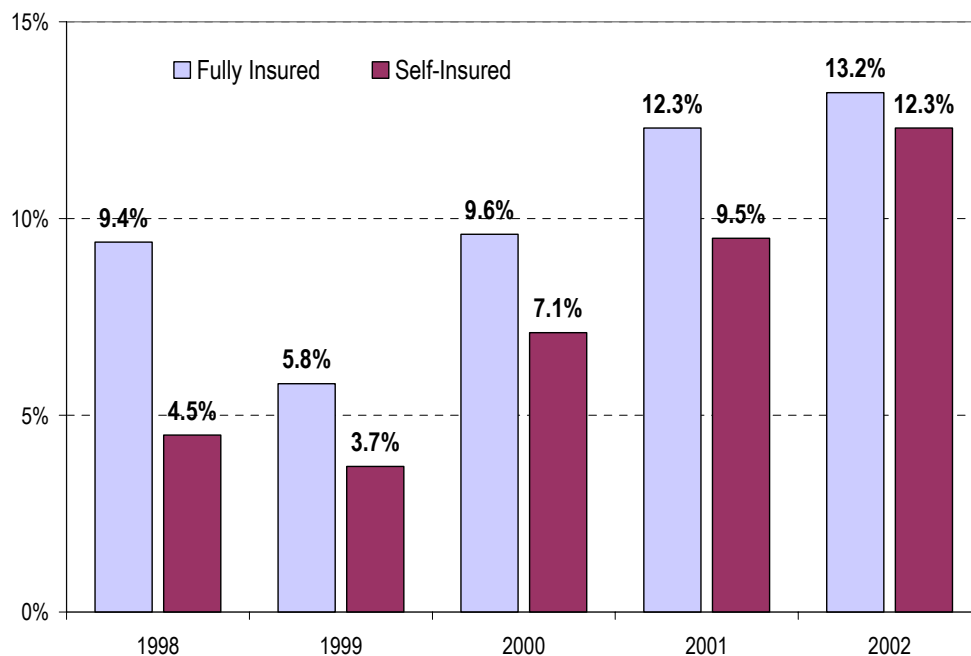
A. Premium Increases – The cost of job-based health insurance rose by 12.7% from Spring 2001 to Spring 2002 representing the largest increase since 1990. Increases for the previous 3 years were 11% in 2001, 8.3% in 2000, and 4.8% in 1999.

1. Double-digit Increases across Plan Types – All types of health plans experienced double-digit increases (HMO 13.3%, Indemnity 12.7%, PPO 12.7%, and POS 11.9%).

2. Double-digit Increases for Most Large Firms – Sixty-five percent of large firms with more than 200 workers had premium increases of more than 10%.

3. Fully-insured vs. Self-insured – Premiums rose by 13.2% for fully insured plans, compared to increases of 12.3% in premium equivalents for self-insured plans (see Figure 1). Premium increases were lower for every plan type with self-insured financing (HMO, PPO, Indemnity, and POS) rather than fully insured financing.

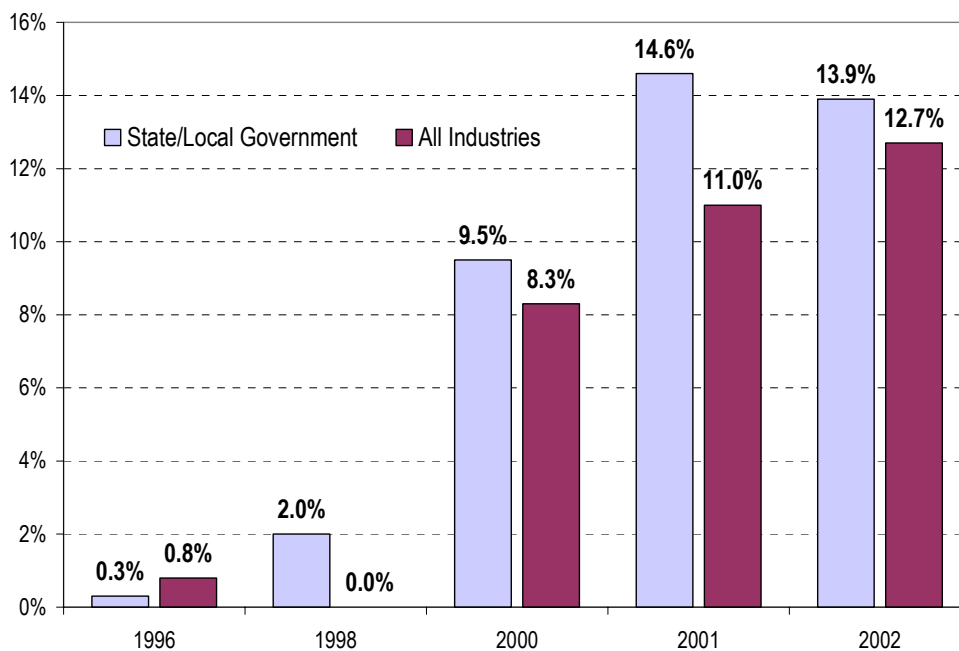
Figure 1. Premium Increases for Fully-insured vs. Self-insured Firms



4. State/Local Government Sector – In 2000, 2001, and 2002, premium increases for the State/Local Government sector were larger than the premium increases in any other

sector. In 1996 and 1998, however, premium increases for the State/Local Government were less than the average for all sectors of industry (see Figure 2).

Figure 2. Premium Increases by Industry



B. Annual Premium Costs of Single and Family Coverage – Average annual premiums including employer and employee share equal \$3,060 for single coverage and \$7,954 for family coverage (see Figure 3).

1. **PPO Premiums** – Average annual premiums are \$3,119 for single and \$8,037 for family coverage.
2. **HMO Premiums** – HMOs remain the lowest cost with monthly premiums of \$2,764 for single coverage and \$7,541 for a family.
3. **Regional Differences** – Cost of coverage tends to be lowest in the West and highest in the Northeast.

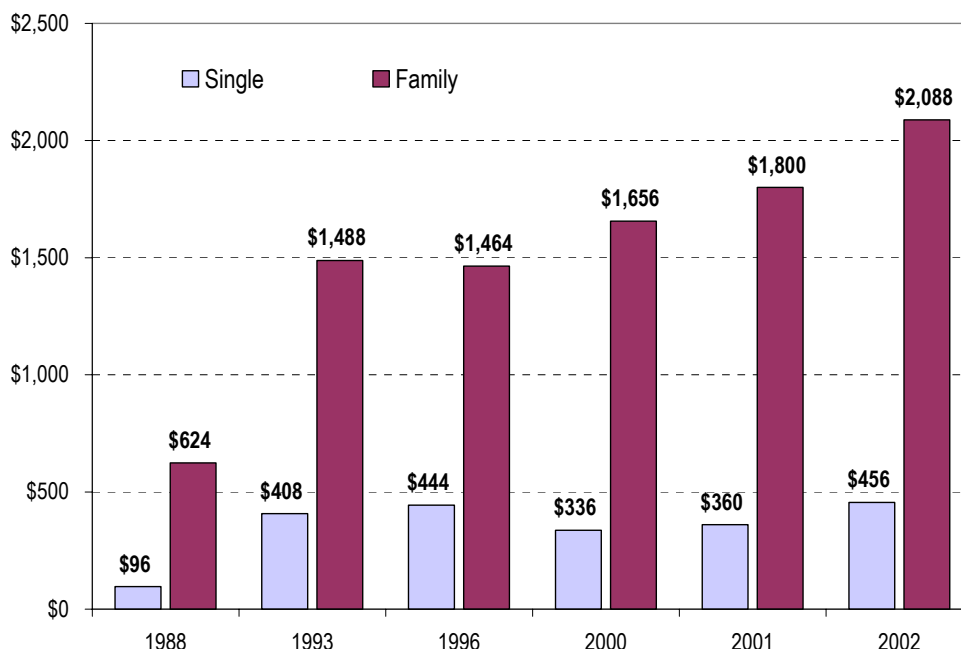
II. Health Insurance Choice

A. Most Available Plan Option – PPO coverage continues to be the most available plan option, with 76% of covered employees able to choose a PPO plan. HMO is the next most available plan type with 53% of covered employees having this option.

B. Multiple Plan Options – The number of covered workers who can choose from multiple plans is 62%, which has been a fairly stable number since 1996. Workers in the Northeast are the most

likely to have more than one plan option (75%), while workers in the South are the least likely (57%). About 59% of workers in the West have more than one plan option.

Figure 3. Average Annual Employee Premium Contribution



III. Market Shares of Health Plans

A. PPO Enrollment – More than half of covered workers (52%) enroll in PPO plans.

B. HMO Enrollment – HMO enrollment has stabilized at about the 26% level in 2002, after falling from 31% in 2000 to 23% in 2001. The West Region is more likely to have a greater portion of total employees enrolled in HMO plans, as is the State/Local Government sector. However, PPOs remain the most prevalent plan in both these areas.

IV. Employee Contribution for Premiums

A. Dollars Contributed – Workers' annual contributions for single coverage averaged an increase of \$95 in 2002, while family coverage contributions' average increase was \$283. The annual average rates for single coverage and family coverage are \$454 and \$2,084, respectively.

B. Percentage contributed (see Table 1)

1. Kaiser and HRET: Workers continued to pay about 16% for single coverage and 27% for family coverage (See Figure 4).

a) Employers Fully Covering Premiums – The percentage of covered workers whose employers pay the full cost of single or family coverage declined from 30% in 2001 to 23% in 2002. 23% of covered workers have the full cost of single

premiums paid by their employer, but only 9% have the full cost of family premiums covered by the employer.

2. 2000 Medical Expenditure Panel Survey – Nationally, workers pay 23.8% of the premium for family coverage and 16.9% of the premium for single coverage. In Utah, workers pay 22.9% of the premium for family coverage 22.5% of the premium for single coverage.

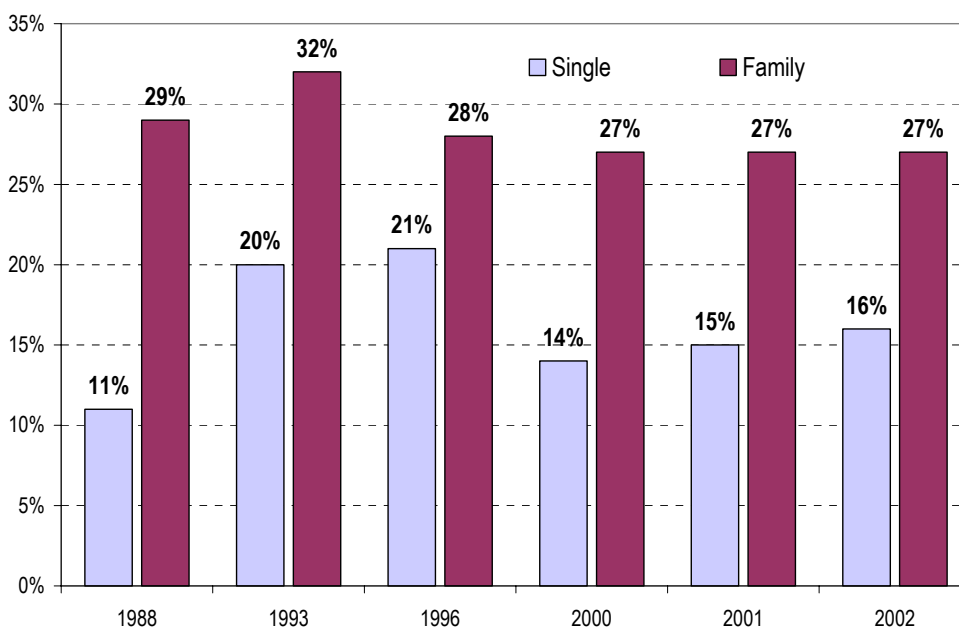
3. Mercer – In 2002, employees enrolled in PPOs paid 23% of premiums for single coverage and 32% of premiums for family coverage. Employees in HMOs paid 21% of premiums for single coverage and 31% of premiums for family coverage.

4. U.S. Department of Labor – Employee contributions toward the premium for single coverage were 32% and 19% for family coverage.

Table 1. Employee Premium Contribution

Survey	Employee Share of Premium			
	U.S.		Utah	
	Single	Family	Single	Family
Kaiser/HRET, 2002	16.0%	27.0%		
MEP Survey, 2000	16.9%	23.8%	22.5%	22.9%
Mercer, 2002	23.0%	32.0%		
Dept. of Labor, 2000	32.0%	19.0%		

Figure 4. Percentage of Employee Contribution to Premium



Source: Kaiser and HRET, 2002

V. Employee Cost Sharing

A. Deductibles – In PPOs, average preferred provider deductibles increased 37% from \$201 in 2001 to \$276 in 2002. In large firms of more than 200 employees, the average deductible is \$259.

B. Coinsurance – About 46% of workers in PPO plans face coinsurance rates of 20% for preferred providers. The next most common coinsurance level is 10%, which has 37% of all PPO-enrolled workers. Eight percent of workers have coinsurance of 0%, 4% have 15% coinsurance, and 4% have more than 20% coinsurance.

C. Co-payments – For workers in PPO plans, co-payments cluster in the \$10 to \$20 range, with 35% having \$10 co-pays, 31% having \$15 co-pays, and 25% having \$20 co-pays.

D. Effects of Greater Employee Cost-sharing – Research has demonstrated that higher co-pays and deductibles save costs, but may also discourage use of needed services, particularly among lower-income individuals (Manning et al).

VI. Health Benefits

A. Level of Benefits – Benefit packages have grown more generous in employer-based health plans over the last 20 years because of prescription drugs and preventative services. Between 66% of covered workers in a PPO plan experienced no change in benefits levels for 2002. A greater number of workers in PPO plans experienced benefits decreases (19%) than benefits increases (14%).

B. Increasing Trend of Decreased Benefits – The number of workers in PPO plans experiencing decreases in the level of benefits has increased statistically each of the last 3 years, from 7% in 2000, 12% in 2001, and 19% in 2002.

C. Maximum Out-of-Pocket Liability – While the largest group of employers (24%) has a maximum out-of-pocket liability for individuals with single coverage in PPO plans of \$1,000, 59% of employers have a maximum out-of-pocket liability for single coverage in PPO plans of \$1500 or more.

D. Maximum Lifetime Benefit – Eight-seven percent of employers with PPO plans have a maximum lifetime benefit of \$1 million or more, with more than one-fifth of that group having an unlimited lifetime benefit.

1. Unlimited Lifetime Benefit Increasing -- The number of firms with an unlimited lifetime benefit grew from 19% in 2000 to 24% in 2002.

VII. Prescription Drug Benefits

A. Three-tier Cost-Sharing Arrangements Increasing – The use of a three-tier cost-sharing arrangement to encourage the use of generic and preferred brand name drugs has increased over the past two years, from growing from 29% of covered workers in 2000 to 57% in 2002.

B. Two-tier Cost-Sharing Arrangements Decreasing – The use of two-tier cost sharing prescription plans decreased from 49% of covered workers to 28% from 2000 to 2002. The number of workers in PPO plans experiencing decreases in the level of benefits has increased statistically each of the last 3 years, from 7% in 2000, 12% in 2001, and 19% in 2002.

C. Pharmaceutical Co-payments – Co-pays average \$9 for generics, \$17 for preferred, and \$26 for non-preferred drugs. Average co-pays for non-preferred drugs have increased most significantly over the past year, jumping from \$20 to \$26. Generic and preferred drug co-pays only increase \$1 and \$2, respectively.

D. Pharmaceutical Coinsurance – Cost-sharing for workers with coinsurance averages 21% for generic, 24% for preferred, and 28% for non-preferred.

E. Formulary Usage Increasing – Plans using a formulary list which restricts the drugs that will be covered have increased since 2000, going from 43% to 58% in 2001 and 69% in 2002.

F. “Carve Out” Pharmaceutical Plans – Firms for 30% of covered workers have “carve out” prescription drug plans and provide them separately from their standard health plan. The percentage is similar to 2001, but a decrease from the late 1990s for all plan types except conventional plans.

VIII. Plan Funding

A. Level of Self-Funding – Forty-nine percent of covered workers in 2002 are in plans that are completely or partially self-insured.

B. Related to Size of Firm – The amount of covered workers in self-funded plans varies dramatically by size of firm. For PPO plans, only 19% of employees in small firms with 199 employees or less are in self-funded plans, however 59% of employees in midsize firms (200-999 employees), 81% in large firms, (1,000-4,999 employees) and 93% in jumbo firms (5,000-plus employees) are in self-funded plans.

C. Mixed Trend in Self-funding – The number of employees covered by self-funded PPO plans showed a general trend of decrease since 1996 for small, midsize, and large firms. Although the trend had decreased for jumbo firms, it increased dramatically in 2002 to 93% from 78% in 2001.

IX. Outlook for the Future

A. Likelihood of Continued Increases in the Employee Burden – Forty-three percent of all firms and 78% of large firms report that they are very or somewhat likely to increase the amount that employees pay in 2003.

Current Design USHE Health Plans

- A summary of USHE and UCAT health insurance costs and coverage provisions as of July 1, 2002 is provided as an addendum to this report. Some institutions are considering a range of plan changes that will be effective July 1, 2003.

Sources

- Kaiser Family Foundation and Health Research and Educational Trust (HRET). 2002. *Employer Health Benefits: 2002 Annual Survey*. Found at <http://www.kff.org/content/2002/20020905a/>, April 9, 2003.

A national survey of 400 questions to 2,014 employers categorized by industry, size of firm, and region. *Note: All data comes from this report unless otherwise referenced.*

- Agency for Healthcare Research and Quality, Center for Cost and Financing Studies. 2000. *2000 Medical Expenditure Panel Survey – Insurance Component*. Accessed through the Kaiser Family Foundation “State Health Facts Online” website, found at <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=profile>, April 9, 2003.

The Medical Expenditure Panel Survey – Insurance Component is an annual survey of establishments that collects information about employer-sponsored health insurance offerings in the United States.

- Willard G. Manning, Joseph P. Newhouse, Naihua Duan, Emmett Keeler, Arleen Leibowitz, and M. Susan Marquis, “Health Insurance and the Demand for Medical Care: Results from a Randomized Experiment,” *American Economic Review*, June 1987, 77:3, pp. 251-277. Kathleen N. Lohr, Roabert H. Brook, Caren J. Kamberg, George A. Goldberg, Arleen Leibowitz, Joan Keesey, David Reboussin, and Joseph P. Newhouse, “Use of Medical Care in the RAND Health Insurance Experiment: Diagnosis and Service Specific Analyses in a Randomized Controlled Trial,” *Medical Care*, 24:9, Supplement, September 1986.
- Mercer Human Resources Consulting. 2002. *National Survey of Employer-sponsored Health Plans 2002*.

Results have been released in a detailed report containing expert analysis of major findings and color graphics. While the report provides an overview of results for employers of all sizes, it focuses on organizations with 500 or more employees.

- U. S. Department of Labor, Bureau of Labor Statistics. 2001. *National Compensation Survey, Occupational Wages in the United States, 2000*. November 2001, Bulletin 2548.

USHE Health Insurance Costs and Coverage

July 2002

	UofU ⁽¹⁾	USU	WSU	SUU ⁽²⁾	Snow	DSC	CEU	UVSC	SLCC
Insurance Provider/Third Party Administrator	Self/BCBS	Self/BCBS	EMIA	BCBS	PEHP	PEHP	PEHP	EMIA	BCBS
Length of Contract (Years)	N/A	N/A	1	1	1	1	1	1	1
2002-2003 Total Premium Increase (Percent)	12.4%	13.9%	13.1%	2.0%	11.0%	7.5%	13.0%	1.4%	10.5%
Annual Premium Cost to Institution									
Single	\$2,959	\$2,579	\$2,295	\$2,877	\$3,297	\$3,237	\$3,655	\$2,820	\$2,879
Employee + 1 dependent	\$4,931	\$5,823	\$5,324	\$6,502	\$7,033	\$6,692	\$7,817	\$6,516	\$6,512
Family	\$6,617	\$8,403	\$7,692	\$9,350	\$9,399	\$8,928	\$10,447	\$9,411	\$9,084
Annual Premium Cost to Employee									
Single	\$454	\$147	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee + 1 dependent	\$802	\$330	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family	\$1,145	\$480	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Key Coverage Provisions									
Annual Deductible									
Individual	\$0	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family	\$0	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yearly Out of Pocket Max									
Individual	\$1,000	\$1,000	\$1,200	\$1,000	\$1,500	\$1,500	\$1,500	\$1,000	\$1,500
Family	2 member maximum	\$2,000	\$2,400	\$2,000	\$3,000	\$3,000	\$3,000	\$2,000	\$3,000
Hospitalization (1st day)									
Deductible	0	0	\$400	0	0	0	0	Swing = \$200	0
Co-pay	10%	\$100	N/A	\$75	10%	10%	10%	\$100	\$175
Coverage after deductible/co-pay	90%	90%	90%	\$50 days 2-7, 100%	90%	90%	90%	100%	80%
Emergency Room									
Deductible	0	0	0	0	0	0	0	Swing = \$200	0
Co-pay	\$75	\$50	\$65	\$25	\$50	\$50	\$50	\$75	\$100
Coverage after deductible/co-pay	100%	100%	100%	100%	100%	100%	100%	100%	100%
Office Visit Co-pay	\$15	\$15	\$15 primary \$25 specialist	\$15	\$20	\$20	\$20	\$15	\$20
Prescriptions/Pharmacy									
Brand Name	Preferred \$15 Non-preferred \$30	30%	20%	\$15 (50% Non-formulary)	\$25	20%	20% of discount; \$5 minimum	30 Day \$14, 90 Day Mail \$16	\$25
Generic	\$7	30%	20%	\$10	\$10	50%	20% of discount; \$5 minimum	30 Day \$7, 90 Day Mail \$5	\$7

(1) The U of U offers four health care plans. Benefits show plan with the highest enrollment. Benefits changes effective 1/1/02.

(2) Employees may pay a premium to purchase a plan with a broader provider network.

