

MINUTES OF MEETING
UTAH STATE BOARD OF REGENTS
BOARD OFFICES, THE GATEWAY, SALT LAKE CITY
July 9, 2003

Regents Present

Nolan E. Karras, Chair
E. George Mantes, Vice Chair
Linnea S. Barney
Daryl C. Barrett
Bonnie Jean Beesley
Kim R. Burningham
William Edwards
David J. Grant
L. Brent Hoggan
James S. Jardine
Michael R. Jensen
Charles E. Johnson
David J. Jordan
Jed H. Pitcher
Sara V. Sinclair
Marlon O. Snow

Regents Excused

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
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
Julie Vincent, Administrative Assistant, 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

J. Bernard Machen, President
A. Lorris Betz, Senior Vice President for Health Sciences/Dean, School of Medicine
Paul Brinkman, Associate Vice President for Budget and Planning
Gordon Crabtree, Chief Financial Officer, University Hospitals and Clinics
John Francis, Associate Vice President for Undergraduate Studies
Richard A. Fullmer, Executive Director, University Hospitals and Clinics
Maureen Keefe, Dean, College of Nursing

Nancy Lyon, Assistant Vice President for Governmental Affairs
Laura Snow, Special Assistant to the President and Secretary of the University
Kimberly Wirthlin, Assistant Vice President for Health Sciences

Utah State University

Kermit L. Hall, President
Stan L. Albrecht, Executive Vice President and Provost
Juan N. Franco, Vice President for Student Services
Richard W. Jacobs, Budget Director

Weber State University

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

Southern Utah University

Steven D. Bennion, President
Donna Lister, Director, WSU-SUU Cooperative Nursing Program
Harold Ornes, Dean of Sciences
Gregory L. Stauffer, Vice President for Administrative and Financial Affairs

Snow College

Michael T. Benson, President
Bradley A. Winn, Vice President of Academic Affairs

Dixie State College

Stanley J. Plewe, Vice President of College Services
Sabrina Friedman, Director of Nursing
Joe Peterson, Acting Vice President of Academic Services

College of Eastern Utah

Ryan L. Thomas, President

Utah Valley State College

William A. Sederburg, President

Salt Lake Community College

Judd D. Morgan, Interim President
Donald L. Porter, Vice President of Business Services

Utah College of Applied Technology

Gregory G. Fitch, President

Linda Fife, Vice President for Academic and Student Services
Wendy Boren, Davis Applied Technology Center
Jay Greaves, Davis Applied Technology Center

Students

Hillary Call, Utah Intercollegiate Assembly
Vicki Carroll, Southern Utah University
Jed C. Christensen, Snow College
Duke DiStefano, Utah State University
Jed Lloyd, College of Eastern Utah
Chad Marchant, Southern Utah University
Kyle Poll, Weber State University
Ahlie Steed, Dixie State College

Representatives of the Press

Shinika A. Sykes, *Salt Lake Tribune*
Twila Van Leer, *Deseret News*

Representatives of the Health Care Industry

Steve Bateman, Chief Executive Officer, Ogden Regional Medical Center
Deb Burcombe, Executive Director, Utah Health Care Association
Paul Jackson, Intermountain Health Care
Mary Joe Jones, Ogden Regional Medical Center
Nancy Nowak, Vice President for Nursing, Intermountain Health Care
Laura Poe, Executive Director of Nursing, Division of Occupational and Professional Licensing
Becky Richards, Executive Director, Utah Nurses Association

Others

Race Davies, Governor's Office of Planning and Budget
Boyd Garriott, Office of the Legislative Fiscal Analyst
Debbie Headden, Office of the Legislative Fiscal Analyst
Hy Higham, Higher Ed Research

Chair Nolan Karras called the meeting to order at 9:00 a.m. He excused Regent Maria Sweeten, who was out of state and would be joining the Executive Session portion of the meeting later via telephone.

Introduction of New Regents and Swearing in of New Student Regent

William Edwards. Chair Karras introduced the new student Regent, William (Billy) Edwards, who was the University of Utah's student body president last year. His nomination has been confirmed by the Utah Senate. Chair Karras administered the Oath of Office to Regent Edwards and welcomed him to the Board.