UCAT Health Insurance Costs and Coverage

July 2002

	BATC	DATC	DXATC	MATC	OWATC	SLTATC	SEATC	SWATC	UBATC
Insurance Provider/Third Party Administrator	IHC	PEHP	PEHP ⁽¹⁾	EMIA ⁽²⁾	PEHP	PEHP	PEHP ⁽³⁾	EMIA ⁽⁴⁾	PEHP Preferred (self-funded)
Length of Contract (Years)	1	1		1	1	1	1	1	
2001-2002 Total Premium Increase (Percent)	14.4%	n/a	11.5%	13.3%	13.0%	18.3%	8.4%	7.5%	12.0%
2002-2003 Total Premium Increase (Percent)	12.6%	n/a	7.5%	1.4%	0.7%	12.0%	13.0%	13.0%	12.0%
Annual Premium Cost to Institution per Employee									
Single	\$2,870	\$3,015	\$3,237	\$2,820	\$2,643	\$3,015	\$3,655	\$2,790	\$3,242
Employee + 1 dependent	\$6,490	\$6,218	\$6,692	\$6,516	\$5,465	\$6,218	\$7,817	\$5,793	\$6,686
Family	\$9,334	\$8,301	\$8,927	\$9,411	\$7,290	\$8,301	\$10,447	\$6,867	\$8,925
Annual Premium Cost to Employee per Employee									
Single	\$0	\$227	\$0	\$0	\$199	\$227	\$0	\$136	\$227
Employee + 1 dependent	\$0	\$468	\$0	\$0	\$411	\$468	\$0	\$302	\$468
Family	\$0	\$625	\$0	\$0	\$549	\$625	\$0	\$433	\$625
State-funded Employee Type of Coverage									
Single	10	5	0	1	18	1	0	1	1
Employee + 1 dependent	14	21	1	4	29	2	2	4	9
Family	76	57	1	11	60	14	9	10	34
Key Coverage Provisions									
Annual Deductible									
Individual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yearly Out of Pocket Max									
Individual	\$1,500	\$1,500	\$1,500	\$1,000	\$1,500	\$1,500	\$1,500	\$2,000	\$1,500
Family	\$3,000	\$3,000	\$3,000	\$2,000	\$3,000	\$3,000	\$3,000	\$4,000	\$3,000
Hospitalization (1st day)									
Deductible	\$0	\$0	0	Swing = \$200	\$0	\$0	0	\$0	
Co-pay	10%	\$0	10%	10000%	\$20	\$0	10%	\$175	10%
Coverage after deductible/co-pay	90%	90%	90%	100%	90%	90%	90%	100%	90%
Emergency Room									
Deductible	0	\$0	0	Swing = \$200	0	0	0		0
Co-pay	\$25	\$50	\$50	\$75	\$50	\$50	\$50	10%	\$50
Coverage after deductible/co-pay	90%	100%	100%	100%	90%	100%	100%	90%	100%
Office Visit Co-pay	\$10	\$20	\$20	\$15	\$20	\$20	\$20	\$15	\$20
Prescriptions/Pharmacy (employee share)									
Brand Name	Formulary \$10; Non-formulary \$30	Preferred 20%; Non- preferred 50%; \$5 min	20%	30 Day \$14, 90 Day Mail \$16	Preferred 20%; Non- preferred 50%	Preferred 20%; Non- preferred 50% + \$5 Co-pay 20%	20% of discount; \$5 minimum	30%	Formulary 20%; Non-formulary 50%
Generic	\$5	20%	50%	30 Day \$7, 90 Day Mail \$5	20%	20%	20% of discount; \$5 minimum	20%	20%

NOTES:

(1) DXATC is on the PEHP plan through Dixie State College.

(2) MATC is on the EMIA plan through Utah Valley State College.

(3) SEATC is on the PEHP plan through the College of Eastern Utah.

(4) SWATC is on the EMIA plan through Iron County School District.

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: USHE – Proposed Operations and Maintenance Budget Request Model

Issue

On September 12, 2002, the Board of Regents considered a list of Capital Development projects to propose to the Legislature for 2003-2004. At that time, questions were raised as to how institutions determined the dollar amount to be requested for Operations and Maintenance (O & M) for new capital development projects. The same question arose in a subsequent presentation to the State Building Board. Because there was considerable variation in the institutional responses to the question, staff from the State Division of Facilities and Construction Management (DFCM), the Commissioner's Office, and USHE institutions agreed to form a working group to pursue the feasibility of a standard statewide budget request model for O&M budget requests for new space.

Background

There is currently a wide range of actual costs for O&M among USHE institutions. This range can be attributed to a long history of differences among institutions, including the following: historical pattern of funding levels, differences in age of buildings, differences in types of buildings and uses of space, and differences in climate, utility use, and utility providers. The common pattern for determining the amount of O&M to be requested has been that of each institution adding some desired dollar amount per square foot to current costs to arrive at an ideal level of future funding for each project. This pattern has persisted through the years.

The O&M Working Group, initially composed of representatives from DFCM, the Office of the Commissioner, and three institutions (UofU, USU, CEU) began several months ago looking in the literature for existing models for O&M costs. The Working Group found no one single source to have the answer, but by using elements of three sources, plus recent cost information from the institutions, the Working Group was able to construct a mathematical model for determining O&M costs for new facilities.

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As suggested by the Federal Facilities Council¹, and described in Attachment 1, the model proposes using Current Replacement Value (CRV) as the base for calculations. Maintenance and Operations costs are calculated separately as percentages of the current replacement value of the capital asset. Varying percentages are used for five different building types. A standard percentage is used in calculating the operations value for all building types. Because of variations of utilities costs among building types, the model provides utility cost differentiation based on actual average utility costs.

This budget request model has been discussed in a statewide meeting of institutional facilities administrators, the Utah Association of Physical Plant Administrators (UAPPA). That group also developed a worksheet (Attachment 2) which has been used by institutions to test the model. The model was presented in draft form to the Regents' Finance, Facilities, and Accountability Committee at its April 18, 2003, meeting, and was endorsed in concept. The model was discussed briefly at the May 7, 2003, meeting of the State Board Building Board. The Building Board expressed a favorable first impression to the model, and agreed to consider it on their next action agenda subsequent to action by the Regents.

If approved by the Regents, this O&M Budget Request Model will be pilot tested by USHE institutions during the 2004-2005 budget request cycle for Capital Development projects. Working with the Office of the Commissioner and DFCM, institutions will propose O&M funding amounts for their first-priority capital projects based on the model.

During the Capital Development process, O&M amounts are indicated to disclose the anticipated ongoing costs associated with the project. Specific requests for O&M funding then become part of the operating budget request. As part of the proposed pilot test of this new model, Capital Development Projects being completed in 2004-2005 will use this model to generate the operating budget request for O&M.

Recommendation

It is the recommendation of the Commissioner that the State Board of Regents review the attached O&M Budget Request Model, ask questions which may arise, and approve the model to be pilot tested during the 2004-2005 budget request cycle for Capital Development Projects.

CHF/MHS
Attachments

Cecelia H. Foxley, Commissioner

¹ *Budgeting for Facilities Maintenance and Repair Activities*, Federal Facilities Council Standing Committee on Operations and Maintenance, Report Number 131, 1996.

**Proposed
Operations and Maintenance
Budget Request Model
*Draft (4/8/03)***

The following funding model is being proposed to the Board of Regents and the Building Board for determining the amount of funding requests for Operations and Maintenance (O&M) of higher education capital projects. This model will be implemented for a five-year period with provision for annual adjustment to fuel and power values. The model will be used for all future O&M requests during the proposed trial period. In unusual circumstances where a project request does not fit into one of the building types described below, the institution, the Commissioner's Office, and DFCM will jointly determine an appropriate O&M funding level.

It is recognized that different institutions may have different approaches for internal responsibility, budgeting and expenditure of these O&M funds. For example, the majority of funding for the maintenance and repair and the operations components may be allocated to the Physical Plant operation while a portion may be allocated to another internal organization for security or environmental and safety. The fuel and power component may also be administered by a central administration office. It is not the intent of this model to limit this internal allocation of budgets and responsibilities.

Requests for renovation or replacement O&M funding will be reduced by existing funding levels. This deduction will be determined by the Office of the Commissioner of Higher Education on a campus average cost per square foot. The average cost is then multiplied by the square footage being renovated or replaced and subtracted from the following calculation.

The proposed formula uses the Current Replacement Value (CRV) as the base for maintenance and operations calculations. Maintenance and Operations are calculated separately as percentages of the current replacement value of the capital asset. Varying percentages are used in calculating the maintenance value for the five different building types. A standard percentage is used in calculating the operations value for all building types. Because of the variation of power and natural gas costs between building types, the formula provides utility cost differentiation. Fuel and power costs are entered in the formula on a cost per square foot basis rather than as a percentage of CRV.

Proposed Operations and Maintenance Formula:

Building Type	Maintenance/Repair	Operations	Fuel & Power	Total Dollars Requested
Classroom/Office	.0130 x (CRV)	+ .0095 x (CRV)	+ \$1.25 x (sq ft)	= \$\$\$\$\$\$
Library/Student Ctr.	.0145 x (CRV)	+ .0095 x (CRV)	+ \$1.25 x (sq ft)	= \$\$\$\$\$\$
Service/Shop/Vocational	.0160 x (CRV)	+ .0095 x (CRV)	+ \$2.00 x (sq ft)	= \$\$\$\$\$\$
Physical Education	.0165 x (CRV)	+ .0095 x (CRV)	+ \$0.90 x (sq ft)	= \$\$\$\$\$\$
Laboratory	.0135 x (CRV)	+ .0095 x (CRV)	+ \$2.50 x (sq ft)	= \$\$\$\$\$\$

Requests for O&M funding may be split between up to two building types only if the second building type comprises more than 25% of the total gross square footage.

Example O&M calculations for several building types are attached. Percentages used in maintenance and repair are estimated from Whitestone Maintenance Costs Data.

Definition of Terms

Current Replacement Value

Current replacement value (CRV) is the total cost of construction excluding design fees and furnishings. The CRV does not include value of the property or other site improvements. For new buildings, the Current Replacement Value will be the construction budget for the project. For renovation projects, the Current Replacement Value will be the cost to construct similar space as estimated by DFCM.

Fuel and Power

Purchased fuel and power are those utilities required for proper operation of building systems and central energy plants. Fuel and power costs are expected to be adjusted annually to reflect market changes.

Maintenance and Repair Includes:

Preventative Maintenance

Preventive maintenance is the planned, scheduled periodic inspection, adjustment, cleaning, lubricating, parts replacement, and minor repair of equipment and systems.

Programmed major maintenance

Programmed major maintenance includes those maintenance tasks whose cycle exceeds one year. Examples of programmed major maintenance are painting and similar functions. This may include carpet replacement.

Maintenance repairs or corrective maintenance

Maintenance repairs are actions taken to restore a system or piece of equipment to its original capacity, efficiency, or capability. Maintenance repairs extend a system's life expectancy but generally do not increase its capacity.

Trouble calls or service calls

Service calls are requests for system or equipment repairs that, unlike preventive maintenance work, are unscheduled and unanticipated. Service calls generally are received when a system or component has failed. If the problem has created a hazard or involves an essential service, an emergency response might be necessary. Conversely, if the problem is not critical, a routine response is adequate.

Operations Includes:**Facilities Administration**

Leadership and staff to oversee and support facilities operations including work entry, scheduling, cost accounting and related support functions.

Custodial Services

Custodial services generally include the cleaning of floors and other surfaces, emptying of trash, and care of restrooms.

Landscape Services

Landscape services generally include the planting and care of woody and annual plants, planting and mowing of lawns, snow removal on walkways and parking areas, and sprinkler system operation.

Security Services

Security services include the necessary locking of doors etc. to protect the building asset. Law enforcement and parking services are not included in the security services.

Non-delegated project planning and engineering services

Planning and engineering services required to administer projects smaller than the level that requires DFCM administration or delegation, and to provide campus coordination for larger projects.

Waste Removal Services

Waste removal services include the gathering and disposal of solid waste materials.

Environmental Health and Safety Services

Environmental health and safety services may include the collection and disposal of hazardous materials requiring special disposal processes.

Fire Protection Services

Fire protection services include the operating and monitoring of sprinkler and alarm systems, maintenance of fire extinguishers, and other associated activities of a campus fire prevention official.

Furniture Repair

Furniture repair and moving services include activities associated with repairs of non-fixed furniture and appurtenances.

Utility Infrastructure Services

Utility infrastructure services include the operation of campus utility supply systems such as: central heating plant, central chilled water system, electrical cogeneration system, substation and high voltage distribution system, sewer and water system. Infrastructure system operations also include monitoring and meter reading associated with delivery of the utility to the building or structure.

Water and Sewer

Water and sewer includes the cost of the utility and is generally provided by others.

Building Types Include:**Classroom/Office**

Classroom/Office buildings generally have sections of office suites, support space, and classrooms. The classrooms often vary in seating capacity and may seat several hundred in the larger lecture rooms. Computer rooms (labs) are also often associated with the classroom type building. This category also includes space that is primarily classrooms and offices but which may include a limited number of labs. Building operating hours vary between 12 and 20 hours, up to six days per week, and are utilized 12 months per year. Effective cooling and heating systems are critical to this type learning and teaching environment.

Libraries/Student Centers

Libraries and Student Centers usually have large open areas with associated offices, storage, and other miscellaneous spaces. Campus cafeteria and food service facilities are usually located in the Student. Auxiliary operations should fund the O&M costs for space they occupy. Hours of operation in this type of buildings may be 20 hours a day, seven days a week. Cooling and heating systems may operate 24/7.

Service/Shop/Vocational

Service, Shop and Vocational buildings typically have large areas of shop space with high ceilings and several large overhead doors. Some offices and classrooms are usually included in this type of space. Cooling and heating systems in the open shop space are necessary for student and instructor comfort. Often these systems have a high use of energy due to overhead doors and other ventilation equipment. Building occupancy varies between 12 and 18 hours, up to six days a week.

Physical Education

Physical Education buildings are generally designed with many large rooms and few offices. This category may include activity centers. Heating and cooling systems are normally designed to more moderate standards compared to other building types. Operating hours typically run from 5:00 am to 10:00 pm six days per week.

Laboratory Buildings

Laboratory buildings are the most complex of all the building types and consume extreme amounts of energy. This type of building is often designed with one or more offices attached to each lab space. Administrative office and support spaces are

frequently located in these buildings. Electrical capacity required for research buildings is much larger than other building types. Power usage is high because of the large cooling and heating systems and lab equipment connections. Cooling and heating systems are critical to the operation of research buildings. Air quality standards for lab space require nearly 100 percent make-up air. Higher energy consumption is the trade off for air quality and occupants' health and safety. Often the people doing research in these spaces work into the evenings and weekends.

Utah System of Higher Education

UAPPA O&M REQUEST WORKSHEET

		<u>Classroom/Office</u>					<u>Libraries/Student Centers</u>					<u>Service/Shop/Vocational</u>					<u>Physical Education</u>					<u>Laboratories</u>				
		CRV			Fuel &	Total	CRV			Fuel &	Total	CRV			Fuel &	Total	CRV			Fuel &	Total	CRV			Fuel &	Total
		gsf	M&R	Ops	Power		gsf	M&R	Ops	Power		gsf	M&R	Ops	Power		gsf	M&R	Ops	Power		gsf	M&R	Ops	Power	
FORMULA			1.30%	0.95%	\$1.25			1.45%	0.95%	\$1.25			1.60%	0.95%	\$2.00			1.65%	0.95%	\$0.90			1.35%	0.95%	\$2.50	
USU	Merrill Library*	\$0					\$34,521,000 220,000	\$2.28	\$1.49	\$1.25	\$5.02	\$0										\$0				
DIXIE	Health Sciences	\$0					\$0					\$0					\$0					\$12,000,000 70,000	\$2.31	\$1.63	\$2.50	\$6.44
CEU	Fine Arts*	\$10,183,000 66,515	\$1.99	\$1.45	\$1.25	\$4.69	\$0					\$0					\$0					\$0				
U OF U	Marriott Library*	\$0					\$47,300,000 302,000	\$2.27	\$1.49	\$1.25	\$5.01	\$0					\$0					\$0				
SLCC	Health Sciences (example of splitting)	\$9,410,000 68,200	\$1.79	\$1.31	\$1.25	\$4.35	\$0					\$0					\$0					\$6,050,000 33,800	\$2.42	\$1.70	\$2.50	\$6.62
WSU	Swenson Gymnasium*	\$0					\$0					\$0					\$10,625,000 85,000	\$2.06	\$1.19	\$0.90	\$4.15	\$0				
UVSC		\$0					\$0					\$0					\$0					\$0				
SNOW	Classroom Bldg.	\$4,046,000 30,000	\$1.75	\$1.28	\$1.25	\$4.28	\$0					\$0					\$0					\$0				
SUU	Teacher Education	\$11,875,000 95,630	\$1.61	\$1.18	\$1.25	\$4.04	\$0					\$0					\$0					\$0				

Note: When inserting CRV, include only **construction costs**

* These projects include the renovation or replacement of existing space. The O&M request would be reduced by the amount of the existing funding.

May 21, 2003

MEMORANDUM

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Financial Controls, Auditing Practices, and Proposed Replacement Policy R565, Audit Committees

Issue

Recent events in higher education and corporate America have brought renewed attention to the importance of ethical business practices, effective systems of internal control, and appropriate action by auditors and audit committees. This memorandum will ask Regents to endorse a proposal that USHE institutions initiate a program of training for institutional staff and faculty to emphasize internal control. This memorandum also presents for discussion and approval a proposed replacement Regent policy which directs the work of Audit Committees of the Board of Regents and Boards of Trustees.

Background

The Board's Finance, Facilities, and Accountability Committee, at its April 18, 2003, meeting, addressed the serious nature of the USHE's stewardship of public resources. The Committee heard Mr. Greg Fisher, Director of Internal Audit in the Office of the Commissioner, present examples of training materials which could be used to remind USHE staff and faculty of the importance of internal control procedures. The Committee endorsed the Commissioner's recommendation that the Board direct USHE institutions to undertake a program of training during the next twelve months for all management and supervisory personnel to ensure knowledge and compliance with effective internal financial control. (Note: Training is already either underway or will soon begin at several institutions.)

The Committee also was presented a summary by SLCC internal auditor Lynne Freed Cartwright of the Sarbanes-Oxley Act of 2002, enacted by Congress after public outcry against corporate scandals. The Act mandates more public disclosure, strengthens corporate governance, makes senior management more accountable, heightens auditor independence, and increases oversight of auditors. At present, the new rules apply only to public companies, and the effects on colleges and universities will be indirect. However, institutional officers will find it difficult to justify practices which fall short of these new standards. The Committee endorsed in principle the concept of infusing these higher "Sarbanes-Oxley" standards into USHE procedures.

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The final action by the Committee on April 18 was preliminary discussion of potential policy changes to strengthen the oversight role of audit committees for the Board of Regents and Boards of Trustees. Associate Commissioner Mark Spencer indicated that the new language is intended to encourage audit committees to interact more effectively with institutional administration, internal auditors, and external auditors. Mr. Joe Christensen, Deputy State Auditor, attended the Committee meeting and participated in the discussion.

Regents' Policy R565, *Audit Review Subcommittee*, currently provides the functions and responsibilities of the Audit Review Subcommittee of the Board. Regents' Policy R566, *Audit Review Process*, currently provides direction for the efficient and orderly review of audits made at institutions and stipulates that such review is under the direction of the Audit Review Subcommittee. Attached for consideration by the Board is replacement policy R565, *Audit Committees*, which combines the previous R565 and R566 and also suggests a change in focus of Regent and Trustee Audit Committees. (Attachment 1)

Under the new R565, the Regent Audit Committee would continue to function as a subcommittee of the Finance, Facilities, and Accountability Committee, but would shift its focus from reviewing numerous internal audits in favor of focusing on institution-level financial and internal control matters. This Committee would review annual financial statements of each institution, with appropriate analysis and explanation from institutional administration and external auditors, and would receive reports on the quality of internal controls at each institution. The Regents' Committee would also receive an annual report from Trustee Audit Committees regarding the internal audit program at each institution.

The new R565 also provides for a Trustee Audit Committee as a subcommittee of each institutional Board of Trustees. The Trustee Audit Committee would assume responsibility for internal department-level audits within the institution. This committee would also review the annual financial statement and external audit before forwarding those documents to the Regent Audit Committee.

These changes anticipate a closer working relationship among external auditors (statutory authority of the State Auditor), internal auditors, administration, and audit committees of Regents and Trustees. These changes are intended to ensure that a process will exist for the receipt, retention, and treatment of complaints, including anonymous complaints, received by the institution regarding accounting, internal controls, or auditing practices.

As indicated above, the Finance, Facilities, and Accountability Committee began discussion of the new R565 on April 18. Based on that discussion, and upon comments received since the Committee meeting, the draft of new R565 has been amended. Language added since April 18 is underlined. Language deleted shows as a strikeout. One significant change was to eliminate the requirement that members appointed to audit committee have prior accounting or auditing experience. This requirement seemed to unduly limit options available to Board chairs in making appointments to committees. A second significant change was to indicate that Trustee Audit Committees would be made up of at least three Trustees and up to three community persons. Again, this change was requested to add to the options available to Trustee chairpersons.

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Recommendation

It is the recommendation of the Commissioner that the Board of Regents direct all USHE institutions, if they have not already done so, to undertake a program of training during the next twelve months for all management and supervisory personnel to ensure knowledge and compliance with effective internal financial control procedures and practices. Institutions should provide a summary report to the Regents of these training programs by June 30, 2004.

It is also recommended that the Board of Regents replace existing Regents' policies R565 and R566 with a new policy R565, to be implemented as soon as possible and not later than September 1, 2003, by the Board of Regents and institutional Boards of Trustees.

Cecelia H. Foxley, Commissioner

CHF/MHS
Attachment

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Utah State University – Sale of Building and Lease of Property

Issue

Regent Policy R710 requires that the Board of Regents reviews and approves institutional requests for leases which exceed \$50,000 per year or commit the institution for a duration of five or more years. Regent Policy R712 requires Board approval for facilities developed and owned by outside parties on leased institutional land.

Background

Utah State University proposes entering into a Building Purchase and twenty-year Ground Lease Agreement with Delta Sigma Phi (DSP) Fraternity. This will enable DSP to purchase and occupy the former Sigma Phi Epsilon (SPE) fraternity house, and lease the property consisting of .57 acres at 837 North 800 East, Logan, as well as a vacant lot of .48 acres located immediately to the north. When the proposed lease agreement terminates, ownership of the building will revert to USU at no cost.

The University supports the use of this building and property for this purpose at this time. Previous USU reviews have endorsed locating Greek units together as a community, and, if possible, restoring past Greek housing for future Greek use. The current campus master plan does not define an alternative use for this property but does make a recommendation that this type of frontage property adjoining the campus be retained by the University.

In order to occupy the house and the property, DSP will have to make extensive capital improvements and adequately landscape the grounds to make it functional for its needs and to comply with current city building codes and parking regulations. The landscaping and care of the grounds will also have to conform with University standards and any applicable restrictions for state-owned land.

This building has been vacant for an extended period of time and is in extremely poor condition. In fact, a real estate appraisal two years ago assigned zero value to the building, and actually deducted from the value of the land because the building was there. The proposed building purchase price will be the estimate of the University's maintenance and utility costs spent on the property to date of \$7,000. Based on DSP's estimates of feasible rental rates to members, DSP needs a ground lease of twenty years to

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May 21, 2003
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recover the estimated one-time remodeling and repair costs of over \$200,000 as well as the projected on- going costs for maintenance and utilities. The proposed agreement will give USU the first-refusal option to repurchase the building at any time should the need arise. The repurchase price will be the amortized value of planned capital improvements and projected costs as agreed to by DSP and the University.

This sale and lease agreement was approved by the USU Board of Trustees on May 1, 2003. It has also been reviewed by the Office of the Attorney General.

Recommendation

It is the recommendation of the Commissioner that the Regents approve the proposed building sale and ground lease agreement between the Delta Sigma Phi Fraternity and Utah State University.

CHF/MHS
Attachments

Cecelia H. Foxley, Commissioner

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Utah Valley State College – Proposed Purchase of Vineyard Elementary and Alpine Life Learning Facility

Issue

Utah Valley State College (UVSC) officials request Regent authorization to purchase approximately 100,000 square feet of space and 11.88 acres adjacent to the north of the main campus. The proposed purchase price of \$6,650,000 would be paid with \$6,600,000 funded by the Legislature as part of the General Obligation bond, with the remaining funds to come from institutional resources.

Background

Regents will recall this capital development project was UVSC's highest priority for the 2003-2004 capital development cycle and was ranked as one of the USHE's top five projects by the Regents. The project entails purchasing Vineyard Elementary School, which includes 60,436 square feet (including trailers and storage) and 11.88 acres of land. The Alpine Life and Learning Center has 39,222 square feet of total space located on land currently leased from the College. The acquisition of this space will provide classrooms suitable for teacher training and other programs. Given UVSC's rapid growth, the facilities and property associated with this purchase are significant and needed additions to the College.

As noted in the attached letter from Vice President Val Peterson (Attachment 1), the Division of Facilities Construction and Management requires Regent approval of the property acquisition before the funds for the purchase can be released to the College.

Commissioner's Recommendation

It is the recommendation of the Commissioner that Regents authorize UVSC officials to purchase Vineyard Elementary School and the Alpine Life and Learning Center using the funding provided for this purpose by the 2003 Legislature and other institutional funds as needed.

Cecelia H. Foxley, Commissioner

CHF/MHS/BLM
Attachment

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Utah College of Applied Technology – Proposed Tuition Increase for 2003-2004

Issue

Regents finalized 2003-2004 tuition increases for 9 of the 10 USHE institutions at their March meeting. At this time, Regents are asked to finalize the 2003-2004 tuition increase for the Utah College of Applied Technology.

Background

Two pieces of legislation passed during the 2003 General Session provide guidance for UCAT tuition. First, HB 232, *Utah College of Applied Technology Amendments*, clarified that tuition for UCAT is to be approved by the UCAT Board of Trustees and State Board of Regents and that the tuition rates should represent market costs for adult students with no tuition being assessed to secondary students. In addition, legislative intent language called for a study of UCAT tuition to establish uniform rates and evaluate tuition compared to the cost of instruction and educational market.

As part of the 2003-2004 budget request, the UCAT Board of Trustees discussions identified a target tuition increase of the full-time student rate from \$0.95 per hour to \$1.00 per hour, or 5.26%. Since the conclusion of the General Session in March, UCAT campuses have held truth-in-tuition hearings on the proposed 5.26% increase and finance officers at the various campuses along with UCAT Administration and the Commissioner's Office have met to determine a uniform tuition application for all UCAT campuses. Prior to becoming one college under the system of higher education, each applied technology center or service region exercised latitude in implementing front-load charges or price incentives for part-time students.

Based on a set of guiding principles, the UCAT Board of Trustees approved the proposed tuition increase for UCAT from \$0.95 to \$1.00 per membership hour for full-time students along with a common tuition model at their meeting on May 7, 2003. In addition, the Trustees approved common tuition assessment and refund policies, and common general student fees. The details of the Board of Trustees approvals that are being forwarded to the Regents for consideration can be found in Attachment 1.

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May 21, 2003
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UCAT campuses have been granted three-years to phase-in the new model because of the significant impacts it can have on tuition for students enrolled less than full time across the various campuses. In addition, campuses maintain the option to use at least the full-time student membership hour tuition rate of \$1.00 per hour for defined-entry, defined-exit courses of 100 hours or less.

In addition to the 5.26% increase applying to the rate for full-time students in open-entry, open-exit programs, it is intended that this percentage also apply to programs in Farm Ranch Management and Apprenticeship, which each run for longer, fixed time periods.

Commissioner's Recommendation

It is the recommendation of the Commissioner that Regents review and approve the proposed tuition increase for UCAT, along with the common tuition model, tuition assessment and refund policies, and general student fees as approved by the UCAT Board of Trustees and outlined in Attachment 1.

Cecelia H. Foxley, Commissioner

CHF/MHS/BLM
Attachment

Tuition and Fee Model

Supplement to UCAT Board of Trustees Agenda, Tab W

*As amended and approved by the
UCAT Board of Trustees, May 7, 2003*

Background

Legislative intent from House Bill 1, Item 69 of the 2003 General Session states the following regarding UCAT tuition:

It is the intent of the Legislature that a study be performed in the interim with members of the UCAT Board of Trustees, the Office of the Legislative Fiscal Analyst and the Governors Office of Planning and Budget to evaluate the UCAT tuition revenue. It is also the intent of the Legislature that uniform tuition rates be established for UCAT programs based on cost of instruction and on market demand. It is further the intent of the Legislature that the outcome of the study on UCAT tuition is reported to the Commerce and Revenue Appropriation Subcommittee by October 31 of 2003, and that the recommended tuition rate increase is implemented as soon as possible. It is also the intent of the Legislature that each college is to use tuition revenue generated by the tuition rate increases to cover institutional priorities.

In order to comply with this intent language and prepare for accreditation standards as a single institution, the UCAT Finance Officers Committee has dedicated its focus since the completion of the legislative session to the issue of creating a single tuition and fee model for UCAT. Past practice has allowed individual campuses to implement the approved tuition rate for full time students and assess fees with considerable latitude. To guide in the restructuring of this issue, Finance Officers developed a list of seven guiding principles. These principles are:

1. Maintain existing revenue at each campus.
2. Remove inconsistencies across the system concerning the number of hours enrolled and number of hours for which tuition is paid.
3. Keep the revenue increase to 5.27%, as presented in the student hearing.
4. Create incentives for students to enroll for at least a minimum number of hours to improve instructional and administrative efficiency.
5. Maintain simplicity for ease of administration and understanding amongst policy-makers, students, and the public.
6. Allow campuses flexibility to add reasonable course or programmatic fees to cover instructional or consumable supply costs for high cost programs.
7. Minimize impact to students enrolled part-time and in defined-entry, defined-exit programs.

These principles underlie the model that is being forwarded to the UCAT Board of Trustees for approval at this time. Once approved by the Board of Trustees and Board of Regents, the model will begin to be implemented on campuses for the 2003-2004 fiscal year and will be reviewed with staff from the Office of the Legislative Fiscal Analyst and Governor's Office of Planning and Budget in preparation for presentation to Commerce and Revenue Appropriations Subcommittee prior in October 2003. With a common model in place, future strategic planning on tuition will focus on the "market" rate.

Proposed Tuition Rate Model

The tuition model being forwarded for Trustee consideration balances the objectives stated in the seven principles to create a workable and consistent tuition charge across all UCAT campuses. This is described below:

- Tuition is assessed at a constant rate for an initial block of membership hours that a student is enrolled for during a week. The Board approves the rate and the threshold for the block of membership hours for this range.

This addresses principles 1, 2, 4, and 5 as it (1) creates a front-loaded schedule similar to those in place at a number of campuses in order to maintain revenue, (2) establishes consistency across the UCAT system, (4) creates price incentives for students to enroll in more membership hours, and (5) maintains simplicity.

- Tuition for full time students will be set at a rate per membership hour, which is the current practice. The rate per hour will gradually decrease in a linear fashion from the rate charged for the first block of hours to the rate charged for a full time student.

This addresses principles 3, 4 and 5 as it raises the full-time student tuition consistent with that described in the student hearings, creates a price incentive by removing the front-load charge of the initial block of hours, and maintains the simplicity of charging a constant rate per membership hour for full-time students.

- An exception to this schedule would be established for defined-entry, defined-exit classes of fewer than 100 membership hours. Tuition in these courses must be at least the rate per hour assessed to full-time students, but they do not have to charge the front-loaded rate outlined in the tuition schedule. This decision will be determined by campus administration and the Board of Directors and reported back to UCAT Administration and the Board of Trustees.

This addresses principle 7 by allowing an exception to the front-loaded rate for these short-term classes in order to meet local market needs and demand.

- The tuition model will be phased in over three years from the 2003-2004 year to 2006-2007. Each campus and local Board of Directors will determine the phase in process and report back to UCAT Administration and the Board of Trustees.

This addresses principles 1, 3, and 7 as it allows each region to determine how to implement the uniform tuition model over a three-year period to meet local revenue needs, be consistent with the intent of the tuition hearings, and minimize the impact to students through a phased approach.

- Each campus will maintain the ability to establish course and programmatic fees to offset higher cost programs and consumable supply costs.

This addresses principles 1 and 6 by allowing campuses to determine the unique revenue needs associated with their specific programs.

Table 1. Proposed UCAT Tuition Rate Schedule

	Tuition	Cost per Hour
Regular Program Hours Per Week		
1	\$23.65	\$23.65
2	\$23.65	\$11.83
3	\$23.65	\$7.88
4	\$23.65	\$5.91
5	\$23.65	\$4.73
6	\$23.65	\$3.94
7	\$23.65	\$3.38
8	\$23.65	\$2.96
9	\$23.65	\$2.63
10	\$23.65	\$2.37
11	\$23.65	\$2.15
12	\$23.98	\$2.00
13	\$24.32	\$1.87
14	\$24.65	\$1.76
15	\$24.99	\$1.67
16	\$25.32	\$1.58
17	\$25.66	\$1.51
18	\$25.99	\$1.44
19	\$26.32	\$1.39
20	\$26.66	\$1.33
21	\$26.99	\$1.29
22	\$27.33	\$1.24
23	\$27.66	\$1.20
24	\$27.99	\$1.17
25	\$28.33	\$1.13
26	\$28.66	\$1.10
27	\$29.00	\$1.07
28	\$29.33	\$1.05
29	\$29.67	\$1.02
30	\$30.00	\$1.00
31	\$31.00	\$1.00
32	\$32.00	\$1.00
33	\$33.00	\$1.00
34	\$34.00	\$1.00
35	\$35.00	\$1.00
36	\$36.00	\$1.00
37	\$37.00	\$1.00
38	\$38.00	\$1.00
39	\$39.00	\$1.00
40	\$40.00	\$1.00

Figure 1. Proposed UCAT Tuition Rate Schedule

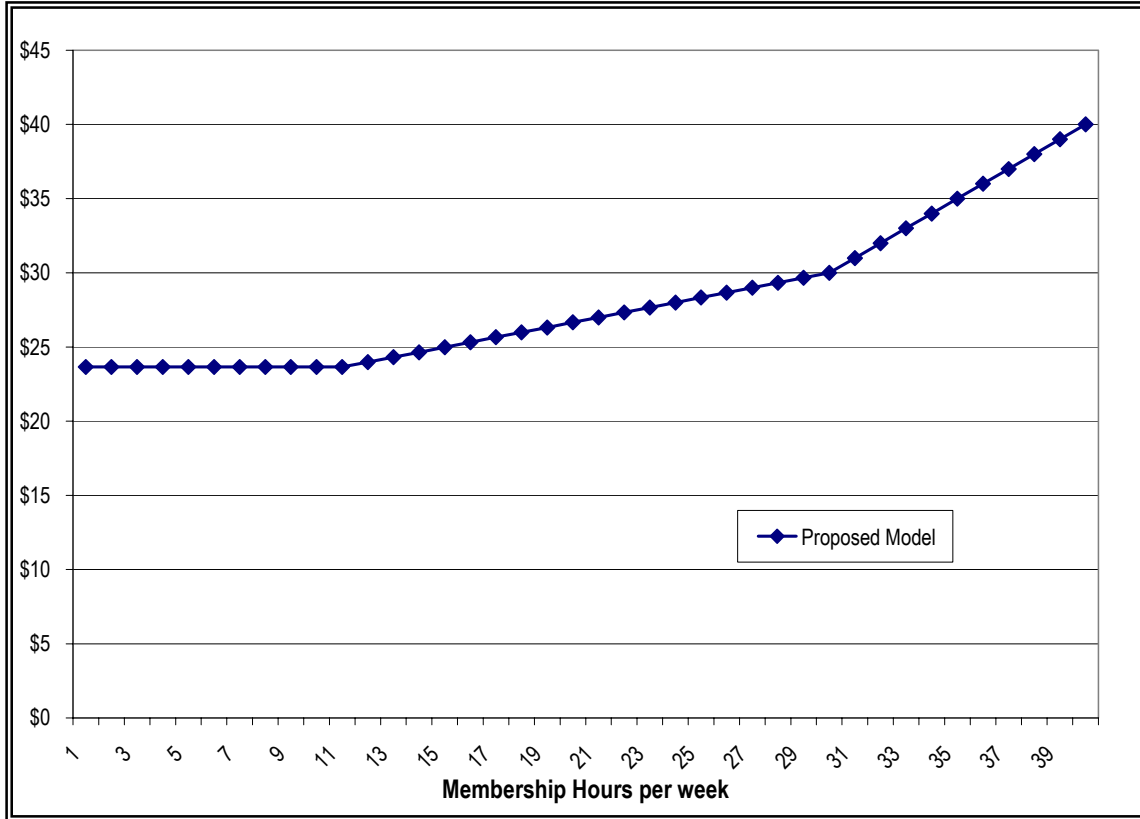
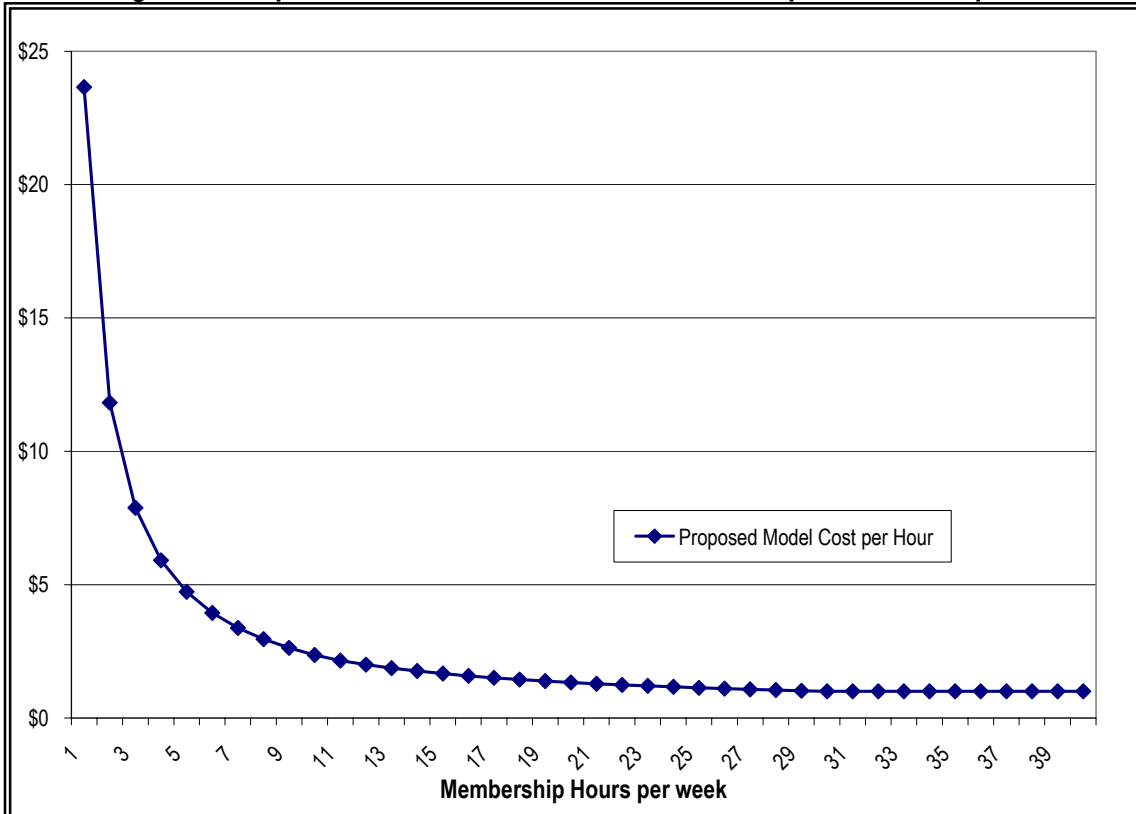


Figure 2. Proposed UCAT Tuition Rate Schedule Cost per Membership Hour



Proposed Tuition Assessment and Refund Policy

In addition to a common tuition rate schedule, it is also necessary for UCAT campuses to implement common policies to govern the assessment and refund of tuition. The proposed policies are described below:

- **Tuition Assessment Policy**
 - Open-entry, Open-exit Programs: Tuition is to be assessed monthly, with the option for students to pay farther in advance if they desire.
 - Defined-entry, Defined-exit Programs: tuition is to be assessed in advance.
- **Tuition Refund Policy**
 - Open-entry, Open-exit Programs: Remaining tuition balance will be refunded upon student written request once student completes program or withdraws
 - Defined-entry, Defined-exit Programs: 100% prior to beginning of class; 50% after the beginning of class up to the point that 33% of the instruction has occurred, and 0% thereafter, with exceptions to be granted on a case-by-case basis by campus officials.

Proposed Fee Model

In addition to the latitude granted in tuition implementation, campuses have also implemented various strategies concerning general student fees that are assessed with tuition. To make this consistent, the following general fees are proposed:

1. **Open Program Registration Fee** -- Initially to be set at \$40. The registration fee for defined courses is included with the course tuition. This fee does not apply to high school students.
2. **Open Program Re-enrollment Fee** – Initially to be set at \$20. This applies if a student withdraws and is not continuously enrolled. A student may withdraw and pay a minimum leave-of-absence fee (see below) to avoid this fee upon re-enrollment. This fee does not apply to defined courses or high school students.
3. **Leave of Absence Fee** – Initially to be set at \$5. Students in open programs who know of a scheduled departure for health or family reasons may reserve their spot in the program by paying a leave of absence fee. This fee does not apply to high school students.
4. **Schedule Change Fee** – Initially to be set at \$5. This is to be assessed for any student-initiated schedule changes, if that option exists for students on a campus.
5. **Programmatic Fees** – To be determined by each campus. High school students would be subject to these fees.
6. **Graduation Fee** – Initially to be \$15.
7. **Potential Future Fees** – These may include library fees or other needs. Nothing is proposed at this time.
8. **Use Fees** – Fees such as parking, transportation, or other use fees related to a specific campus should be determined by that campus and reported to UCAT Administration and the Board of Trustees.
9. **High School Students Fees** – Fees for high cost programs or consumption of materials are to be determined at the campus level, as determined through negotiations with local school districts.

Recommendation

UCAT Administration and the President's Cabinet recommends that the Trustees adopt and forward to the Regents the tuition rate model, tuition assessment and refund policies, and fee model described above.

MEMORANDUM

May 20, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: USHE – 2003-2004 Final Capital Improvement Allocations

Issue

On May 7, 2003, the State Building Board approved the allocation of \$42.7 million in capital improvement funding to benefit state educational institutions and agencies with facility improvement needs. This agenda item details State Building Board action by reporting the amounts earmarked for the USHE institutions.

Background

Each year following the Legislative Session, the State Building Board is responsible for allocating all capital improvement funding appropriated by the Legislature during the session. Capital Improvements, also called Alterations, Repairs, and Improvements (AR&I) are infrastructure or remodeling projects, costing under \$1.5 million, which do not add new space. This action by the Building Board is the culmination of a year-round process that involves staff from the Division of Facilities Construction and Management (DFCM), USHE institutions, the Office of the Commissioner of Higher Education, and all state agencies.

For 2003-2004, higher education institutions will receive \$23.7 million in funding for new improvement projects. (USHE had identified total needs of \$75.5 million, but anticipated receiving approximately \$24 million based on the 0.9 percent of current value funding model used by the Legislature.) This amount represents 61 percent of the total allocated for agency and institution needs. An additional \$4 million has been set aside for statewide funding issues. Appreciation is expressed to members and staff of the Utah State Legislature, the State Building Board, and DFCM for recognizing USHE facility improvement needs and providing funding for the most urgent of these needs.