Bonnie Jean Beesley. Chair Karras introduced Bonnie Jean Beesley, who has been nominated as a Regent by the Governor. He said her name had not been sent to the Senate in time to be confirmed for this meeting, but invited her to fully participate in the September board meeting. Regent Beesley served for seven years on the Salt Lake Community College Board of Trustees, including five years as chair. Chair Karras said the Governor would make one more appointment to the Board, and Regent Beesley and the other new Regent would be sworn in after they have been confirmed by the Senate.

Election of Vice Chair

Chair Karras announced that the Board needed to elect a new Vice Chair to fill the vacancy created by the expiration of Pamela Atkinson's term of service. **Regent Pitcher nominated George Mantes as Vice Chair. The nomination was seconded by Regent Jensen. Chair Karras called for additional nominations. Hearing none, Regent Mantes was elected Vice Chair unanimously.** Chair Karras congratulated Regent Mantes, who said he was pleased to serve the Board as Vice Chair.

Panel Presentation on the Nursing Shortage

Chair Karras said he, Vice Chair Mantes, Regent Barrett and Commissioner Foxley had traveled to Cedar City and St George in June to discuss the nursing situation with officials of Dixie State College and Southern Utah University. Commissioner Foxley welcomed the panelists and introduced them to the Regents:

Deb Burcombe, Executive Director, Utah Health Care Association
Steve Bateman, Chief Executive Officer, Ogden Regional Medical Center, and Past Chair of the Utah Hospital Association
Maureen Keefe, Dean of Nursing, University of Utah, and Chair, Utah Nursing Leadership Forum
Nancy Nowak, Vice President for Nursing, Intermountain Health Care
Laura Poe, Executive Director of Nursing, State Department of Licensing
Becky Richards, Executive Director, Utah Nurses Association

Commissioner Foxley thanked Ms. Nowak for delaying her family vacation to participate on the panel and apologized to Ms. Burcombe for the misspelling of her name on the agenda materials (Tab A). She introduced Kim Wirthlin, Assistance Vice President for Health Sciences at the University of Utah, who would serve as moderator of the panel discussion. She asked Ms. Wirthlin to introduce the topic and asked the panelists to make introductory statements. She invited the Regents and Presidents to comment or ask questions following the panelists' presentation.

Kim Wirthlin. Ms. Wirthlin began by saying the Utah Legislature had been informed of the nursing shortage and the desire to expand nursing programs at higher education institutions. There was broad support

in the 2003 Legislative Session, and a commitment was made early in the Session to fund \$2.5 million for nursing programs. However, late in the Session it was discovered that implementing that plan would have required that the \$2.5 million be cut from the higher education budget and the money reallocated to the nursing programs. This cut would have brought higher education's budget cut to \$48.5 million for 2003-2004. When combined with unfunded enrollment, the total cut would have escalated to \$91 million. This was not an acceptable solution so the nursing programs were not funded as requested.

Ms. Wirthlin pointed out that the health care industry looks to Colleges of Nursing to expand their programs and increase the supply of nurses to meet the current shortage. Under the current situation, the nursing issue has brought together the Higher Education and the Health and Human Services Appropriations Subcommittees, making more legislators aware of the situation. Health and Human Services has spent time in the last two interim sessions discussing what is needed to address this issue. The Education Interim Committee has heard little about the nursing shortage. However, when the 2004 Legislative Session begins in January, this issue will go before the Higher Education Appropriations Subcommittee. Those legislators need to be educated about the situation. Ms. Wirthlin thanked Chair Karras and Commissioner Foxley for putting this item on the Board agenda and for putting together an outstanding panel.

Becky Richards. Ms. Richards explained that the current nursing shortage was a "baby boomer" demographic phenomenon. We have an above-average proportion of nurses aged 45 and over. Historically, nurses retire at approximately 55 years of age. Between the years of 2005 and 2008, "baby boomer" nurses will be between the ages of 45 and 62. This will cause a mass retirement exodus from the workforce. By 2010, 40 percent of the nursing workforce will be over the age of 50. There is a decline of new nursing graduates and a shortage of nursing instructors.