Attachment 1 shows the percentage of funding allocated to each sector of state government. Attachment 2 shows a five-year history of capital improvement funding allocations. Attachment 3 arrays each individual project that was approved for 2003-2004 (FY2004).

State Board of Regents
May 20, 2003
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Recommendation

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

Cecelia H. Foxley, Commissioner

CHF/MHS
Attachments

FY 2004 Capital Improvement Projects

Approved by Building Board May 7, 2003

Agency/Institution		Request	DFCM Recommendations
College Of Eastern Utah			
Price: Replace 450 feet of Tunnel System and Infrastructure	\$	995,500	\$ 1,036,000
Price: Upgrade High Voltage Distribution System	\$	255,800	\$ -
Blanding: Testing Ctr, Child Care Facility Patio Awning Replacement	\$	25,000	\$ -
Paving: Science/Purchasing Building Parking Slurry	\$	45,000	\$ 45,000
			\$ 1,081,000
Dixie State College			
100 So. Street Roadway Crossing Improvement	\$	500,000	\$ 625,500
Graff Building: Remodel and Code Upgrade	\$	380,000	\$ -
Campus Fire Alarm System Improvement	\$	680,000	\$ -
Main Campus Chiller Plant: Replace 566 Ton R-12 Unit	\$	350,000	\$ -
Roofing: Science Bldg.	\$	350,000	\$ 350,000
Paving: Main Parking Paving Repairs	\$	170,000	\$ 170,000
			\$ 1,145,500
Salt Lake Community College			
So. City Campus: Upgrade Bleachers	\$	175,000	\$ 250,000
So. City Campus: Upgrade Stairs and Associated Landscaping	\$	500,000	\$ 500,000
Redwood: Construct Pedestrian Bridge at Northeast Side of Campus	\$	172,800	\$ 220,000
Redwood Construction Trades: Upgrade Guard Rails	\$	15,200	\$ 45,700
Redwood Construction Trades: Pedestrian Ramp Repair	\$	35,000	\$ 43,800
Redwood: Replace Grates in Tunnel	\$	29,000	\$ 29,000
Redwood Applied Technology: Install Eyewash Fountains	\$	17,400	\$ 17,400
Miscellaneous Improvement Projects	\$	-	\$ 100,000
Redwood Applied Technology: Upgrade Guardrails	\$	22,500	\$ 22,500
Redwood Construction Trades: Install Adequate Eyewash Fountains	\$	22,900	\$ 22,900
Other Improvements Identified on Condition Assessments	\$	1,590,000	\$ -
Roofing: So. Campus East Entry	\$	20,000	\$ 20,000
Roofing: Auto Trades	\$	150,000	\$ 150,000
Paving: Jordan Campus Parking Lot Slurry Seal	\$	30,000	\$ 30,000
Paving: Maintenance Bldg. Parking Lot	\$	75,000	\$ 75,000
Paving: South Campus Main Lot Concrete Pavers	\$	75,000	\$ 75,000
Paving: Redwood Road Campus Concrete Repair	\$	50,000	\$ 50,000
Paving: Redwood Road Campus Ring Road Slurry	\$	80,000	\$ 80,000
			\$ 1,731,300

Agency/Institution	Request	DFCM Recommendations
Snow College		
Business Building: HVAC Upgrade and Bldg Renovation	\$ 620,500	\$ 620,500
Relocate Radio Tower		Included
Renovate Fern Young Hall/Relocate Outreach Program & Radio		Included
Library Power Upgrade		Included
Family Life Bldg: HVAC Upgrade	\$ 150,000	\$ 150,000
Upgrade Boilers and Retrofit Coal Burner	\$ 600,000	\$ -
Activity Center: HVAC Upgrade	\$ 250,000	\$ -
Activity Center: Storage Addition	\$ 250,000	\$ -
Haz Mat: Physical Plant Offices Asbestos Abatement	\$ 62,000	\$ 62,000
Haz Mat: Stadium Offices Asbestos Abatement	\$ 48,000	\$ 48,000
Paving: Main Campus Slurry	\$ 50,000	\$ 50,000
Paving: Library Parking Asphalt Repair	\$ 45,000	\$ 45,000
		\$ 975,500

Southern Utah University		
So Main Steam Trunk Line Replacement and Utility Tunnel Extension	\$ 160,000	\$ 160,000
Multipurpose Building: Install Elevator	\$ 150,000	\$ 160,000
Condition Assessment Repairs	\$ 200,000	\$ 60,000
Centrum Arena Floor Replacement	\$ 95,000	\$ 120,000
South Hall Replacement	\$ 200,000	\$ 669,100
Art Studio Building Replacement	\$ 255,000	\$ 255,000
Auditorium Seating Replacement	\$ 220,000	\$ 150,000
Heat Plant and Plant Operation Emergency Generator	\$ 150,000	\$ -
HVAC Building Controls	\$ 100,000	\$ -
Paving: Main Parking Paving Repairs	\$ 75,000	\$ 75,000
		\$ 1,649,100

University of Utah		
Biology Building Panel Replacement	\$ 25,000	\$ 25,000
Park Building Structural Study & Cornice Repair	\$ 400,000	\$ 400,000
Graduate School of Social Work Bldg: Elevator Replacement	\$ 345,900	\$ 345,900
School of Medicine: Fume Hood Upgrade	\$ 1,352,100	\$ 1,352,100
Fort Douglas Infrastructure Phase IV	\$ 500,000	\$ 500,000
Life Science Bldg: Fire Detection & Suppression Upgrades	\$ 365,000	\$ 365,000
Kennecott Bldg: Fire Detection & Suppression Upgrades	\$ 378,000	\$ 378,000
Electrical Systems Improvements Phase III	\$ 501,300	\$ 501,300
HPER Bldg: Fire Detection & Suppression Upgrades	\$ 165,800	\$ 165,800
HPER Bldg: Cooling Tower Replacement	\$ 384,000	\$ 384,000
Chemistry Bldg: Chiller Replacement	\$ 252,000	\$ 252,000
Energy/Mineral Research Bldg: Chiller Replacement	\$ 175,000	\$ 175,000
Social & Behavioral Sciences Bldg: Seismic Repairs	\$ 120,400	\$ 120,400
Nursing Building Fire Suppression System	\$ 592,800	\$ 592,800
Utilities Infrastructure Needs Assessment	\$ 350,000	\$ 350,000
Biology Bldg: Energy Conservation Measures	\$ 672,300	\$ -

Agency/Institution	Request	DFCM Recommendations
University of Utah - Continued		
Roofing: Military Science Bldg 023	\$ 38,000	\$ 38,000
Roofing Heartport Bldg. 853	\$ 118,000	\$ 118,000
Roofing: Energy and Mineral 056	\$ 69,000	\$ 69,000
Roofing: Hedco Bldg 057	\$ 140,000	\$ 140,000
Haz Mat: Asbestos Abatement Fund	\$ 25,000	\$ 25,000
Paving: Business Loop Road	\$ 300,000	\$ 300,000
Paving: 1925 East Campus Road	\$ 125,000	\$ 125,000
		\$ 6,722,300

Utah State University		
Tunnel Extension - Edith Bowen Area	\$ 1,000,000	\$ 1,000,000
Central Plant Chiller Addition (Natural Resources & Spectrum)	\$ 750,000	\$ 750,000
Buried Natural Gas Pipe Replacement	\$ 100,000	\$ 100,000
Old Heat Plant Tank Removal	\$ 50,000	\$ 50,000
Steam/Condensate Pipe Replacement	\$ 350,000	\$ 250,000
Nutrition & Food Science Fire Alarm Upgrade	\$ 150,000	\$ 150,000
Lundberg Fire Escape	\$ 50,000	\$ 50,000
New Well	\$ 350,000	\$ 350,000
Vet. Sci. Fire Pumps & Generator	\$ 350,000	\$ 350,000
Technical Support Services Renovation	\$ 200,000	\$ 200,000
Military Science Renovation	\$ 1,145,000	\$ -
FA Ceiling Tile Replacement	\$ 60,000	\$ -
HPER Upgrades (floors, A/C, locks, steam, fire alarm)	\$ 1,200,000	\$ -
Roofing: Water Lab	\$ 70,000	\$ 70,000
Roofing: Fine Arts	\$ 185,000	\$ 185,000
Roofing: Stadium Press Box	\$ 53,000	\$ 53,000
Roofing: University Reserve	\$ 25,000	\$ 25,000
Haz Mat: Old Steam tunnel Asbestos Abatement (Boiler Demolition)	\$ 175,000	\$ 175,000
Paving: North Shuttle Bus Turnaround	\$ 95,000	\$ 95,000
Paving: A-2 Lot Parking Overlay	\$ 60,000	\$ 60,000
		\$ 3,913,000

UVSC		
Domestic and HVAC Hot Water Pipe & Valve Replacement	\$ 573,000	\$ 657,000
Freeze Prevention	\$ 177,000	\$ 211,900
Improvements Identified by ESCO	\$ -	\$ 242,700
Vineyard School Remodel Planning & Design	\$ 50,000	\$ 50,000
Replace Exterior Steel Panels	\$ 210,000	\$ -
Irrigation Pond Concrete Lining Replacement	\$ 497,000	\$ -
Roofing: Plaza Pavers	\$ 650,000	\$ 650,000
Roofing: LRC East Section	\$ 125,000	\$ 125,000
Paving: Parking Lot J1/G Paving Repair	\$ 85,000	\$ 85,000
		\$ 2,021,600

Agency/Institution	Request	DFCM Recommendations
Weber State University		
Business Building Structural Repairs	\$ 73,000	\$ 73,000
McKay Education Bldg. HVAC Renovation	\$ 1,407,000	\$ 1,450,000
Lampros Hall HVAC Renovation	\$ 450,000	\$ 450,000
Potable Water & Heating System Line Replacement Phase I	\$ 350,000	\$ 350,000
Stevenson Athletic Center HVAC Replacement	\$ 63,000	\$ 63,000
Building Equipment Access	\$ 76,000	\$ -
Chilled Water Line Replacement	\$ 150,000	\$ -
Concrete Repair & Replacement	\$ 300,000	\$ -
Roofing: Annex #9	\$ 15,000	\$ 15,000
Roofing: Annex #13	\$ 15,000	\$ 15,000
Haz Mat: Science Lab, Soil Remediation & Walkway Replacement	\$ 255,000	\$ 255,000
Paving: Lot W-5 Upper and Lower Lot	\$ 65,000	\$ 65,000
Paving: Lot A-5 Access Road Concrete Repair	\$ 65,000	\$ 65,000
		\$ 2,801,000

UCAT		
O/WATC: Student Services Bldg. HVAC	\$ 879,800	\$ 879,800
BATC: HVAC and Roof Replacement	\$ 400,000	\$ 420,000
DATC: HVAC Conversion and Water System Replacement	\$ 175,000	\$ 175,000
UBATC: Haz Mat: Welding Shop Ventilation System Improvements	\$ 237,900	\$ 237,900
UBATC: Roofing: Vernal Admin Bldg. Re-Roof	\$ 37,000	\$ -
O/WATC: Cosmetology HVAC Upgrade	\$ 70,000	\$ -
BATC: HVAC and Roof Replacement	\$ 400,000	\$ -
		\$ 1,712,700

ABC		
Store #34 Upgrade Exterior Stucco	\$ 42,000	\$ 50,300
Store #34 Replace Roof Top Units	\$ 30,000	\$ -
Store #34 Upgrade Electrical	\$ 12,600	\$ 12,600
Store #34 Install Canopy at Front Entrance	\$ 10,800	\$ -
Store #23 Replace Balance HVAC Roof Top Unit	\$ 13,800	\$ 15,600
Store #23 Install Floor Drain, Rain Gutters	\$ 5,500	\$ -
Store #22 Repair Items Identified by Condition Assessment	\$ 18,000	\$ -
Store #30 Install Emergency Lighting	\$ 6,700	\$ 7,000
Store #5: Replace Floor Tile	\$ 48,000	\$ 62,900
Paving: Store #25 Asphalt Paving Repairs	\$ 45,000	\$ 45,000
		\$ 193,400

Agriculture		
New Chiller, Boiler & Roof Top Equipment	\$ 297,000	\$ 297,000
Replace Counter Tops and Plumbing Fixtures in Restrooms	\$ 25,200	\$ -
Roofing: Re-Roof After HVAC Replacement	\$ 110,000	\$ 110,000
		\$ 407,000

Agency/Institution	Request	DFCM Recommendations
Capitol Preservation Board		
Capitol Hill Miscellaneous Improvements	\$ 586,000	\$ 586,000

Corrections		
Relocate Power Line Under I-15	\$ 15,000	\$ 15,000
CUCF Sewer Line Upgrade	\$ 900,000	\$ 900,000
Installation of Waste Grinder & Extruder	\$ 133,000	\$ 133,000
CUCF ISIS Priority Ones & Facility Security	\$ 355,000	\$ 419,000
AP&P ISIS Priority Ones & Facility Improvements	\$ 412,900	\$ 466,900
Draper Prison Shower Tile Upgrade Phase II	\$ 80,000	\$ 80,000
Improvements Identified by ESCO		\$ 200,000
Draper Site Uinta 5 HVAC and Electrical Upgrade	\$ 553,000	\$ -
CUCF Education / Programming Electrical Upgrade	\$ 91,000	\$ -
Roofing: Building #7	\$ 56,000	\$ 56,000
Roofing: SSD Bldg.	\$ 167,000	\$ -
Roofing: Draper Central Maintenance Building	\$ 65,000	\$ 65,000
Haz Mat: Fred House Academy Indoor Firing Range Abatement	\$ 138,000	\$ 138,000
		\$ 2,472,900

Courts		
Orem District/Juvenile Court: Remodel and Code Upgrades	\$ 444,000	\$ 444,000
Matheson Courthouse: Security System Replacement	\$ 175,000	\$ 175,000
Ogden Juvenile: Chiller/Cooling Tower Upgrade/Lighting Upgrade	\$ 325,500	\$ 325,000
Provo District Court: Seismic and Fire Code Upgrades	\$ 88,200	\$ -
Matheson Courthouse: Enlarge Jury Boxes	\$ 150,000	\$ -
Paving: Farmington Courts Additional Parking	\$ 75,000	\$ 75,000
		\$ 1,019,000

DFCM		
Paving: Brigham City Education Center Parking Lot Drainage	\$ 55,000	\$ 55,000
Public Radio Station Transponder Upgrade	\$ 26,000	\$ 26,000
Rio Grande Depot: Site Improvements & Foundation Work	\$ 600,000	\$ -
Rio Grande Depot: Interior Lighting Upgrade	\$ 395,000	\$ -
Ogden Regional Ctr: Install Refrigerant Leak Detection System	\$ 16,900	\$ -
Ogden Regional Ctr: Upgrade Fire Alarm System	\$ 195,400	\$ 195,400
Cedar Regional: Lighting and Exit Signs	\$ 35,000	\$ 35,000
Cedar City Regional Ctr: Upgrade ADA Access	\$ 12,000	\$ 15,000
Heber Wells Bldg: Parking Garage CO2 Monitors	\$ 30,000	\$ 30,000
Heber Wells Bldg: Plaza and Drainage Upgrades	\$ 450,000	\$ -
Provo Regional Ctr: Replace Fire Rated Doors	\$ 45,000	\$ 45,000
Provo Regional Ctr: Parking Terrace Upgrades	\$ 200,000	\$ 200,000
		\$ 601,400

Agency/Institution	Request	DFCM Recommendations
Economic Development		
Fine Arts Bldg: Exterior Window Restoration and Replacement	\$ 17,800	\$ -
Environmental Quality		
Bldg. #1: Upgrade and Balance HVAC and Bldg. Controls	\$ 162,500	\$ 162,500
Bldg. #2: Upgrade and Balance HVAC and Bldg. Controls	\$ 255,700	\$ 255,700
Bldg. #1: Carpet Replacement	\$ 133,500	\$ -
Bldg. #2: Replace Boiler	\$ 41,600	\$ -
Roofing: Building #1	\$ 80,000	\$ 80,000
		\$ 498,200
Fairpark		
Replacement of Deseret Building	\$ 700,000	\$ 700,000
Replacement of Old Maintenance Building	\$ 300,000	\$ -
Roofing: Cattle Barn #10	\$ 50,000	\$ -
		\$ 700,000
Health		
Cannon Bldg: Concrete Sidewalk Replacement	\$ 74,200	\$ 88,000
Cannon Bldg: Stair Tred Replacement	\$ 20,000	\$ 20,000
Cannon Bldg: Lamp & Ballast Replacement	\$ 31,700	\$ -
Medical Examiners Bldg: Carpet/Linoleum Replacement	\$ 50,000	\$ 50,000
Frasier Lab: Replace Culinary Water Piping	\$ 40,000	\$ 40,000
Frasier Lab: Replace Linoleum Flooring and Ceiling Tiles	\$ 126,200	\$ -
Frasier Lab: Replace Door and Hardware 2nd Floor	\$ 6,500	\$ -
		\$ 198,000
Human Services		
USDC Willowcreek Bldg: Remodel	\$ 1,500,000	\$ 1,500,000
USH Boiler Plant: Repairs Identified by Condition Assessment	\$ 26,000	\$ 26,000
Wasatch Youth Center: Replace Culinary Water Piping	\$ 185,200	\$ 226,100
USH Medical Services Bldg: Remodel Children's Unit	\$ 880,900	\$ -
Slate Canyon Youth Center: Upgrade Roof Top Units and HVAC	\$ 8,000	\$ 8,000
Genesis Youth Center: Upgrade Exhaust Fans	\$ 12,500	\$ -
Genesis Youth Center: Upgrade Expansion Tanks and Plumbing	\$ 147,700	\$ -
USDC Campus Sidewalk Upgrades Phase II	\$ 15,700	\$ -
USDC Campus Sprinkler System Phase II	\$ 26,000	\$ -
Admin Bldg: Replace Culinary Water Piping	\$ 123,000	\$ 75,300
Roofing: Y.C Slate Canyon Re-Roof Entrance	\$ 30,000	\$ 30,000
Roofing: Developmental Ctr. Auditorium	\$ 180,000	\$ -
Paving: Y.C Weber Valley Detention Center Paving Repairs	\$ 35,000	\$ 35,000
Paving: Developmental Center Main Parking Paving Repairs	\$ 80,000	\$ 80,000
Paving: State Hospital Main Parking Paving Repairs	\$ 40,000	\$ 40,000
		\$ 2,020,400

Agency/Institution	Request	DFCM	
		Recommendations	
National Guard			
National Guard Maintenance	\$ 450,000	\$	450,000
Mount Pleasant Armory: Replace Coal Fired Boiler	\$ 45,000	\$	59,000
Miscellaneous Improvements	\$ -	\$	75,000
Ogden Armory: Upgrade Air Conditioning, Electrical and Controls	\$ 175,000	\$	-
Fillmore Armory: Replace Main Drill Hall Floor	\$ 85,000	\$	-
Roofing: Draper Armory	\$ 500,000	\$	500,000
Roofing: Camp Williams #517	\$ 150,000	\$	150,000
Haz Mat: Brigham City Armory Asbestos Abatement	\$ 57,000	\$	-
Paving: Manti Armory Parking Paving Repairs	\$ 50,000	\$	-
Paving: Admin Bldg front& West Parking Paving Repair	\$ 75,000	\$	75,000
		\$	1,309,000

Natural Resources			
Admin: Replace Water Heater & Pipe Mounted Pumps	\$ 10,000	\$	25,700
Parks & Recreation		\$	-
BOR Matching Funds	\$ 1,000,000	\$	1,000,000
Great Salt Lake Marina Harbor Renovation	\$ 868,000	\$	700,000
Wasatch Mtn. Epperson Springs Culinary Water Treatment System	\$ 200,000	\$	168,000
Statewide Park Locations: Retrofit Floor Drains in Maintenance Bldgs.	\$ 100,000	\$	-
Goblin Valley St. Park: Campground Renovation	\$ 225,000	\$	-
Roofing: Jordanell St. Park Buildings Pipe Flashing	\$ 30,000	\$	30,000
Roofing: Antelope Island Visitor Center	\$ 50,000	\$	50,000
Paving: Bear Lake Cottonwood Campground Paving Repair	\$ 90,000	\$	90,000
Paving: Green River Parking Lot Asphalt Repair	\$ 75,000	\$	75,000
Paving: Antelope Island Buffalo Parking and Access Pavement Repair	\$ 85,000	\$	85,000
Paving: Deer Creek Main Parking Slurry	\$ 45,000	\$	-
Paving: Camp Floyd Parking Repair	\$ 30,000	\$	-
Wildlife Resources		\$	-
Eagan Hatchery: Waterline/Lighting/Tank Cover/Pond Dredging	\$ 170,000	\$	136,500
Cache Valley Hunter Education Restroom Upgrade ADA	\$ 155,000	\$	-
Paving: Lee Kay Hunter Ed.	\$ 85,000	\$	85,000
		\$	2,445,200

Office of Education			
Upgrade ADA Ramp	\$ 35,000	\$	42,200
Upgrade Landscaping	\$ 35,000	\$	-
Electrical Upgrades	\$ 130,000	\$	-
		\$	42,200

Office of Rehabilitation			
Taylorsville: Upgrade Boiler Flue	\$ 30,000	\$	-
Deaf & Blind School: Blast and Repaint Exterior Window Shades	\$ 27,000	\$	-
Roofing: Deaf & Blind School: Ogden New Roof	\$ 200,000	\$	100,000
		\$	100,000

Agency/Institution	Request	DFCM Recommendations
Public Safety		
POST Academy: Fire Sprinkler Heads Upgrade	\$ 119,000	\$ 119,000
POST Academy: HVAC Upgrade	\$ 1,000,000	\$ 1,083,000
		\$ 1,202,000

Tax Commission		
Pressure Wash Exterior of Bldg. and Seal	\$ 79,200	\$ -

UDOT		
Rampton: Boiler Flue	\$ 50,000	\$ 78,200
Rampton: H2O Expansion Tanks	\$ 25,000	\$ 30,000
Rampton: MCC Panel	\$ 20,000	\$ 30,300
Rampton: Replace Parking Lot Lights	\$ 233,000	\$ -
Rampton: Install Maxicom Irrigation System	\$ 40,000	\$ -
Salt Lake West Maintenance Station: New Water Line	\$ 150,000	\$ 150,000
Monticello Maintenance Station: New Addition & Truck Wash Rack	\$ 400,000	\$ 400,000
Meadow Maint Station: New Addition, Vehicle Lift, Truck Wash	\$ 550,000	\$ -
Brigham City Maint Station: New Addition & Truck Wash Rack	\$ 500,000	\$ -
Roofing: Richfield Office	\$ 70,000	\$ 70,000
Roofing: Wendover Restrooms	\$ 30,000	\$ 30,000
Roofing: Eureka	\$ 50,000	\$ 50,000
		\$ 838,500

Workforce Services		
Provo Employment Ctr: Replace Exterior ADA Ramp	\$ 8,000	\$ 11,900
Ogden Employment Ctr: Seismic Bracing	\$ 13,600	\$ 16,100
Ogden Employment Ctr: Install Lever Actuated Door Handles	\$ 25,000	\$ 33,800
South Co. Employment Ctr: Install Lever Actuated Locksets	\$ 16,000	\$ 33,900
Metro Employment Ctr: Upgrade HVAC	\$ 49,900	\$ 56,900
South Co. Employment Ctr: Replace Chiller	\$ 80,000	\$ 80,000
Metro Employment Ctr: Install Backup Generator	\$ 55,000	\$ 80,300
Vernal: Restroom Accessibility Upgrade	\$ 19,900	\$ 25,000
Provo Employment Ctr: Upgrade Restrooms ADA	\$ 40,000	\$ 40,000
Vernal Employment Ctr: Upgrade Exterior Lighting	\$ 6,500	\$ 6,500
Ogden Employment Ctr: Upgrade Restrooms ADA	\$ 9,300	\$ -
Metro Employment Ctr: Upgrade Plumbing	\$ 12,800	\$ -
Vernal Employment Ctr: Upgrade Break room Furnishings	\$ 10,000	\$ -
Provo Employment Ctr: Replace Sprinkler System	\$ 14,000	\$ 14,000
Provo Employment Ctr: Replace Ceiling Tile and Grid	\$ 60,000	\$ -
Provo Employment Ctr: Install Accessible Elevator	\$ 110,000	\$ 140,000
Administration Bldg: Clean Exterior Walls of Bldg.	\$ 29,100	\$ -
		\$ 538,400

Agency/Institution	Request	DFCM Recommendations
Statewide Programs		
Capital Improvement Project Management	\$ 492,200	\$ 492,200
Facility Maintenance Improvement Program	\$ 220,000	\$ 220,000
Facility Condition Assessment Program	\$ 600,000	\$ 500,000
Hazardous Materials Survey & Assessment Program	\$ 500,000	\$ 400,000
Hazardous Materials Emergency Abatement	\$ 200,000	\$ 200,000
Roofing Preventative Maintenance	\$ 500,000	\$ 400,000
Roofing Emergency Program	\$ 250,000	\$ 250,000
Roofing Seismic Program	\$ 250,000	\$ 200,000
Roofing UCI	\$ 250,000	\$ 250,000
Paving Preventative Maintenance	\$ 350,000	\$ 327,900
Paving UCI	\$ 250,000	\$ 250,000
Emergency Fund	\$ 200,000	\$ 200,000
Land Option Fund	\$ 100,000	\$ 100,000
		\$ 3,790,100

FY 2004 Capital Improvement Funding

\$ 42,714,700

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Administrative Efficiencies – Consolidation/Clustering of Some Functions

Issue

There may be some cost savings and improved performance with certain consolidation or clustering of selected administrative functions among groups of institutions. The Council of Presidents agreed to explore several areas where groups of institutions may want to collaborate or form partnerships in order to become more efficient.

Background

During the 2000 and 2002 Regents' master planning processes, the issue of centralizing or consolidating some administrative functions in order for the USHE to become more efficient was discussed. At the March 14, 2003, Board of Regents meeting, Chair Nolan Karras requested the Council of Presidents (COP) take leadership for this effort and make recommendations to the Regents at the appropriate time. At the April 1, 2003, COP meeting, Presidents agreed to form the following working groups to explore the possibility of consolidating certain administrative functions. An asterisk (*) by the institution indicates the President who has agreed to convene each group.

1. Administrative Data Processing – WSU, Snow, Dixie, CEU*, UVSC, and SLCC
(includes registration issues)
2. Facilities Management – CEU and UVSC*
3. Purchasing – Snow, CEU*, and UVSC
4. Human Resources – UofU*, USU, WSU, Snow, CEU, UVSC, and SLCC
(includes legal issues)
5. Financial Aid Processing – WSU, SUU, Snow, Dixie*, CEU, UVSC, and UHEAA
6. Voluntary Academic Program Partnerships – various institutions as appropriate

State Board of Regents
May 21, 2003
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During the COP discussion of the above, Presidents indicated that it was not likely that much progress would be made with this effort until after commencements. They also agreed that once a working group has a tentative agreement, that agreement will be shared with the full COP so that other institutions may opt to join. Utah College of Applied Technology President Greg Fitch indicated that the UCAT campus administrators are in the process of determining which administrative functions are appropriate to consolidate among the various campuses of that institution. At the appropriate time, formal reports will be made to the Board of Regents.

The above information was briefly reviewed at the April 18, 2003, meeting of the Board's Finance, Facilities and Accountability Committee. The Committee members commended the Presidents for forming these groups and urged them to be ready to report their progress at an upcoming Board meeting.

Commissioner's Recommendation

It is the recommendation of the Commissioner that the Regents review the above working groups for possible consolidation of administrative functions, raise questions, make suggestions, and request that the Presidents make a progress report at the July 9, 2003, Board meeting.

Cecelia H. Foxley, Commissioner

CHF/MHS

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Proposed Review of Current Institutional Investment Practices and
Status of Trustee Investment Committees

Issue

Board Policy R541, *Management and Reporting of Institutional Investments*, directs that an annual summary of investment results is submitted for Board approval. When this report was provided to the Board this past January, it revealed that USHE investments had a negative investment return of -1.12 percent during 2002. As a result of this negative report, and general uncertainty in the economy, Board members indicated a desire to be informed regarding current institutional investment practices.

Discussion

It is the purpose of this memorandum to present a list of fact-finding questions for the consideration of the Board, to be posed to institutional officers to determine current investment practices. Responses to these questions will be used to compile an informational report to be presented to the Board at the July meeting.

1. Who is responsible for establishing institutional investment policy? Does the policy include asset categories and allowable percentages per asset category or class?
2. Is there a formally-established Investment Committee? Is it comprised of Trustees, institutional staff, or others, or some combination of the three?
3. How are Trustees involved in establishing investment policy?
4. Is there a distinction between cash management investment and endowment investment?
5. Does the endowment principle reside with the institution or with a foundation? What is the relationship between the institution and the foundation?

State Board of Regents
May 21, 2003
Page 2

6. Other?

After receiving suggestions of additional questions from the Board, the Commissioner will forward all questions to Presidents with a response requested by June 13. This response date will allow time for a draft report to be shared with the Council of Presidents before the final report is prepared as an information item for the July 9 meeting of the Board.

Recommendation

This is an information and discussion item. No action is required at this time.

CHF/MHS

Cecelia H. Foxley, Commissioner

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: INFORMATION: UHEAA--Board of Directors Report

Since its last (March 5, 2003) report to the Regents, the UHEAA Board of Directors met on April 3, 2003. A copy of the agenda for the meeting is attached as Exhibit A. The Board took the following actions:

1. Approved minutes for the Board's meeting on January 14, 2003 (attached as Exhibit B).
2. Reviewed and approved Monthly Investment Reports for November and December, 2002 and January and February, 2003, and Quarterly Investment Reports for the Quarter ending December 31, 2002, for the Student Loan Guarantee Program (LGP), the SBR Loan Purchase Program (LPP), the Utah Educational Savings Plan Trust (UESP), the Utah Tuition Assistance Program (UTAP), and the Utah Engineering and Computer Science Loan Forgiveness Program (UECLP).
3. Received and discussed a report on "Proposed Bylaws/Relationship of UHEAA to SBR Audit Review Subcommittee," and adopted revised Bylaws, a copy of which is attached as Exhibit C. The major substantive change in the revised Bylaws is provision for an Audit Committee (Section 3.5.2). Previously, the Board itself has partially fulfilled the role of an audit committee. The new provision substantially enlarges the degree of continuing attention to oversight of financial affairs and performance of UHEAA programs.
4. Received and discussed an information report on "FY 2004 Student Financial Aid Appropriation and Current Status Review." A copy of the complete report is available on request from the UHEAA Executive Director's office. Some highlights from the report are:

As the Utah System of Higher Education (USHE) experienced significant enrollment growth together with material increases in operating costs over the past decade, substantial increases in appropriated tax funds helped the system to almost keep pace, but not quite. Over that period, the system's ability to maintain adequate sections of courses students needed, and various factors related to quality of the traditional educational experience for growing student bodies, was strained. Some small progress in availability of need-based student financial aid for students with clearly demonstrated need was achieved in two or three of the past nine years.

* * * * *

With the state's current revenue crisis beginning some two years ago, the situation changed drastically.

* * * * *

With a substantial funding shortfall, USHE, like higher education systems throughout the country, has had little choice but to look to substantial tuition increases as a partial means of coping. . . . And comparative standing [among other institutions and systems] is little comfort for the 50 percent or so of USHE students needing help in financing their educational costs even before the recent material tuition and fee increases.

* * * * *

Social and economic factors specific to Utah have been identified regularly. They include: larger families with multiple children enrolled in postsecondary education at the same time; a higher than average percentage of students who are older and are "independent" for federal student aid purposes; and close to average family income, but per capita income among the lowest in the nation. And they include a relatively low level of state support for need-based financial aid, a legacy from Utah's historically low tuition/low student aid tradition that has failed to keep up as tuition and fee levels have climbed. These circumstances, together with widespread reluctance by Utahns to borrow as much as they might toward college expenses, tend to exacerbate inefficiencies for both individuals and institutions, through widespread part-time enrollments, excessive hours worked, and significantly increased years before graduation.

* * * * *

As it has turned out, the need-based aid purchasing power gap for FY 2004 now is materially larger than the [high-end estimate] calculated prior to and during the Legislative Session. This results from three influences: (1) Final Federal Government appropriations much lower than the Senate appropriation bill on which the January calculations were based; (2) Average tuition and fee increases even larger than the ten percent level calculated in January; and (3) An additional cut of \$234,233 in the portion of the statewide line item for student financial aid which is applicable to the need-based programs. . . .

* * * * *

Setting aside the \$5.9 million shortfall [in financial aid purchasing power] experienced for FY 2003, the FY 2004 . . . shortfall for UCOPE . . . is now about \$15 million, of which \$13.5 million is applicable to the nine USHE institutions other than UCAT. [After offsetting projected set-asides from Tier One and Tier Two tuition increases, the USHE] FY 2004 purchasing power shortfall is reduced to \$12.2 million (enough to provided needed assistance, at an average of \$3,000 per student, to 4,033

students).

**State Board of Regents
May 21, 2003–Page 3**

5. Reviewed and debated a report on “LPP Fund Designations, Continuation of Borrower Benefits, and FY 2004 Budget Provisions for UHEAA Scholarships,” approved continuation of all current student loan program borrower benefits to cover all loans guaranteed by UHEAA and originated during FY 2004 regardless of when the loans enter repayment and are purchased by LPP, approved a one-time supplemental provision of \$1.1 million from the LPP fund balance for FY 2004 UHEAA Scholarships (in addition to the \$815,000 in the FY 2003 base budget), and gave preliminary approval, which will be subject to adjustment at fiscal year-end, to continuation of designations in the Loan Purchase Program (LPP) Short-Term Note Fund balance for Borrower Incentive Program Reserves, Liquidity Reserve, Collateral Reserve, Operating and Service Reserve, and Other Contingencies/Building Reserve. The report included a table showing a five-year history of borrower savings under UHEAA’s borrower benefits (loan cost reductions) programs, a copy of which is attached as Exhibit D. The annual savings for borrowers increased from \$2,004,039 in FY 1998 to \$9,033,883 in FY 2002. The attached Exhibit E (prepared subsequent to the UHEAA Board’s approval of the UHEAA Scholarships funding level for FY 2004) shows in lines 1 through 14 the FY 2004 total campus-based funds plus LEAP and UCOPE funds for USHE institutions, and also the allocations of UHEAA Scholarship funding. The UHEAA Scholarship allocations result from a formula giving substantial weight to relative tuition increases for FY 2004, plus weighting for small institution and graduate program factors and FY 2003 and 2004 appropriation reductions, in addition to annualized FTE enrollment levels. For FY 2004, the total federal and state appropriated need-based funding for USHE institutions shows a \$200,000 reduction, which is offset by a \$986,000 increase (largely from the one-time supplemental provision) in UHEAA Scholarships funding from net revenues of LPP (the student loan program secondary market).

6. Received a slide show report on “UESP Campaign for Utah,” which provided information on plans being developed for an expanded college savings plan campaign targeted to Utah residents.

7. Approved continuation of current LPP incentives for lender commitments to sell their UHEAA-guaranteed loans to LPP as they enter repayment status, together with a new incentive for the lenders to sell the loans prior to the grace period beginning after students graduate or leave school. The new incentive is intended to help UHEAA compete against national entities seeking to consolidate student loans in a manner which could undermine the stability of LPP’s portfolio.

8. Approved a proposal for UHEAA to establish an affiliation with Upromise, a national “affinity” program, under which UHEAA borrowers will be able to apply credits received for typical family purchases to accelerate repayment of their student loans.

The next UHEAA Board of Directors Meeting is scheduled for June 26, 2003, at The Gateway.

Cecelia H. Foxley, Commissioner

Attachments (Exhibits A through E)

CHF/CGN

MEMORANDUM

May 21, 2003

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: Action: Consent Calendar, Finance, Facilities, and Accountability Committee

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

A. USHE -- Initial Work Programs (Attachment 1). Utah statute requires that the Board of Regents approve all work programs. "Work Program" is a term applied to revenue and expenditure allotment schedules submitted to the State Division of Finance. Work programs serve as a basis for the disbursement of state appropriated funds to institutions. Attached is a summary of the initial 2003-2004 Work Programs. These amounts equal the appropriations of the 2003 General Session.

B. USHE -- 2003-2004 Tuition Rate for UCAT AAT Degree Students in General Education Courses. Regents revised Policy R510, *Tuition and Fees*, November 8, 2002, to provide a mechanism to assess tuition for students enrolled in UCAT AAT Degree programs. These students, in order to fulfill degree requirements, must complete general education courses at other USHE institutions. The rate identified for 2002-2003 was \$65 per credit hour. It is recommended that Regents approve a 5.26% tuition increase (the same percentage as general UCAT tuition) for this rate, bringing it to \$68 per credit hour.

C. USHE -- Utah Electronic College (UEC) 2003-2004 Tuition Rates. Board Policy R510, *Tuition and Fees*, stipulates that two levels of tuition should be established for UEC students based on the institution providing the course. The higher rate is to be based on the weighted average tuition for the four USHE universities and UVSC. The lower rate is to be based on the weighted average tuition for the three community colleges and Dixie State College. Based on the tuition increases enacted for 2003-2004 and estimated annualized enrollments for 2002-2003, the weighted average tuition for six credit hours at the higher level is \$110 and \$65 at the lower level. Regents are asked to approve these amounts for UEC tuition in 2003-2004.

D. USHE -- Proposed Amendment to Policy R513 (National Guard) (Attachment 2). Board Policy R513, *Tuition Waivers and Reductions*, is amended to include a set aside for members of the Utah National Guard of 2.5 percent of the total amount of tuition waived by the president of each institution in behalf of meritorious or impecunious resident students. Section 3.1.1., attached, has been added to policy R513 pursuant to §53B-8-101 and passage of S.B. 109 by the 2003 Utah Legislature.

E. OCHE -- Monthly Investment Report (Attachment 3). Board Policy R541, *Management and Reporting of Institutional Investments*, requires the Finance, Facilities, and Accountability Committee of the Regents to review and approve the investment report of the Office of the Commissioner on a regular basis. All operating funds of the Office of the Commissioner are invested with the University of Utah Cash State Board of Regents

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Management Pool. The investment report for March and April for the Office of the Commissioner is attached.

F. UofU and USU -- Capital Facilities Delegation Reports (Attachment 4). In accordance with the capital facilities delegation policy adopted by the Regents and by the State Building Board, the attached reports are submitted to the Board for review. Officials from the institutions will be available to answer any questions that the Regents may have.

G. USHE – Proposed Amendments to Policy R710, Capital Facilities (Attachment 5). The proposed amendments to Policy R710, *Capital Facilities*, do two things. The first is a technical adjustment that corrects the old threshold for capital development projects from \$1,000,000 to \$1,500,000, as prescribed by UCA 63A-5-104. The second provides an exception for the approval of property acquisitions in cases where institutions seek to purchase property for the purpose of building a home on the property for instructional training purposes. The home and property are resold typically once the construction is complete. Approval for these property acquisitions is delegated to the Board of Trustees.

H. Utah State University – Proposed Sale of Property to UDOT (Attachment 6). Officials at Utah State University request Board of Regents approval to sell a small portion of agricultural experiment farm property to the Utah Department of Transportation (UDOT). The property is near Richmond, Utah, located along the east side of State Road – SR 91, which is the main highway running through Cache County north to the Idaho border. UDOT plans to widen SR 91 and requires 1.26 acres of USU property as well as a temporary construction easement of 0.59 acres of USU property. UDOT has offered \$13,075, which represents fair market value for the purchase and temporary easement.

I. Salt Lake Community College – Expansion of Leased Space of Sandy Center (Ratification). On April 18, 2003, the Board's Finance, Facilities and Accountability Committee reviewed a proposed 44 percent expansion of leased space at SLCC's Sandy Center to accommodate enrollment growth. Based on a positive recommendation from the Committee, the Executive Committee of the Board subsequently approved the lease expansion. The Board is now asked to ratify action by the Executive Committee to approve the lease expansion of the SLCC Sandy Center.

Cecelia H. Foxley, Commissioner

CHF/MHS/jv
Attachment

DRAFT AMENDMENTS TO:

R513, Tuition Waivers and Reductions

R513-1. Purpose

To establish procedures for institutions to administer tuition waiver and reduction programs.

R513-2. References

- 2.1. Utah Code [§53B-8-101](#) (Waiver of Tuition -- Resident -- National Guard -- Nonresident -- Critical Occupations -- Summer School -- Graduate Students)
- 2.2. Utah Code [§53B-8-103](#) (Partial Waivers Pursuant to Reciprocal Agreements)
- 2.3. Utah Code [§53B-8-104](#) (Nonresident Partial Tuition Scholarships -- Border Waivers)
- 2.4. Utah Code [§53B-8-104.5](#) (Nonresident Tuition Scholarships)
- 2.5. Utah Code [§53B-8-106](#) (Resident Tuition Scholarships -- Requirements -- Rules)
- 2.6. Western Interstate Commission for Higher Education Western Undergraduate Exchange Bulletin
- 2.7. Utah Code [Title 53B, Chapter 9](#) (Higher Education for Senior Citizens)
- 2.8. Utah Code [Title 53B, Chapter 8c](#) (Police Officer's and Firefighter's Survivor Tuition Waiver)
- 2.9. Utah Code [Title 53B, Chapter 8d](#) (Tuition Waivers for Wards of the State)
- 2.10. Utah Code [§53A-6-104](#) (Tuition Exemption for Teachers)
- 2.11. Utah Code [§53A-15-101.5](#) (Concurrent Enrollment Instruction in Mandarin Chinese)
- 2.12. Policy and Procedures [R510](#), Tuition and Fees
- 2.13. Policy and Procedures [R512](#), Determination of Resident Status

R513-3. Waiver of Tuition - Resident, National Guard, Nonresident, Critical Occupations, Summer School, Graduate Students - Pursuant to [§53B-8-101](#)

3.1. Resident Students - The president of each institution may waive all or part of the tuition in behalf of meritorious or impecunious resident students to an amount not exceeding 10% of the total amount of tuition which, in the absence of the waivers, would have been collected from all Utah resident students at the institution.

3.1.1. National Guard Set Aside - Of the amount waived for resident students under 3.1., 2.5 percent of the total amount shall be set aside by institutions for waivers reserved for members of the Utah National Guard.

3.1.1.1. Each institution shall report the total waiver set aside amount for the upcoming academic year to the Utah National Guard Administration by May 1 of each year.

3.1.1.2. The Utah National Guard Administration will provide to the institutions a prioritized list of qualified candidates (otherwise admissible to the institution) for tuition waivers by June 1 of each year. Candidates for Utah National Guard tuition waivers will be full-time students and will receive full waivers of resident tuition up to the 2.5 percent National Guard set aside amount of the total tuition waiver funding at each institution.

3.1.1.3. Any National Guard tuition waivers set aside but not claimed 60 days prior to the beginning of the term may be used for other qualified students.

* * *

(Approved October 19, 2001, amended November 8, 2002, and March 14, 2003.