Steve Bateman. Mr. Bateman said he represented the 40 acute care medical centers and hospitals in the state. The shortage of nursing staff varies by individual hospital and by geographic area. The current nursing shortage is different from previous shortages in that this is likely to be long-standing and persistent, primarily because of the shift in demographics along with the increased age of the population. The vacancy rates of RNs are currently 8-10 percent of all the total positions, as opposed to 6-8 percent last year. It takes an average of 30 days to recruit an entry level medical surgical nurse. More sophisticated and specialty care nurses take typically 90 days or longer to recruit. This places a significant hardship on the hospitals. Physicians complain about the temporary nurses caring for acutely ill patients because they generally are not familiar enough with the protocol and lack the specific expertise needed for those patients. This is a great concern for hospital administrators and physicians. Typically, Utah hospitals in urban areas are bidding against each other to recruit nursing staff, which drives up the cost of nursing and therefore of health care.

Mr. Bateman said there is a large movement out of acute care hospitals. Many nurses prefer to work in physicians' offices and other locations where they can work regular hours and care for less acute patients. The problem lies primarily with the shortage of trained faculty. Many individuals want to pursue nursing degrees who cannot get into the programs.

Nancy Nowak. Ms. Nowak said she had just recently moved to Utah with her family. Utah is viewed as doing a good job taking care of people in hospitals. Quality nursing care is a large factor in that image. Nurses work with the patients constantly. Hospitals have a responsibility to be innovative in order to ensure that nurses who go there to work want to stay there to work. Nationally there is a shortage of individuals wanting to become nurses. Fortunately, Utah is an exception and consequently is in a unique situation. This means Utah can be a model to other states. If the nursing crisis is not addressed now, the situation will continue to worsen.

Ms. Nowak said she was encouraged to see partnerships between academe and health care services. Hospitals and service providers have a role in making this synergy work by providing slots for clinical rotations and making sure there are opportunities for training in the hospitals. They are also responsible for keeping nurses at the bedside and for making the workplace less stressful and a place which feels safe and comfortable for the nurses.

Deb Burcombe. Ms. Burcombe said the Utah Health Care Association represents the facilities providing long-term care (i.e., nursing homes). These facilities provide 24-hour, skilled nursing care for frail, sick, elderly and disabled individuals who need a higher level of care. Long-term care facilities have a 24 percent vacancy rate in nursing staff. In addition to having aging parents who may need that level of care, it is likely that some of us will require long-term care services ourselves.

Laura Poe. Ms. Poe also addressed the issue of an aging workforce and an aging population to receive those services. The average age of a Utah nurse is 43; the national average is 42. Over half of the nurses in Utah are over the age of 40; twenty percent are over 50. Because nursing is arduous work, many nurses do not work longer than three to five years. Nurses entering the profession are beginning at a later age in their lives. At the same time, the general population is aging. Other states are recruiting our students who cannot get into nursing programs in Utah. Ms. Poe stressed the need for keeping these people in Utah. Although programs are increasing in size for training nurses, the number of licenses is staying constant. Our nurses are being heavily recruited by other states where they are being paid very nicely. Utah has approximately 4300 licensed nurses who are not currently working in their profession in the state.

Maureen Keefe. Dean Keefe said a unique aspect of the nursing shortage is the critically acute shortage of nursing faculty. The current crisis is unprecedented. Nursing schools were surveyed to determine what is limiting enrollments. The results showed that the limiting factor was the number of nursing faculty and the available slots for them. We clearly need more nursing educators. Dean Keefe said nursing faculty are passed at two levels – masters and doctorate. The average age of a doctoral-prepared faculty is 54 years; the average age of a master's-prepared faculty is 49. A 1993 survey showed that over 50 percent of the nursing faculty was over the age of 50. In 2002, 70 percent were over 50. This is going to drive the nursing shortage. Nursing Deans and Directors surveyed their faculty and learned that of 250 nursing faculty, over half were over the age of 50, and one-third of them were planning for retirement in the next five years.