Utah System of Higher Education 2003-2004 Work Programs

May 21, 2003

Initial Schedule (Ties to 2003 General Session Appropriations)

	Expenditures	Revenues						
		General Fund	Income Tax	Uniform School Fund	Dedicated Credits	Mineral Lease	Federal Funds	Cigarette Tax/ Trust Funds/ Other Funds
University of Utah								
Education and General	\$276,890,400	\$79,908,500	\$95,000,000	\$0	\$93,195,300	\$0	\$0	\$8,786,600
School of Medicine	30,688,400	19,953,200			10,735,200			
Regional Dental Education Prog.	687,500	555,400			132,100			
Poison Control	1,348,100				1,348,100			
Pub. Svc. - Seismograph Stations	394,600	394,600						
Pub. Svc. - Museum Nat. History	606,500	606,500						
Pub. Svc. - State Arboretum	109,900	109,900						
KUED	2,357,700	2,357,700						
University Hospital	4,318,000	4,318,000						
Miners Hospital	170,200	19,200						151,000
Educationally Disadvantaged	732,100	697,600						34,500
Total U of U	318,303,400	108,920,600	95,000,000	0	105,410,700	0	0	8,972,100
Utah State University								
Education and General	140,221,300	95,323,200			44,797,500			100,600
Uintah Basin Continuing Ed. Ctr.	5,336,700	2,722,700			2,614,000			
Southeastern Utah Cont. Ed. Ctr.	1,128,500	625,400			461,000			42,100
Brigham City Continuing Ed Ctr.	1,537,800	373,300			1,164,500			
Tooele/Wasatch Cont. Ed. Ctr.	3,856,800	1,031,200			2,825,600			
Agricultural Experiment Station	13,905,600	11,461,800			630,000		1,813,800	
Water Research Laboratory	2,249,800	1,497,200				752,600		
Cooperative Extension	13,306,800	11,068,300			150,000		2,088,500	
Educationally Disadvantaged	228,000	228,000						
Total USU	181,771,300	124,331,100	0	0	52,642,600	752,600	3,902,300	142,700
Weber State University								
Education and General	88,758,400	54,785,900			33,945,000			27,500
Educationally Disadvantaged	323,200	323,200						
Total WSU	89,081,600	55,109,100	0	0	33,945,000	0	0	27,500
Southern Utah University								
Education and General	39,237,800	25,725,100			13,512,700			
Utah Shakespearean Festival	12,500	12,500						
Rural Development	98,100	98,100						
Educationally Disadvantaged	90,900	90,900						
Total SUU	39,439,300	25,926,600	0	0	13,512,700	0	0	0
Snow College								
Education and General	20,139,300	15,800,200			4,339,100			
Applied Technology Education	1,659,000	1,154,000			330,000		175,000	
Educationally Disadvantaged	32,000	32,000						
Total Snow College	21,830,300	16,986,200	0	0	4,669,100	0	175,000	0
Dixie State College								
Education and General	23,134,800	16,145,700			6,989,100			
Zion Park Amphitheatre	88,400	56,300			32,100			
Educationally Disadvantaged	30,600	30,600						
Total Dixie College	23,253,800	16,232,600	0	0	7,021,200	0	0	0
College of Eastern Utah								
Education and General	12,356,900	10,185,000			2,171,900			
San Juan Center	2,278,700	1,716,700			562,000			
Prehistoric Museum	180,800	179,800			1,000			
CEU Star Schools - Price	134,900	134,900						
CEU Star Schools - San Juan	134,900	134,900						
Educationally Disadvantaged	116,900	116,900						
Total CEU	15,203,100	12,468,200	0	0	2,734,900	0	0	0
Utah Valley State College								
Education and General	83,923,500	40,217,200			43,706,300			
Educationally Disadvantaged	131,400	131,400						
Total UVSC	84,054,900	40,348,600	0	0	43,706,300	0	0	0

Utah System of Higher Education 2003-2004 Work Programs

May 21, 2003

Initial Schedule (Ties to 2003 General Session Appropriations)

Expenditures	Revenues						
	General Fund	Income Tax	Uniform School Fund	Dedicated Credits	Mineral Lease	Federal Funds	Cigarette Tax/ Trust Funds/ Other Funds

(continued)

Salt Lake Community College

Education and General	\$77,907,500	\$49,180,400	\$0	\$0	\$28,727,100	\$0	\$0	\$0
Skills Center	4,777,500	3,883,900			893,600			
Educationally Disadvantaged	178,400	178,400						
Total SLCC	82,863,400	53,242,700	0	0	29,620,700	0	0	0

SBR and Statewide Programs

Administration - SBR	2,954,900	2,864,100			90,800			
Administration - Prison	385,700	385,700						
Engineering Initiative	500,000	500,000						
WICHE	1,020,900	1,020,900						
Student Financial Aid	3,315,200	3,315,200						
Student Financial Aid - UCOPE	1,983,800	1,983,800						
Student Financial Aid - New Century	73,200	73,200						
Student Fin. Aid - Minority Scholarships	47,100	47,100						
Student Fin. Aid - Tuition Assistance	47,100	47,100						
T.H. Bell Teacher Incentive Loans	794,700	619,700			175,000			
University Centers	255,500	255,500						
Electronic Coursework/UEC	513,800	513,800						
Higher Education Technology Initiative	2,445,600	2,445,600						
Federal Programs	301,400					301,400		
Academic Library Council	2,883,500	2,883,500						
Total SBR	17,522,400	16,955,200	0	0	265,800	0	301,400	0

9 INSTITUTION & SBR TOTAL	\$873,323,500	\$470,520,900	\$95,000,000	\$0	\$293,529,000	\$752,600	\$4,378,700	\$9,142,300
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Utah College of Applied Technology

Bridgerland	\$8,254,500	\$7,236,000	\$0	\$0	\$1,018,500	\$0	\$0	\$0
Davis	8,347,500	7,183,900			965,800			197,800
Dixie	811,800	811,800						0
Mountainland	2,356,000	2,230,400			125,600			0
Ogden Weber	9,335,800	8,007,200			1,241,000			87,600
Salt Lake/Tooele	2,111,400	1,956,200			123,300			31,900
Southeast	972,000	818,900			153,100			0
Southwest	1,784,100	1,306,700			300,400			177,000
Uintah Basin	4,130,200	3,810,200			320,000			0
UCAT Custom Fit	3,108,100	3,108,100						0
UCAT Equipment	837,400	837,400						0
UCAT Administration	368,100	368,100						0

UCAT TOTAL	\$42,416,900	\$37,674,900	\$0	\$0	\$4,247,700	\$0	\$0	\$494,300
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Utah Education Network

CEU Distance Learning	\$1,454,000	\$1,454,000	\$0	\$0	\$0	\$0	\$0	\$0
UtahLINK	18,883,500	13,464,600			1,037,000		4,195,000	186,900

UEN TOTAL	\$20,337,500	\$14,918,600	\$0	\$0	\$1,037,000	\$0	\$4,195,000	\$186,900
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GRAND TOTAL - USHE (w/ UCAT) & UEN	\$936,077,900	\$523,114,400	\$95,000,000	\$0	\$298,813,700	\$752,600	\$8,573,700	\$9,823,500
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Proposed Amendments to R710, Capital Facilities

R710-1. Purpose

To clarify the role of the State Board of Regents, that of the institutional Boards of Trustees and of the institutional Presidents with respect to capital facilities.

...

R710-3. Definitions

3.1. "Capital Development" - A permanent addition of square footage to the state's fixed capital assets, or a change in function of major cost and importance. The state's fixed capital assets consist of property, plant and major equipment used to provide program services; rolling stock is excluded. All costs related to the addition or change are encompassed, such as, land acquisition, demolition, moveable and fixed equipment, on and off-site development, architectural and engineering design, and construction. Items included in this category are those with a useful life of at least five years. Major structural renovations or reconstructions, such as gutting a structure's interior while retaining the exterior shell or where a change in use of the structure is involved, or major remodel projects are also included. Remodeling, site, or utility projects with a total cost of ~~\$1,000,000~~ \$1,500,000 or more, addition of new space that will cost more than \$100,000; or land acquisition where an appropriation is requested are "capital developments." (Utah Code [§63A-5-206](#))

3.2. "Capital Improvement" - Any alteration, repair or improvement of the state's fixed capital assets, either to maintain current levels of service or to expand current facilities to meet an increasing demand for services that enhances the value of the facility. Reoccurring capital outlays, such as for motor vehicles, are excluded. Acquisition of equipment should also be excluded unless it is an integral component of a capital improvement. Requests for normal maintenance of fixed capital assets (i.e. unplanned or discretionary) should continue to be included in the operations budget requests. Normal maintenance would exclude preventive and corrective maintenance of equipment scheduled by the Division of Facilities Construction and Management (DFCM), as well as planned or programmed maintenance of major structural components of a facility, such as a roof. Remodeling, alteration, repair projects with a total cost of less than ~~\$1,000,000~~ \$1,500,000; or site and utility improvements with a total cost of less than ~~\$1,000,000~~ \$1,500,000 are "capital improvements." (Utah Code [§63A-5-206](#))

...

R710-4 Policy

...

4.5. The State Board of Regents Will:

...

4.5.4. Projects Requiring Approval - Review and approve all institutional requests for property acquisition, including consideration paid for options to acquire property that commit institutional funds in excess of \$25,000, except as provided in 4.5.4.1 below. Review and approve all other institutional requests for planning and construction of facilities, or major remodeling of existing facilities, regardless of the source of funds to be used for such activity, where the proposed construction or remodeling is inconsistent with the role assignment of the institution involved, is not in accord with institutional goals and objectives previously approved by the State Board of Regents, will require a substantial change in the approved programmatic planning or facilities master plan, or where the construction, or remodeling is subject to legislative project approval.

4.5.4.1. Exception for Recurring Property Acquisitions Related to Instructional Programs – In cases where proposed property acquisitions are necessary for an institution's construction technology (or equivalent program) to construct a building for instructional training purposes with the intent of selling the land and the building once the project is complete, the necessary property acquisition may be approved by the Board of Trustees. Requests for approval for these property transactions should be accompanied by an external appraisal for the proposed property.

...

4 4.7. Institutional Boards of Trustees Are Authorized to:

...

4.7.7. Approve Exceptions for Property Acquisitions – Review and approve exceptions for property acquisitions as described in 4.5.4.1.

...

(Approved September 16, 1975; amended February 16, 1982, June 24, 1988, December 14, 1990, June 18, 1993, September 24, 1993, December 11, 1998 and June 4, 1999. Proposed amendments May 30, 2003.)

MEMORANDUM

May 21, 2003

TO: State Board of Regents

FROM: Cecelia H. Foxley

SUBJECT: Engineering, Computer Science and Technology 2003-2004 Funding Recommendation from the Technology Initiative Advisory Board--Action Item

Issue

The 2001 Legislature approved SB61: *Enhancements to the State Systems of Public and Higher Education*. This legislation established an Engineering and Computer Science Initiative within the USHE, which was intended to significantly increase the number of students graduating from engineering, computer science, and related technology programs. The Technology Initiative Advisory Board (TIAB), appointed by the Governor, was established to make recommendations concerning the funds to the Regents. Key provisions of SB61 and a list of the TIAB members are included in the attachment.

Background

A total of \$4 million was appropriated the first year: \$1 million of ongoing funds, \$2.5 million of one-time funds, and \$500,000 for the loan forgiveness program. The ongoing funds were given to University of Utah (\$466,667), Utah State University (\$316, 667), and Weber State University (\$216, 666), in an effort to increase the number of students in four-year engineering and computer science programs. One-time funds were given to University of Utah (\$933, 333), Utah State University (\$633, 334), Weber State University (\$433,333), Southern Utah University (\$166,667), and Utah Valley State College (\$333,333). The immediate impact of those funds resulted in an increase of 479 students enrolled in four-year programs at those institutions.

The 2002 Legislature appropriated \$2 million in ongoing funds and \$1 million in one-time funds, to continue the objectives of SB61. After a recommendation from the TIAB, the Regents approved the following distribution of funds for the 2002- 2003 year.

			WSU	\$200,000	\$ 75,000
			SUU	\$ 75,000	\$ 50,000
<u>Institution</u>	<u>Ongoing</u>	<u>One-Time</u>			
UofU	\$800,000	\$300,000	<u>Institution</u>	<u>Ongoing</u>	<u>One-time</u>
USU	\$700,000	\$250,000			

UVSC	\$175,000	\$ 75,000	CEU	\$0	\$ 50,000
Snow	\$0	\$ 50,000	SLCC	\$0	\$100,000
Dixie	\$ 50,000	\$ 50,000			

The 2003 Legislature appropriated \$500,000 in ongoing funds to continue efforts in implementing the objectives of SB61. Following the pattern set last year, John Sutherland gathered information from each of the institutions concerning the needs of the program. The TIAB met on April 1, 2003, to discuss the current success of the initiative and the continued needs of each of the institutions. The TIAB decided that to continue to increase the number of students and graduates, the focus should be on quality programs and quality graduates. Each dean's prioritized list of needs was considered. In finalizing their recommendation, the TIAB used the following criteria:

- Focus first on faculty positions. In this year of scarce dollars, funding faculty positions was seen as the best way to continue to increase the capacity, quality, and graduates.
- Past performance. Institutional track records were also reviewed with preference given to programs that were growing rather than shrinking.

The TIAB proposes that the dollars recommended below, combined with matching dollars from the institutions, be used to fill faculty needs. This recommendation is not meant to tie the hands of the institutions with regards to the use of the funds, but should be viewed as an effort to fund the highest priorities in each institution that will increase the capacity and the number of graduates. The TIAB recommends the following distribution of funds for the 2003-2004 year.

<u>Institution</u>	<u>Ongoing Funds</u>	<u>Institution</u>	<u>Ongoing Funds</u>
University of Utah	\$180,000	Dixie State College	\$ 35,000
Utah State University	\$100,000	Utah Valley State College	\$ 70,000
Weber State University	\$ 35,000	Salt Lake Community College	\$ 30,000
Southern Utah University	\$ 50,000		

In looking to the future, the TIAB feels strongly that increased funding from the legislature in 2004 will be necessary to keep this initiative on track. Next year, based on the funding and performance of the institutions, the TIAB anticipates that all nine institutions would receive ongoing funds from this initiative. More visible support in the legislative process, especially from the smaller USHE institutions, is critical to ensure that increased funding is approved next year.

The TIAB recommends that the Regents ensure that legislators know of their support for this initiative early in the legislative process. The Regents should carefully consider what is needed to provide exceptional leading-edge results from Utah's engineering programs. In addition to growing the number of engineering graduates, having world-class faculty, graduate programs, and dynamic graduates are important to positive, long-term economic impact.

John Sutherland, Chair of the TIAB, will make a presentation at the May 30 Regent's meeting, and will be available to answer questions.

Commissioner's Recommendation

This information is provided as background in preparation for the presentation and discussion at the Board meeting. If after the presentation and discussion, the Regents are satisfied that their questions have been addressed, they may approve or revise the recommendation of the Technology Initiative Advisory Board as they think appropriate.

Cecelia H. Foxley, Commissioner

CHF:GW
Attachment

Attachment

Key provision of SB61:

- (1) Establishing a goal through the Initiative to double the number of graduates from USHE institutions in engineering, computer science, and related technology by 2006 and triple the number of graduates by 2009.
- (2) Directing the Board to establish rules providing the criteria for those fields of study that qualify as "related technology."
- (3) Providing a component, which improves the quality of instructional programs in engineering, computer science, and related technology, by providing supplemental monies for equipment purchases (\$2.5 million).
- (4) Establishing a student loan and loan forgiveness program to encourage enrollment in programs included in the Initiative.
- (5) Assisting USHE institutions to hire and retain highly qualified faculty to teach in Initiative programs.
- (6) Increasing program capacity by funding new and renovated capital facilities, and funding for new engineering and computer science programs.
- (7) Creating a Technology Initiative Advisory Board to make recommendations to the Regents in its administration of the Initiative. The Advisory board is to include individuals appointed by the Governor from business and industry who have expertise in the areas of engineering, computer science, and related technologies.

Members of the Technology Advisory Committee

John Sutherland (Chair)	Intel Corporation
Susan Johnson (Co-Chair)	Futura Industries
Richard Anderson	Hewlett Packard, Retired
Reed Brown	Iomega Corporation
D. Mark Durcan	Micron Technology
Ed Edstrom	vSpring
Dave Moon	EsNet
Chuck Taylor	Metalcraft Technologies
J. Howard VanBoerum	VanBoerum & Frank

May 21, 2003

MEMORANDUM

To: State Board of Regents

From: Cecelia H. Foxley

Subject: Update on The Leonardo and the Utah Science Center

Dr. Joe Andrade, Executive Director and Board Chairman of the Utah Science Center Authority, will be at the meeting to present an update on The Leonardo and the Utah Science Center located in the old Salt Lake City Library building at Library Square. Vice Chair Pamela Atkinson also serves on the Science Center Board and will assist Dr. Andrade in his presentation.

Attached are two documents which will give you some information about the facility prior to the meeting.

Cecelia H. Foxley, Commissioner

CHF:jc
Attachments

May 21, 2003

TO: State Board of Regents
FROM: Cecelia H. Foxley
SUBJECT: General Consent Calendar

It is the recommendation of the Commissioner that the Regents approve the following items on the General Consent Calendar:

1. Minutes – Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held March 14, 2003, at the Board Offices in Salt Lake City, Utah
2. Grant Proposals - Approval to submit the following proposals:
 - A. University of Utah – National Institutes of Health; “Muscular Dystrophy Cooperative Research Center;” \$7,915,743. Kevin M. Flanigan, Principal Investigator.
 - B. Utah State University – US DOD Missile Defense Agency; “RAMOS Joint Preliminary Design Review Task Plan 6;” \$1,150,780. Thomas Humpherys, Principal Investigator.
 - C. Utah State University –Lockheed Missiles and Space Company, Inc.; “Tactical Input Station Screener Processor Element Quote - Software;” \$2,058,690. Niel S. Holt, Principal Investigator.
 - D. Utah State University – Lockheed Missiles and Space Company, Inc.; “4 Additional Screener Processor Element Units;” \$1,106,132. Niel S. Holt, Principal Investigator.
 - E. Utah State University – US DOD US Navy; “Response to Time Critical Sensor Image/Data Processing Task;” \$3,874,886. Niel S. Holt, Principal Investigator.
 - F. Utah State University – National Science Foundation; “Vegetation and Climate Controls on Soil Organic Carbon Dynamics in the Intermountain West;” \$1,216,099. Helga Van Miegroet, Principal Investigator.
 - G. Utah State University – Department of Health & Human Services; “Project C.5. of Region VIII Centers of Excellence for Biodefense and Emerging Infectious Diseases RCE); \$4,846,363. John D. Morrey, Principal Investigator.
 - H. Utah State University – National Science Foundation; “PBI: Biodiversity and Evolution of the Megachilid Bees of the World (Insecta, Hymenoptera: Megachilidae);” \$3,133,036. Terry Griswold, Principal Investigator.

- I. Utah State University – National Science Foundation; “Mathematics & Science Partnership for all Utah Students: Middle Grades Initiative;” \$8,849,621. James Cangelosi, Principal Investigator.
- J. Utah State University – Department of Health & Human Services; “Determination of Hydrogen-bond Energy in Biomolecules;” \$1,100,000. Steve Scheiner, Principal Investigator.
- K. Utah State University – Department of Health & Human Services; “In Vitro Antiviral Screening Program: Respiratory Viruses;” \$2,294,642. Robert W. Sidwell, Principal Investigator.
- L. Utah State University – Department of Health & Human Services; “In Vitro Antiviral Screening Program: Biodefense Pathogens;” \$3,674,879. Robert W. Sidwell, Principal Investigator.
- M. Utah State University – Duke University; “Epidemiology of Alzheimer’s Dementia in Cache County, Utah;” \$1,164,179. Maria C. Norton, Principal Investigator.
- N. Utah State University – US DOD Missile Defense Agency; “RAMOS Joint Preliminary Design Review Task Plan 6;” \$5,800,000. Thomas Humpherys, Principal Investigator.
- O. Utah State University – US DOD Missile Defense Agency; “RAMOS Task Order 12” (Period of Performance: 2/9/2002 to 7/31/2003); \$5,195,000. Thomas Humpherys, Principal Investigator.
- P. Utah State University – US DOD US Navy; “Response to Time Critical Sensor Image/Data Processing Task;” \$1,417,000. Niel S. Holt, Principal Investigator.
- Q. Utah State University – US DOD Missile Defense Agency; “RAMOS Task Order 12” (Period of Performance: 1/1/2003 to 12/31/2003); \$5,195,000. Thomas Humpherys, Principal Investigator.
- R. Utah State University – Instituto Nacional de Recursos Hidraulicos; “Technical Supervision of the Design and Installation of a Pressurized Irrigation System, Azua II, in the Dominican Republic;” \$2,067,206. Gary P. Merkley, Principal Investigator.
- S. Utah State University – National Science Foundation; “Continuous Universal Access to Dynamic and Complex Indoor Environments;” \$1,049,811. Vladimir Kulyukin, Principal Investigator.
- T. Utah State University – Northface Learning; “A Collaborative Project-based Approach to Educating Software Developers;” \$4,537,500. David Wiley, Principal Investigator.
- U. Utah State University – US Department of Education; “Reading Comprehension Problems: Profiles, Indicators, Supports, and Boosts;” \$1,387,964. Lori Roggman, Principal Investigator.

- V. Utah State University – Raytheon; “Order for Fabrication of Eight ARCH (Advanced Reconnaissance Compression Hardware) Circuit Card Suites for the US Navy;” \$1,143,055. Niel S. Holt, Principal Investigator.
 - W. Utah State University – USDA/CSREES; “Implementation of Western Region Sustainable Agriculture Research and Education (SARE);” \$3,023,912. Philip Rasmussen, Principal Investigator.
 - X. Utah State University – Naval Research Laboratory; “Response to Time Critical Sensor Image/Data Processing Task Order #3 Extension;” \$2,999,691. Niel S. Holt, Principal Investigator.
 - Y. Utah State University – Naval Research Laboratory; “Response to Time Critical Sensor Image/Data Processing Task Order #5;” \$11,999,964. Niel S. Holt, Principal Investigator.
 - Z. Utah State University – USDA/CSREES; “Implementation of Western Region Sustainable Agriculture Research and Education (SARE) Professional Development Program (PDP);” \$1,090,298. Philip Rasmussen, Principal Investigator.
 - AA. Utah State University – Institute of Education Sciences; “Prevention Plus: An Effective Program to Prevent Antisocial Behavior;” \$1,841,062. Richard P. West, Principal Investigator.
 - BB. Utah State University – Missile Defense Agency; “Modification to Task Order 12 to Add Russian Subcontract Addendum 19;” \$5,195,000. Tom Humpherys, Principal Investigator.
 - CC. Utah State University – Naval Research Laboratory; “Extension of Time Critical Sensor Image/Data Processing Task Order N00173-02-D-2003/0004;” \$3,874,886. Niel S. Holt, Principal Investigator.
 - DD. Utah Valley State College – National Science Foundation; Science Equipment; \$2,000,000. Sam Rushforth.
 - EE. Utah Valley State College – HUD; Science Building Construction; \$900,000. Sam Rushforth.
3. 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 July 9, 2003 at the Board Offices in Salt Lake City, Utah to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

General Consent Calendar
May 2003
Page 4

Tab T, Page 4 of 4 & Attachments

CHF:jc
Attachments

Cecelia H. Foxley, Commissioner

MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
BOARD OFFICES, THE GATEWAY
March 14, 2003

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MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
BOARD OFFICES, THE GATEWAY
March 14, 2003

Regents Present Regents Excused

Nolan E. Karras, Chair Jerry C. Atkin

Pamela J. Atkinson, Vice Chair

Sara V. Sinclair

Linnea S. Barney Marlon O. Snow

Daryl C. Barrett

Kim R. Burningham

Khay Douangdara

David J. Grant

L. Brent Hoggan

James S. Jardine

Michael R. Jensen

Charles E. Johnson

David J. Jordan

E. George Mantes

Jed H. Pitcher

Maria Sweeten

Office of the Commissioner

Cecelia H. Foxley, Commissioner

David Buhler, Associate Commissioner for Public Affairs

Don A. Carpenter, Executive Assistant

Joyce Cottrell, Executive Secretary

Richard Davis, Assistant Commissioner for Student Loan Finance

Linda Fife, Assistant Commissioner for Programs

Jerry H. Fullmer, Director of Information Systems

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 Brinkman, Associate Vice President for Budget and Planning

Carie Carter, Graduate School of Social Work

Amy Earle, Graduate School of Social Work

Nancy Lyon, Assistant Vice President for Governmental Affairs

Jeannete Mather, Graduate School of Social Work

Michael G. Perez, Associate Vice President for Facilities Management

Laura Snow, Special Assistant to the President and Secretary of the University
Carolyn Weight, Graduate School of Social Work
Bill Edwards, Student Body President

Utah State University

Kermit L. Hall, President
Stan L. Albrecht, Executive Vice President and Provost
Richard W. Jacobs, Budget Director
Kevin Womack, Associate Vice President for Administrative Services

Weber State University

F. Ann Millner, President
Norman C. Tarbox, Jr., Vice President of Administrative Services

Southern Utah University

Steven D. Bennion, President
Abe Harraf, Provost

Snow College

Michael T. Benson, President
Christian Thompson, Student Body President

Dixie State College

Robert C. Huddleston, President
Stanley J. Plewe, Vice President for Administration and Information Technology
Max Rose, Academic Vice President
Shandon Gubler, Board of Trustees

College of Eastern Utah

Ryan L. Thomas, President

Utah Valley State College

Lucille T. Stoddard, Interim President
Hillary Call, Student
Val Peterson, Vice President for College Relations
Ryan Vogel, Student Body President
Douglas E. Warner, Vice President for Finance and Human Resources
Bradley A. Winn, Vice President for Planning, Technology, and Student Services

Salt Lake Community College

Daniel Bingham, Executive Dean, Larry H. Miller Campus

Utah College of Applied Technology

Gregory G. Fitch, President
Michael J. Bouwhuis, Regional President, Davis ATC
Jay Greaves, Vice President of Instruction, Davis ATC
Collette Mercier, Vice President for Instructional Services, Ogden-Weber Applied Technology College

Representatives of the Press

Jennifer Lee, *WSU Signpost*
Shinika A. Sykes, *Salt Lake Tribune*
Twila Van Leer, *Deseret News*

Others

Benjamin James Fisher, Utah Student Association
Boyd Garriott, Office of the Legislative Fiscal Analyst
Debbie Headden, Office of the Legislative Fiscal Analyst
Bradley Johnson, Utah State House of Representatives
John Massey, Legislative Fiscal Analyst
Kenneth E. Nye, Program Director, Capital Development, DFCM
Blake Wade, Ballard Spahr

COMMITTEE OF THE WHOLE

Chair Karras called the meeting to order at 10:40 a.m. He welcomed Representative Johnson and excused Regents Atkin, Sinclair and Snow. Commissioner Foxley noted that Dr. David Pershing and Dr. Daniel Bingham were representing Presidents Machen and Cundiff, respectively, at the meeting.

Review of 2003 Legislative Session

As she began the overview of the recently completed 2003 Legislative Session, Commissioner Foxley recalled a remark made by President Bennion, which summarized the Session quite succinctly: "Never have so many done so much for so little." She thanked everyone who had gone to the Capitol during the Session to represent higher education. She particularly acknowledged the hard work of Associate Commissioner Buhler and the institutional legislative representatives. In addition, Chair Nolan and Vice Chair Atkinson were extremely active throughout the Session. She thanked the other Regents and Presidents who made themselves available as needed. Noting the challenge of working with scarce resources, she expressed appreciation to Representative Johnson and the other members of the Higher Education Appropriations Subcommittee. Commissioner Foxley also recognized the student leaders for their work. She asked Assistant Commissioner Brad Mortensen to give a brief summary of the budget and Associate Commissioner Mark Spencer to review capital facilities.

Budget Overview. Assistant Commissioner Mortensen referred to Attachments 1-4 to Tab R, which were in the Regents' folders. He explained the appropriations to higher education and the comparisons between the

Regents' recommendation, Governor Leavitt's recommendation, and the final appropriations. Assistant Commissioner Mortensen called attention to page 6 of Attachment 1, which compared higher education's share of state tax funds from 1993-1994 to 2003-2004. Commissioner Foxley said Governor Leavitt and the Higher Education Appropriations Subcommittee had made education a priority through the Session, yet our final appropriation was still ten percent below the amount needed to fund student growth. She expressed the System's gratitude that the cut was not deeper but noted that higher education is still in a fiscally challenging situation. Commissioner Foxley expressed her appreciation to Assistant Commissioner Mortensen, who also serves as budget officer for the Utah College of Applied Technology, for the extra time he worked to prepare the latest information for the Regents.

Capital Facilities. Associate Commissioner Spencer referred to Attachment 2 and said the bonding bill would decrease some of the backlog in capital projects, but there is still much more work to be done. The only two higher education projects funded by the bonding bill were USU's Merrill Library Replacement (\$40 million) and UVSC's purchase of the Vineyard Elementary School and Alpine Life and Learning Center (\$6.6 million). President Stoddard clarified that this amount was the purchase price of the property only; another \$1 million will be needed to renovate the facility for College use. Representative Johnson asked about O&M. President Stoddard said UVSC would be requesting \$639,000 for O&M in the future. Commissioner Foxley said partial funding for several projects had been suggested and then reconsidered. Also, Governor Leavitt has consistently indicated he does not favor partial funding. The final decision was made to reduce the number of projects and approve full funding for them. The allocation for USU's library was reduced to \$40 million with instruction that the University should not come back for the remaining \$2 million. Representative Johnson said he had always been opposed to bonding for buildings, but he did vote in favor of the bond this year.

Legislation. Associate Commissioner Buhler referred to Attachment 3, Legislation of Interest to Higher Education. He expressed his appreciation to Representative Johnson for sponsoring HB61, Snow College Richfield, as well as to Representative Bigelow for his support. This legislation will merge the Central Applied Technology College (CATC) Campus and Snow College in the Richfield area. He noted that the bond bill, SB2, which was approved was actually the sixth substitute. Associate Commissioner Spencer referred to Attachment 4, Intent Language, and said that most of the Intent Language shown represented new language (from last year). Legislative Fiscal Analyst John Massey said his office had been asked to do a study on health and dental benefits for all state employees, including higher education.

Representative Johnson said he wished the Legislature had been able to fund some of the growth in higher education. Some legislators felt that enrollment caps may be inevitable if more funding does not become available. He assured the Presidents that he was confident they would do what is best for their institutions.

Helping Smaller Schools. Chair Karras said the System's efforts to help the College of Eastern Utah continue as President Thomas works diligently through the financial problems he inherited. There was a little help given by the Legislature for funding. There is a continuing issue of large schools vs. small schools while protecting quality in the System. Chair Karras said he had discussed with Senator Mike Dmitrich the relationship between CEU and Utah State University. The Presidents had earlier discussed the consolidation of administrative services. They indicated they would like to drive this process, and that if savings result, they would like the authority to reallocate that funding. Chair Karras said he was in favor of exploring the

consolidation of administrative services and of the larger institutions helping the smaller schools. He gave the Presidents permission to pursue this process and to bring their recommendations to the Finance, Facilities and Accountability Committee (Finance Committee). The smaller schools are vital to their communities, and we need to try to help them survive.

Regent Grant asked if the Utah Education Network could be represented in those discussions, since they are charged with providing services to all of the campuses. Commissioner Foxley thanked him for the excellent suggestion. Regent Pitcher said he was supportive as well. Chair Karras thanked the Regents for their support in enabling the Presidents to best administer their campuses. President Thomas said the USHE had a very collaborative group of Presidents who work well together. He recognized the savings associated with size and the savings to be realized from a consortia approach.

Freezing Enrollments. Chair Karras reviewed the issue of the University of Utah freezing enrollments next fall. He said he had thought about the procedure, Regent involvement in the process and System issues and found that the policy is not clear. Since enrollment is an issue for all of our institutions, he asked the Council of Presidents to work together on this issue and bring a report back to the Regents. Vice President Pershing said the University was planning to go ahead with the “freeze” on a one-year basis. This means that the enrollment in Fall 2003 will be the same as it was in Fall 2002. Unfunded enrollment is currently costing the University \$15 million. This has become a large problem for the University. Admissions standards will be raised for all three groups – high school graduates, transfer students, and previous University students who have re-enrolled after dropping out for a period of time. He clarified that this freeze would not apply to students serving church missions or who are active in the military.

Regent Johnson said the Regents had already established that the University’s role and mission was to be a flagship institution. Increasing admissions standards fits that role. The Missions and Roles Task Force should be part of the process. Vice Chair Atkinson expressed concern about the effect the University’s enrollment freeze would have on Salt Lake Community College. If students cannot enroll as freshmen at the University, they would logically look at SLCC. Also, what about SLCC students who are ready to transfer and cannot be admitted to the University? She asked what the University’s discussion had been about the ramifications of their planned enrollment freeze. Vice President Pershing acknowledged that the problem was primarily at the transfer level. University officials will work with SLCC officials, as well as at Weber State University and Utah State University.

Chair Karras said the Regents had pushed the formula to break the “log jam” at the research universities. Perhaps funding should go to the other institutions with capacity. This should be considered when the Legislature decides it has funding for growth. Both of the chairs of the Higher Education Appropriations Subcommittee were open-minded to the discussion of Regent authority. Before the next Legislative Session, we need to pursue the discussion about funding for enrollment growth. We also need to help everyone understand the difference between research institutions and teaching institutions.

Regent Mantes said we also need to consider the roles and missions of our institutions and how they interrelate. He referred to a recent WICHE publication about accountability, copies of which were distributed to the Regents and Presidents. David Longanecker, Executive Director of WICHE, wrote that policymakers

need to deal with what he called “the four Ps – philosophy, practice, practicality, and politics.” Regent Mantes read from the report:

“States need to be explicit about what they want from higher education (which is not necessarily the same as what higher ed wants to provide). Do they want excellent education for all (quality)? Parity in participation and success for all (equity)? Participation and success for all who want to benefit (access)? Participation that contributes to economic development? All of this done as ‘economically’ as possible (efficiency)? Or all of the above? Are all of these goals equally important (and are there resources to support them), or are some more critical than others?”

Regent Jordan agreed that the University of Utah’s decision to freeze enrollments at a certain level was consistent with their role and mission. However, the System must be given time to prepare to react to this kind of decision. The policy on roles and missions should include a discussion of how these decisions are made and a requirement of notice given (with time lag) so the other institutions can consider how to respond and absorb these students. Chair Karras agreed and suggested that this should be developed by the Council of Presidents with a subsequent report to the Board of Regents. Chair Karras asked Commissioner Foxley and the Council of Presidents to prepare a recommendation which would go through the Academic, Applied Technology and Student Success Committee (Academic Committee) before it is presented to the full Board. The Public Affairs Committee would also be involved in helping the Legislature understand our top priorities.

Nursing. Chair Karras said the Legislature had allocated a token amount of funding to Dixie State College for their nursing program. He worried about a System reaction to this decision and asked if it were possible to reallocate resources internally to get more nursing graduates. President Thomas said the question would be whether to eliminate four English graduates or one nursing graduate, which is the approximate difference in cost. President Huddleston said Dixie officials were doing everything in their power to reallocate funding because the community needs graduates in the area of health sciences. Chair Karras acknowledged that the bottleneck was in educating nursing teachers. Vice President Pershing said the University of Utah had reallocated money to graduate more nurses. This is necessary to “prime the economy.” Chair Karras said if the institutions did this as a System, we would be better prepared to go back to the Legislature with a request for funding for the medical profession.

Regent Johnson said the institutions had received some industry-specific help, but perhaps the industry could be more aggressive in helping the universities resolve the nursing shortage. Vice Chair Atkinson said IHC had contributed \$2 million to the University of Utah. Individual hospitals have also given money to an extent. Utah is unique because we have the applicants. In fact, we are losing prospective students to other states. Salt Lake Community College has 450 applicants each year and can only graduate 100. If even half of the applicants could be accepted, this would make a huge difference in the nursing shortage.

Chair Karras said Maureen Keefe, Dean of the College of Nursing at the University of Utah and head of the Utah Nursing Council, had requested a paper on the barriers to reallocation and the issues faced in funding nursing education. After the report is complete, it should be shared with the Public Affairs Committee. Regent Jordan asked about getting more funding from the health care industry. Regent Pitcher said the two large non-profit chains should also be included in the discussion.

Commissioner Foxley clarified that funding would be an issue for the Finance Committee, while education would be an issue for the Academic Committee. A collaborative effort will be required. The Nursing Leadership Forum can also collaborate with them. Chair Karras asked both committees to put this item on their agenda for an upcoming meeting. He also suggested that a letter be sent under his and Commissioner Foxley's signatures to the Hospital Association, Nursing Home Association, and other similar groups. Commissioner Foxley pointed out the summary of issues related to nursing education which was in the Regents' folders. The handout also showed the number of applicants.

Regent Sweeten moved that the Board be supportive of trying to determine the issues and that they involve the industry in an effort to attain additional resources. The motion was seconded by Regent Douangdara and carried unanimously.

Final Action on 2003-2004 Tuition

Commissioner Foxley referred to the three parts of the Commissioner's Recommendation in Tab S and asked for separate action on the three recommendations:

1. Finalize the first-tier increase at 4.5 percent, including the set-aside of the revenue from 0.5 percent of the increase for need-based student financial aid. Commissioner Foxley referred to Attachment 2 which detailed the amounts of revenue to the individual institutions from the first-tier tuition and how it would be used. **Regent Jensen moved approval of the first recommendation, seconded by Regent Pitcher. The motion carried.**

2. After identifying specific increases for CEU and UVSC, finalize the second-tier increases as described on Attachment 3, noting the policy exception for USU and SUU with regard to the relationship between nonresident and resident tuition. Commissioner Foxley asked Presidents Thomas and Stoddard what their final recommendation would be for their second-tier tuition increase. President Thomas said CEU would implement a 4 percent second-tier increase, and President Stoddard said UVSC would raise their second-tier tuition by 8 percent. Commissioner Foxley asked for comments from the students. The students expressed their appreciation to the Board and staff for their efforts in working with them to resolve their concerns. Chair Karras said he had received a phone call from a student who asked him if the Regents honestly understand how difficult it is for the students to pay such high tuition and fees. He noted that across the country, tuition is increasing as state funding decreases. Many states are balancing their budgets by increasing tuition. Vice President Pershing said one reason the University of Utah was implementing an enrollment freeze was that they do not want to request another 10 or 11 percent tuition increase next year.

Vice Chair Atkinson asked the Presidents if it would be possible to get information from students who are dropping out of school or decreasing their class load because of the increase in tuition and/or fees. She pointed out that many students are finding it difficult to obtain work to pay for their education.

President Huddleston called attention to pages 3 and 4 of Attachment 1, which compares Utah tuition with WICHE institutions and other schools in the Mountain State Region. He pointed out that Utah community

college tuition is excessively above their peer institutions. Vice President Pershing noted that even with the projected increases, Utah will probably have the lowest tuition rates of all Research I universities in the western United States. President Hall said student financial aid is critical and suggested that the Presidents try to project tuition increases on a three-year basis for strategic planning purposes. Vice Chair Atkinson agreed and suggested that the Presidents also look at a three-year plan for increasing financial aid.

Regent Jardine moved approval of the second part of the Commissioner's recommendation. The motion was seconded and carried.

3. Discuss the proposed differential graduate tuition proposals, and if satisfied that these increases support the objectives of Master Plan 2000 and needs of the programs, approve the differential graduate tuition increases for the Graduate School of Social Work at the University of Utah and for the Master of Education and Master of Accountancy Programs at SUU. Vice President Pershing explained that the University's Graduate School of Social Work was requesting an increase of \$40 per credit hour. **Regent Mantes moved approval of the differential increase at the University of Utah's Graduate School of Social Work. The motion was seconded by Regent Pitcher and carried.** President Bennion explained that SUU's tuition increase involved four Master's programs which complement each other; the proposed increase will realign tuition to be comparable in these areas. **Regent Barrett moved approval of SUU's second-tier increase. The motion was seconded by Regent Sweeten and carried.**

Proposed 2003-2004 Fee Increases

Chair Karras asked Regent Pitcher to discuss the proposed fee increases (Tab G). Chair Pitcher referred to Replacement Attachment 1 in the Regents' folders which included the proposed increases for CEU and Dixie. Attachment 2 was a summary of proposed tuition and fees by institution. He explained that the Finance Committee had asked Associate Commissioner Spencer to reclassify some of these areas next year. Attachment 3 showed a ten-year history of undergraduate student fees with percentages of increase. **Stating that the committee had recommended approval of the fee structure, Chair Pitcher moved approval by the Board. The motion was seconded by Regent Grant.** Regent Jensen pointed out that some of the schools had not increased their fees for several years. President Benson explained that this was the reason the students are willing to accept large increases this year. **Vote was taken on the motion, which carried.**

State Board of Education Report on Competency-based Education

Chair Karras announced that Regent Burningham had left the meeting earlier and that his report on competency-based education would be rescheduled for a later Board meeting. Commissioner Foxley said Regent Burningham was participating in a telephone interview to be considered as President-elect of the National Association of School Boards of Education. She added that Regent Burningham had told her that with the new legislation, there is much for the State Board to address and come to an understanding of what the Legislature expects. Therefore, he requested that the discussion on competency-based education be

postponed. The USHE institutions will be involved as public education students graduate with competency-based diplomas and come to our schools for higher education.

Noel-Levitz Report

Commissioner Foxley reported that Lee Noel and Lana Low, consultants for Noel-Levitz, had spent three days in Salt Lake City in January. Their report was sent to the Regents with the Board agenda. She read an excerpt from the cover letter: "Uniquely absent was the defensiveness we sometimes encounter – all seemed open and receptive to ways to improve their operations. And based on our extensive experience with public colleges and universities, we are convinced that the Utah system has significant opportunities to improve its record in access, completion and affordability."

The Commissioner referred to the Challenges and Opportunities listed on pages 6 and 7 of the report. She explained that Utah State University was already in Phase III of this experience with Noel-Levitz. The consultants' recommendations were listed on pages 7 and 8 of the report. Commissioner Foxley said meeting these challenges would take cooperative effort from the institutions and the Board. An important recommendation was improving advising systems to help parents understand that prudent borrowing for a college education is a good investment. President Benson referred to the third opportunity ("the inordinate number of Utah residents classified as having *some college/no degree*") and said an article in the *Salt Lake Tribune* pointing out that Utah has the highest percentage of married couples probably has a bearing on that issue. Many students do have to drop out of college because of family obligations. Our course offerings need to be coordinated in an effort to facilitate this problem.

Commissioner Foxley said one point made verbally by the consultants was that we should let students know of higher education opportunities in Utah and also help them see which institution is the best match for them individually. Where are they likely to be most successful? Which institution has the best programs of study for that individual? The consultants also recommended that our institutions look more critically at their promotional materials which are sent to prospective students and their families. President Hall said this had been a very valuable experience for Utah State University. The Noel-Levitz group had been very good to work with in taking enrollment management data from peer institutions and helping USU chart itself against the institutions they should be most like.

Regent Johnson said the Student Success Task Force had developed a very action-oriented document. Much of the information which is available on the AdviseUtah or UtahMentor web sites is underutilized. Commissioner Foxley said the two web sites would be combined to become a better promotional tool. Associate Commissioner Norris said the problem with bringing the web site "up to speed" had been the resources crisis and obtaining the necessary data from the institutions.

Regent Jordan said the note about the USHE's poor retention system was partially attributable to the cultural demographic of Utahns marrying younger and starting families earlier than in most other states. He asked if the quantitative work had been done to understand how much of the retention issue was truly associated with this demographic. How much is truly attributable to the missionary factor? How much of our

comparative data are due to these unique cultural issues? We cannot convince our students to defer marriage or families; therefore, we need to decide how to make our programs more accessible to married students who have full-time jobs or children at home. President Hall said Noel-Levitz had provided options for student living, payment of education, etc. They can help us follow students within the System. President Bennion reported that Noel-Levitz had helped SUU with a student satisfaction survey revealing that approximately 60 percent of Utah graduates had attended more than one institution. This makes tracking more difficult.