Commissioner Foxley thanked the panelists for their remarks and opened the discussion to questions from the Regents and Presidents. Regent Johnson mentioned a state-funded nursing initiative to get funding

for more faculty positions. Secondly, Utah is one of the highest taxed states but one of the lowest in health care costs. He referred to Ms. Poe's comment that 4300 nurses were licensed but not practicing in Utah and asked how much of the turnover was due to job satisfaction and how much was salary-driven. Ms. Nowak said it was a combination of the two factors. A new graduate is apt to leave quickly if s/he does not have a good place to work. Surveys have shown that the key factor is work environment. Nursing is primarily a female profession. Sometimes women leave the profession to have a family and do not return for various reasons. One of the reasons they do not return is because they do not feel comfortable with the new technology, which can change dramatically in a short period of time. We need to make returning nurses comfortable in re-entering the profession.

Mr. Bateman said the turnover was approximately 20 percent for acute care hospitals. Utah has an ample supply of interested students. However, there is a changing work ethic. Younger nurses see things differently and may not want to work the longer hours or to stay in the profession for their entire careers. He clarified that salaries are a "dissatisfier" rather than a motivator of causing nurses to leave the profession. Continually escalating salaries will not solve the problem. Dean Keefe said that population demographics was another key factor. Many nurses are retiring, regardless of the salaries they are being paid.

Commissioner Foxley referred to the 4300 licensed RNs who are not currently in the workplace. Do we know who they are, and do we have sufficient contact information to try to recruit them back into the profession? Ms. Poe said that number had come from a study of the Medical Education Committee in conjunction with the Department of Workforce Services and was obtained by comparing Social Security numbers with tax returns to see how many nurses were being paid for working in their profession. Many of these licensed RNs may be working in other states. A re-entry program has been instituted for nurses who have been out of the workforce for five years or more, to give both RNs and LPNs the opportunity to refresh their skills.

Regent Sinclair suggested that nurses in the field of long-term care need improved leadership skills. Nurses in general would be happier if they had more leadership training. In long-term care, salary is an issue. Medicaid pays less than the cost of giving care. This is a very difficult issue. Funding for health care is a national problem.

Regent Jordan asked why there was a shortage of nursing faculty. Second, what is the Regents' responsibility for proper configuration of programs? Do we graduate the right kinds of nurses to address appropriate shortages? Where is the most need? Third, although we have been graduating more nurses, we have not increased the number of licenses at all. This suggests that we are subsidizing the education of exports to other states, which is a serious economic problem. What is the solution to this national problem?

Dean Keefe said it was a supply/demand issue. The biggest dynamic is retirement and an aging workforce. Retirements are driving the nursing faculty shortage. There is also the issue of competition with other states; our faculty salaries have not kept up. Ms. Wirthlin pointed out that students generally have not been entering faculty preparation programs. Dean Keefe said masters- and doctorate-trained nurses have a

variety of duties in addition to their academic faculty positions. All of the institutions have been trying to expand their programs, recruit more students, and retain their faculty.

Ms. Wirthlin suggested that data be gathered on the import/export situation and specific needs. Dean Keefe reported that at a nursing leadership forum, deans and directors had been asked to look at what they could do to expand their programs and prepare new nurses. Their subsequent proposal, which has been presented to the Legislature, talked about the number of RNs who could be prepared as well as the ADNs who could be advanced to baccalaureate training.

Commissioner Foxley thanked the panelists and invited them to respond in writing to the questions and issues that have been raised. In response to Chair Karras' question, she said the nursing issue would be brought back at a future meeting with recommendations for the Regents to consider.

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

Commissioner Foxley pointed out that the Regents' folders contained replacements for Attachments 1 and 2 to Tab B. Associate Commissioner Buhler said a question had been raised in the April Board meeting about what was already being done at the institutions and which recommendations from the Noel-Levitz group or the Student Success Task Force were already being implemented. Subsequently, a questionnaire was sent to nine of the institutions. Fifteen questions related to the recommendations of the Noel-Levitz group and the Student Success Task Force. A summary of the results of that survey was shown in Attachment 2. Attachment 3 provided one example of measurable success from four of the institutions.