Vice Chair Atkinson asked if it would be agreeable to ask the Student Success Task Force to meet once more to go over the Noel-Levitz report and make specific recommendations to the Regents and Commissioner's staff and give them direction. Regent Johnson said that would be possible. He stated that the Task Force had already developed seven recommendations; perhaps there will be additional recommendations as a result of this report. Regent Jardine said the action steps from the Student Success Task Force would be included on the next meeting agenda of the Academic Committee. Chair Karras asked that a list of next steps and recommendations be developed.

Reports of Board Committees

Academic, Applied Technology and Student Success Committee

Relationship of Policy R401, Approval of New Programs, Program Additions or Program Changes; "Exceptions to the Moratorium on New Programs;" and "Guiding Principles for Program Discontinuation and Personnel Reductions" (Tab F). Chair Jardine said the committee had begun with this discussion because agenda items A and B relate to this issue. The Guiding Principles (Attachment 3) reflected a document which was drafted by the committee and melded with a similar document drafted by the Legislature. The committee agreed that these decisions should be made on the campuses in cooperation with the Commissioner's Office. A suggestion was made that the criteria for the Guiding Principles be incorporated into the actual policy. He noted that the Guiding Principles document included a discussion about cost savings which was not included in the draft of Policy R401. The committee directed the Commissioner's staff to add this into the policy, realizing that there may come a time when short-term cost savings, as well as long-term savings, could be realized.

Regarding the Exceptions to the Moratorium, the committee decided the moratorium was in place until the Regents lifted it. This document allows the committee to look at new programs but changes the presumption that everything brought to the committee would be approved. The present presumption is that the burden is on the institutions to make a compelling argument for a new program. The ultimate decision of the committee was to incorporate the Exceptions to the Moratorium document into the policy as well.

Chair Jardine said the committee had approved a change to the wording in Category I of the Exceptions document to "Demonstrate Cost Savings and/or Efficiencies" because some benefits may be cost-neutral. The committee will interpret the exceptions on a case-by-case basis, but they agreed that the word "Urgent" should be retained in Category III.

The staff was asked to incorporate these changes into Policy R401 and bring it back to the next meeting of the committee after input has been received from the Chief Academic Officers (CAOs). Provost Albrecht mentioned to the committee that USU was doing a major restructuring of its College of Natural Resources. He asked if changing of department or program names was considered "new." Chair Jardine said the committee had agreed to work in the next 30 days to determine whether or not this is something new, to approve the restructuring, or to create another category. Provost Albrecht will address this issue with his staff and report back to the committee.

Chair Karras asked if an institution could eliminate one program and put the money into another program. Chair Jardine said a redistribution of funds would be allowed. In that case, it would not be necessary to seek committee approval. Chair Karras said he had been encouraging the colleges to consider vertical or diagonal cuts. Chair Jardine said guidelines would be incorporated into the policy to encourage this. Representative Johnson said he was very pleased to know that the committee had considered the Legislators' guiding principles and recommendations as well as their own. Chair Jardine said the two documents were actually quite similar and that he was very pleased with the process.

University of Utah – Bachelor of Arts and Bachelor of Science Major and Minor in International Studies (Tab A). Chair Jardine said this was the first of two exceptions to the program moratorium on this agenda. The International Studies Program had been approved by the Program Review Committee and recommended to the Academic Committee, which approved it as an appropriate exception to the moratorium. The committee decided this fit into Exception Category I, Demonstrates Cost Savings and/or Efficiencies. It creates an opportunity without additional classes, courses, instructors, etc. It also fits within Category III, Urgent Need, because it had been advertised within the University before the moratorium was implemented. In addition, the marketplace has put a premium on students having more than one major or minor. Vice President Pershing said many students were very interested in this program. The courses are already being taught, and when seats are available, students can be added without a great financial impact. Many University students have lived outside of the United States so this is a very timely issue. **Chair Jardine moved approval of the Bachelor of Arts and Bachelor of Science Major and Minor in International Studies at the University of Utah. The motion was seconded by Regent Jordan and carried unanimously.**

Weber State University/Utah Valley State College – Bachelor of Applied Technology (BAT) Degree (Tab B). Chair Jardine said this request was unique because it was a joint proposal from two institutions. It is a unique degree in the United States as well as in Utah. President Millner said Weber and UVSC have a strong partnership with UCAT, who now has the AAT Degree, and they want to provide a seamless transition. UVSC and WSU would incorporate the upper division course work, the general education program, advanced emphasis in the technical side, and organizational development component within the specialty. Chair Jardine said no one knows how many students will immediately choose to take advantage of this transition, but it is a logical necessity since UCAT does not and cannot grant college credit. **Chair Jardine moved approval of the Bachelor of Applied Technology Degree for Weber State University and Utah Valley State College. The motion was seconded.**

President Fitch thanked WSU and UVSC for offering the BAT Degree. In response to a question from Regent Grant, he explained that the 60 hours in the AAT Degree become a base toward this degree. Those

hours are not college credits but can become the foundation for a BAT Degree. President Millner said this provides the opportunity for a student to build on a technical background. President Fitch said the 60 hours will transfer to the institutions. General education courses will transfer as part of the degree. The BAT Degree is similar to a terminal degree in a technical area.

Vote was taken on the motion to approve the BAT Degree. The motion carried unanimously.

Report on Utah State University and University of Utah Third Annual Undergraduate Research Poster Session, and National Conference on Undergraduate Research (Tab C). Chair Jardine said the "Posters on the Hill" report was for information only. Commissioner Foxley noted that this was the third year for this program. The legislators enjoy the posters and talking with the students about their research projects. The program provides good visibility for our institutions.

Information Calendar, Academic, Applied Technology and Student Success Committee (Tab D). Chair Jardine welcomed questions on the Information Calendar, which included the elimination of the Center for Aerospace Technology at Weber State University and the Aero Technology/Air Flight Program at Dixie State College. The names of other programs at Weber and UVSC had changed. There were no questions.

Policy R312, Institutional Categories, Accompanying Criteria, and Institutional Missions and Roles (Tab E). Chair Jardine reported that the committee had not received feedback from all trustees and other constituencies. Discussion will be continued for the April meeting. He referred to the first paragraph at the top of page 2 of the Commissioner's cover letter and read: "The policy reflects what is considered appropriate at this point in time and for the near future. However, as situations in Utah change, there is an opportunity for institutions to have their mission and role revisited if there are compelling criteria that indicate a revision is in the best interest of the students, the institution and the citizens of Utah." Chair Jardine said he expected a vigorous discussion around this issue in April.

Chair Karras said discussions will be needed about communities' plans for the institutions to develop differently than the Regents expect. The System is already underfunded. Only the two research universities should be doing basic research. If other institutions decide they need this function, an open and candid discussion should ensue. Regent Grant requested that this discussion occur in the Committee of the Whole. Chair Jardine said the committee would bring a completed draft back to the Board.

President Benson asked if it would be appropriate to invite the chairs and vice chairs of the Boards of Trustees to the April meeting to participate in the discussion of institutional missions and roles. Chair Jardine suggested that it might be better to have a special meeting on this topic alone. Chair Karras asked the Presidents to let him or Chair Jardine know if there were areas of concern on an exception basis. He agreed that it would be appropriate to have an open discussion of this issue in April or in a subsequent meeting.

Chair Karras said the Presidents should represent and be the voice of their institutions. The Regents should interact with the Presidents, and the Presidents need to deal with their faculty and other constituents. Regent Jordan agreed that a President speaks for the institution. However, the President does not speak for the Board of Trustees. They are a separate voice from a separate faction of the community. Sometimes Presidents are

not willing to articulate those differences to the Board. Regent Jordan pointed out that sometimes the Presidents are not always "on the same page" with the Chair of their Board of Trustees. Chair Jardine recognized that the communities and trustees generally have a single focus, which is to make the institution and its community as great as it can be, irrespective of its role in the System. The Regents can help the Presidents by letting the trustees and others know the environment in which they are working from the Regents' perspective.

Chair Jardine said it would be helpful to get input from the trustee chairs and/or vice chairs and develop a proposed draft of policy R312 by the April Board meeting. He proposed that the committee see how far they get in April and schedule another meeting in May, if necessary. Chair Karras agreed that the trustees need to hear the discussion on a System level and that it would be helpful if this could be done before the discussion by the entire Board of Regents. He said he would schedule a meeting of trustee chairs and vice chairs prior to the April 18 Board meeting. He asked the chairs of the Resource and Review Teams to contact their Presidents and Trustee Chairs and get their agreement on the mission and role of their respective institutions prior to the April Board meeting.

Proposed Revisions to Policy R513, *Tuition Waivers and Reductions* (Tab I). Chair Jardine said the committee was asked to discuss and approve the revisions to policy R513. However, it was their understanding that it would be handled by the other committee, so they took no action.

Finance, Facilities and Accountability Committee

Capital Improvements Priorities for 2003-2004 (Tab H). Chair Pitcher said the committee had reviewed the priority list and had authorized its submission to the State Building Board. **Chair Pitcher moved approval of the Capital Improvement Priorities for 2003-2004. The motion was seconded by Regent Grant and carried unanimously.**

Proposed Revisions to Policy R513, *Tuition Waivers and Reductions* (Tab I). Commissioner Foxley pointed out that HB75, sponsored by Representative Loraine Pace, was to help our institutions which were most heavily affected by HB331 in 2002. The proposed revisions to this policy would give an additional 500 waivers to be inserted into the policy on page 5. Unused waivers can be reassigned from one institution to another. The Supplement to Tab I in the Regents' folders clarified that these waivers can be used for Job Corps students. The Presidents have informally agreed that if the Job Corps students meet the criteria, they can be considered for some of these waivers. The Commissioner's Recommendation would add to the policy this amendment and the number of waivers to be allocated.

Regent Jordan asked about section 5.3.4 on page 4 of the policy. Commissioner Foxley said these 500 waivers are new and are designed to help the institutions phase in to the new residency requirement. The chart on page 4 referred only to border waivers. New tuition waivers can be border waivers; there are no restrictions on residency. Regent Jordan said he thought this would create a conflict in policy language in section 5.2.3. That section says the total number of border waivers cannot exceed the total shown in the table. Commissioner Foxley agreed that this could change the numbers. She cautioned the Regents to remember that these are not just additions to border waivers and that the additional 500 waivers will go away after five years. She said she and her staff would look at the language in the policy.

Regent Grant moved approval of the policy changes in concept. The motion was seconded by Regent Pitcher and carried unanimously.

Recognition of Vice Chair Atkinson. Chair Karras called attention to the article, "A Saint for the Homeless," from the Family Circle Magazine which recognized Vice Chair Atkinson. He congratulated her and said it was a wonderful honor for her to get national recognition. He also called attention to the newspaper article announcing that the state's homeless trust fund had been named in her honor by the 2003 Legislature. Vice Chair Atkinson said she was deeply honored to have this recognition. She was ill and left the meeting.

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds, Series 2003Y (Tab J). Chair Pitcher pointed out that the opening paragraph to Attachment 1 should read "The State Board of Regents of the State of Utah met in regular session at their offices in Salt Lake City, Utah on March 14, 2003. . ." He said the committee had reviewed the resolution in detail and had approved the transaction. **Chair Pitcher moved approval of the Student Loan Revenue Bonds. The motion was seconded by Regent Grant and was adopted by the following vote:**

YEA:

Jerry C. Atkin
Daryl C. Barrett
Khay Douangdara
David J. Grant
L. Brent Hoggan
James S. Jardine
Michael R. Jensen
Charles E. Johnson
David J. Jordan
Nolan E. Karras
E. George Mantes
Jed H. Pitcher
Maria Sweeten

NAY:

(None)

Regent Johnson pointed out that interest rates were at historic lows. He recalled that the System had been able to save a considerable amount of money a few years ago by refinancing some bonds and asked if that were a possibility at this time. Blake Wade responded that most Regent bonds have a ten-year call protection to the bond holders and can be refinanced. However, it does not make sense to recall and refinance all bonds, especially since they can only be refinanced once under federal law.

Utah State University – Lease of Property to Logan City (Tab K). Chair Pitcher said the property would be leased to the City of Logan to build a fire station. An important consideration is that emergency response time would be improved. The fire station would serve the campus as well as the nearby residential neighborhood. Logan City will pay for all construction and landscaping costs, as well as ongoing O&M costs. The City would pay USU \$1 for the first year with no further rental fees during the remainder of the term. The

land is currently being used for parking and a recreational area. **Chair Pitcher moved approval of the lease. The motion was seconded by Regent Hoggan and carried unanimously.**

Snow College – Activity Center Expansion and Renovation (Tab L). Chair Pitcher said funding for this project would come from the Permanent Community Impact Board (CIB) in the form of grants and loans which will be repaid by an increase in student fees. President Benson said he had met with the CIB and would be submitting an application for funding on April 1. College officials hope to have the money in hand by August. The building is 25 years old and is in dire need of renovation. He reported that the increase in student fees had already been approved. **Regent Grant moved approval of the expansion and renovation of the Activity Center. The motion was seconded by Regent Hoggan and carried unanimously.**

Dixie State College – Campus Master Plan (Tab M). Chair Pitcher said President Huddleston had introduced the Campus Master Plan in committee, and Vice President Plewe had reviewed it in detail. **Chair Pitcher moved approval of Dixie State College's Campus Master Plan. The motion was seconded by Regent Grant and carried unanimously.**

Report of the Audit Review Subcommittee (Tab N). Chair Pitcher noted that this report was provided to the Regents for information only. He commended Regent Hoggan, who chairs the Subcommittee, for doing a good job of updating the committee's actions throughout the end of January. The committee discussed training sessions for Presidents, Regents, financial staffs, etc. Those sessions would be coordinated by Associate Commissioner Spencer to help the various groups understand the new requirements from Congress and to update discussions on internal controls or clients and how they impact our operations. The Presidents are required to sign financial statements, and they need to know where the risks are. Chair Pitcher noted that with the scandals at Enron, Worldcom, etc., we are living in a new world of corporate accounting. Regent Jardine suggested that Randy Van Dyke (Chief Internal Auditor at the University of Utah) be included; his expertise would be invaluable to this group. Regent Jardine noted that Mr. Van Dyke had been trained by Regent Johnson. Chair Pitcher agreed to include Randy Van Dyke in the training sessions.

Regent Jordan asked about the audit of Snow College. President Benson said the audit was ongoing and will be done in two parts. The Richfield section will take a while, but the Ephraim report should be completed in a month or so. Chair Karras asked that this be the first item on the committee's agenda until it is completed. The Regents want to be sure that something like this does not happen in our System and that if it does, it will be faced immediately.

UHEAA Board of Directors Report (Tab O). Chair Pitcher said Associate Commissioner Norris had given the committee a good report. The next meeting of the UHEAA Board of Directors will be on April 3. The report was provided for information only and required no action by the Regents.

Progress Report on Health Benefits Study (Tab P). Chair Pitcher called attention to the Replacement Attachment in the Regents' folders. The attachment showed the standardized benefits for health care and pharmacy in terms of employer/employee contributions. The committee has asked that a summary of health and dental programs and wellness programs be prepared for its April meeting. The committee asked for industry research data so that a "Best Practices" document can be prepared. They will also need to coordinate

with the state government study to which Mr. Massey referred earlier. Chair Pitcher said the committee was encouraged with the progress of the Health Benefits Study.

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

1. OCHE Monthly Investment Report
2. UofU and USU Capital Facilities Delegation Reports

General Consent Calendar

On motion by Regent Hoggan and second by Regent Grant, the following items were approved on the Board's General Consent Calendar:

1. Minutes
 - A. Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held January 17, 2003, at the University of Utah
 - B. Approval of the Minutes of the Special Meeting of the Utah State Board of Regents held February 17, 2003, by teleconference
2. Grant Proposals - Approval to submit the following proposals:
 - A. University of Utah – National Institutes of Health; "Extramural Research Facilities Construction Grant: The Gauss House: A campus-wide core facility for high field NMR;" \$9,567,710. Dr. Ronald Pugmire, Principal Investigator.
 - B. University of Utah – National Institutes of Health; "Novel Treatments and Etiologies of Conotruncal Defects;" \$15,664,818. Robert Shaddy, Principal Investigator.
 - C. Utah State University – National Aeronautics & Space Administration (NASA); "Geostationary Imaging Fourier Transform Spectrometer (GIFTS);" \$2,000,000. Gail Bingham, Principal Investigator.
 - D. Utah State University – National Science Foundation; "Identification of Novel Cell Wall Protein Genes and their Functionality in Arabidopsis;" \$1,092,269. Yajun Wu, Principal Investigator.
 - E. Utah State University – Department of Health & Human Services; "Detection of Food and Waterborne Pathogens by Novel Technologies;" \$1,519,227.01. Bart C. Weimer, Principal Investigator.
 - F. Utah State University – University of California/Davis; "Improving Pastoral Risk Management on East African Rangelands;" \$1,200,000. D. Layne Coppock, Principal Investigator.

- G. Utah State University – National Institutes of Health; “In vitro antiviral screening program: Biodefense Pathogens;” \$3,674,879. Robert Sidwell, Principal Investigator.
- H. Utah State University – National Science Foundation; “Mathematics & Science Partnership for All Utah Students: Middle Grades Initiative;” \$8,849,621. James Cangelosi, Principal Investigator.
- I. Utah State University – National Science Foundation; “PBI: Biodiversity and evolution of the megachild bees of the World (Insecta, Hymenoptera: Megachilidae);” \$3,133,036. Terry Griswold, Principal Investigator.
- J. Utah State University – National Institutes of Health; “Determination of Hydrogen-Bond Energy in Biomolecules;” \$1,100,000. Steve Scheiner, Principal Investigator.
- K. Utah State University – National Science Foundation; “Vegetation and climate controls on soil organic carbon dynamics in the Intermountain West;” \$1,216,099. Helga Van Miegroet, Principal Investigator.
- L. Utah State University – National Institutes of Health; “In vitro antiviral screening program: Respiratory Viruses;” \$2,294,642. Robert Sidwell, Principal Investigator.
- M. Utah State University – Duke University; “Epidemiology of Alzheimer’s Dementia in Cache County, Utah;” \$1,164,179. Maria C. Norton, Principal Investigator.
- N. Utah State University – National Institutes of Health; “Phosphoinositides in Breast Cancer Metastasis;” \$1,425,000. Daryll B. DeWald, Principal Investigator.
- O. Utah State University – National Institutes of Health; “Regional Centers of Excellence for Biodefense and Emerging Infectious Diseases Research Program;” \$1,614,004. Linda Powers, Principal Investigator.
- P. Utah State University – Missile Defense Agency; “RAMOS Task Order 12;” \$1,405,229. Tom Humpherys, Principal Investigator.
- Q. Utah State University – National Science Foundation; “Do Leaves Compute? Distributed Emergent Computation;” \$2,508,263. Keith A. Mott, Principal Investigator.
- R. Utah State University – National Institutes of Health; “Regional Biocontainment Laboratory Facilities;” \$2,227,786. David Norton, Principal Investigator.
- S. Utah State University – Brigham Young University (via NSF); “ITR: Automatic Animation of Virtual Characters Using Cognitive Artificial Intelligence;” \$1,010,070. Hugo de Garis, Principal Investigator.

- T. Utah State University – National Science Foundation; “EduCommons: Learning Through Creating, Improving, Sharing & Discussing Educational Resources;” \$2,003,268. David Wiley, Principal Investigator.
3. 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 17-18, 2003, on several USHE and UCAT campuses to consider property transactions, personnel issues, litigation, and such other matters permitted by the Utah Open and Public Meetings Act.

Report of the Commissioner

Commissioner Foxley referred to the handouts in the Regents’ folders. In addition to the recognition of Vice Chair Atkinson, she called attention to the *Deseret News* article about Regent Sinclair receiving the Rotarian of the Year Award in Logan. Regent Pitcher was recognized by USU’s Davis County Aggies group as an outstanding alumnus. The cover story of a recent Utah Business Magazine issue was “40 Rising Stars Under 40.” President Benson was featured in that article, as was President Bennion’s son, Jeff, former student body president at Utah State University. On behalf of the Utah System of Higher Education, Commissioner Foxley expressed condolences to Associate Commissioner Spencer on the recent passing of his father.

The Commissioner called attention to a column by Chair Karras which was published in several area newspapers during the Legislative Session. A recent KSL Editorial Opinion talked about the need for higher education funding.

Commissioner Foxley pointed out the “Policy Alert” in the Regents’ folders published by the National Center for Public Policy and Higher Education. It was entitled “State Shortfalls Projected Throughout the Decade” and was written by Dr. Dennis Jones, who has worked with our System in the past. The Commissioner called attention to the tables on pages 2 and 3 and noted that only five states anticipate a budget surplus in the next decade. Wisconsin’s funding level is expect to remain the same, and Tennessee is anticipating nearly a 10 percent shortfall. The Commissioner cautioned that the System needs to be prepared for a sustained period of time with conservative fiscal resources.

Commencement. Commissioner Foxley asked the Regents to let Joyce know as soon as possible which institutions they expect to visit for commencement. We will then let the Presidents know which Regents will be attending their graduation exercises.

April Board Meeting. Rather than traveling to the three different sites as scheduled earlier, it has been agreed that the Academic Committee will meet on the morning of Friday, April 18, from 8:30 to 11:30 a.m., and that the Finance Committee will meet that afternoon from 1:00 to 4:00 p.m. This change was made so that the Presidents and Regents can attend both committee discussions, if they desire. There are several substantive issues to be addressed in the committee meetings.

President Bennion reported that one percent of the SUU student body had been called up by the military. This is a sobering time for the institutions. Commissioner Foxley said Regent policy provides that for students and employees called up for military duty, we take care to see that they can be reinstated. Students will not lose their tuition. She indicated that a reminder of this policy was sent to the Presidents a few months ago.

Adjournment

Chair Nolan thanked everyone for attending the meeting. He welcomed input on improved performance of Board meetings.

Regent Mantes moved that the meeting be adjourned. The motion was seconded by Regent Grant and carried unanimously.

The meeting was adjourned at 2:05 p.m.

Joyce Cottrell CPS
Executive Secretary

Date Approved