Assistant Commissioner Safman said all of the institutions are engaged in some activities which support student success. She gave the example of remedial reading and said students often enter college who do not understand the strategy for reading comprehension. This is a critical area. The questionnaire asked about institutional efforts to attract low income, first-generation students. The University of Utah is working well with ethnic minorities. Weber State University's Multicultural Youth Conference shows promise of attracting these students; we need support programs to retain them. When low cut-off scores are acceptable on placement exams, it appears as though students do not need remediation. Dr. Safman suggested that the institutions mandate remediation when scores are low because the students will not place themselves in remedial classes.

Assistant Commissioner Safman addressed the issue of prerequisite courses to enter a major. Sometimes faculty want to teach a specific course which might not necessarily articulate into a major. She suggested that the institutions revisit their policies to make sure that prerequisite courses are available. Also, the ratio of students to academic advisors is much too high. She commended UVSC's First Year Experience Program. Some institutions do not have the resources to assess their return on investment. She recommended asking the institutions how they use the data gathered from their student satisfaction surveys to improve student success. A study by the National Survey for Student Engagement showed that grades should be issued

on such factors as interaction with faculty outside of the classroom, study time, involvement in campus activities, etc.

Dr. Safman recommended that UCAT's success with open-entry/open-exit programs be considered in the next survey. Regent Johnson said this would require further consideration by the Academic Committee. Commissioner Foxley indicated the USHE is considering hosting a one-day leadership workshop with representatives of Noel-Levitz and representatives of each institution's recruitment and retention team to discuss strategies for developing fundamental recruitment and retention skills from a systemwide perspective. More details will be provided when they become available.

U.S. Supreme Court Decisions on Affirmative Action

Commissioner Foxley referred to Tab C which contained analyses solicited by the *Chronicle of Higher Education* on the U.S. Supreme Court's decision regarding affirmative action. Chair Karras said he appreciated the excellent reading material which was provided to help the Regents understand the issue. Commissioner Foxley asked Presidents Hall and Machen to speak.

President Hall said the single most important part of this decision was the support the Court has given to the autonomy of higher education to set its own standards. It was a very powerful statement, especially by Justice O'Connor.

President Machen said the Court decision affirms the basic policy of higher education for 25 years. It is an affirmation of the status quo with some tightening of the operational aspects. There will be no change in the University of Utah's admission procedures as a result of this ruling, and the University continues to be in compliance with the law. As mentioned in the majority opinion, this affirmed that diversity is a positive thing in higher education.

Vice President Betz emphasized the importance of diversity to the student body. Every medical school feels that diversity is vital. Decisions need to be made on an individual basis and not based on quotas. Race-conscious admissions are permitted. Admissions at the University are not race- and gender-based alone; the University looks for individuals with diverse backgrounds. After the audit report a year ago, modifications were made and implemented to the admissions process. The University Medical School is in compliance with the Supreme Court decisions and does not anticipate making any further changes to the process.

Regent Sinclair commended President Hall for his opinion piece in the *Salt Lake Tribune*. Regent Johnson said the issue of the economically disadvantaged being under-represented in higher education needs to be addressed. Chair Karras said he had met with Sam Curley of the Utah Coalition for Minorities in Higher Education (UCAMHE) and Phil Bernal of the Commissioner's staff regarding the search for a new Commissioner. Phil reported that 20 percent of the Hispanics could not even take the ACT exam. This figure jumps to over 90 percent at some schools in the valley. Chair Karras said the issue for the Regents is that we believe our current policies are in compliance with the Supreme Court decision.

Chair Karras said he had invited Sam Curley to attend a future Board meeting to report on the barriers for educating socioeconomically deprived students. The Regents have raised tuition but have not made sufficient effort to help students who cannot pay the cost of a college education. Individuals at lower economic levels cannot break through to get an education to get them into higher paying jobs without the Regents' help. Chair Karras said he had invited UCAMHE representatives to attend Board of Regents meetings occasionally to raise the Regents' awareness of the issue. He noted that this was also a significant issue for the State Board of Education and that Regent Burningham had committed to work with the Board of Regents on this issue.

Chair Karras said the 2001 Siciliano Forum, sponsored by the University of Utah's Hinckley Institute of Politics, had featured Dr. Alejandro Portes as speaker. His topic was "Immigration and the Future of American Society." Copies of his address were in the Regents' folders, and Chair Karras urged the Regents to read it. Regent Sinclair said the SHEEO publication sent with the agenda materials also covered issues important to achieving student success.

Commissioner Foxley said UCOPE was the natural vehicle for getting more need-based financial aid. Utah is one of the lowest states in the country for state-funded, need-based financial aid. It is an item in our budget request every year, and we need to convince our legislators to provide more funding.

Personnel Announcements

Chair Karras asked the Presidents to announce personnel changes at their institutions. President Hall introduced Juan Franco, the new Vice President for Student Affairs at USU. Dr. Franco comes to Utah from New Mexico State University and has been especially helpful in working with the Hispanic community. Vice President Plewe introduced Joe Peterson, who will replace Max Rose as Dixie's Academic Vice President, and Sabrina Freedman, Director of Nursing. Dr. Freedman previously worked at the University of Nevada, Las Vegas. President Millner recognized Dr. Kathleen Lukken, who is WSU's Interim Provost. President Bennion introduced W. Harold Ornes, Dean of Sciences, and Donna Lister, Director of the WSU-SUU cooperative nursing program. President Benson announced that on August 1, Brad Winn's title would be changed to Provost, and Rick Wheeler would become the Vice President for College Relations. Several Presidents introduced their student body presidents and other student leaders.

Regent Burningham was recognized as the President-elect of the National School Boards Association.

The Board broke into committee meetings at 11:00 a.m. and reconvened as a Committee of the Whole at 12:20 p.m.

Report of the Chair

Appointments. Chair Karras said it had become necessary to appoint Regents to various boards and committees to fill the vacancies caused by the expiration of Pamela Atkinson's and Brent Hoggan's terms as Regents. He announced that Regent Pitcher had agreed to serve on the State Board of Education and that Regent Barrett had agreed to serve on the UCAT Board of Trustees. Brent Hoggan has agreed to remain on

the UHEAA Board of Directors. Chair Karras said he would be making additional appointments to Board committees when the other new Regents have been appointed.

Report of the Commissioner

Commissioner Foxley noted that additional information had been distributed to the Regents regarding financial aid. Also included in the folders were copies of letters which had been faxed earlier in the week to Utah's Congressional delegation regarding the status of Pell Grants. The Commissioner called attention to the Utah Foundation's May 2003 Research Report which focused on their study of the balance between tax income and state spending. She referred to the chart on page 3 and pointed out the significant impact of higher education on the economic development and distribution of state resources in some of the smaller counties.

Dates to Calendar. Commissioner Foxley announced that the following events had been scheduled:

- August 18 – President Ann Millner's installation
- August 22 – Higher Education Appropriations Subcommittee Meeting at UVSC
- August 21 – Opening of WSU's Davis Campus
- September 11-12 – Board of Regents meeting at SLCC
- September 20 – President Ryan Thomas's installation
- October 30 – President Bill Sederburg's installation
- October 31 – Board of Regents meeting at UVSC
- December 12 – Board of Regents meeting in Regents' Board Room, The Gateway

Best of State Awards. Commissioner Foxley congratulated the following individuals and institutions for receiving the Best of State Awards:

- Services – University of Utah Hospitals and Clinics
- Science and Technology – Dr. Mario Capecchi, Co-director, UofU Institute of Genetics
- Arts and Entertainment – Utah Shakespearean Festival
- Agriculture – Dr. Kenneth White, USU Professor

Recognition of Twila Van Leer. Commissioner Foxley announced that Twila Van Leer, higher education reporter from the Deseret News, would be retiring in August. She thanked her for her excellent coverage of higher education throughout her career.

Reports of Board Committees

Academic, Applied Technology and Student Success Committee

Consent Calendar (Tab D). Chair Jardine said USU's proposal to reorganize the departments within the College of Natural Resources was an extension of the reorganization approved earlier as an exception to

the moratorium. New degree proposals will come forward in September. **On motion by Chair Jardine and second by Vice Chair Mantes, the following items were approved on the committee's Consent Calendar:**

- A. Utah State University – Restructured Programs in the College of Natural Resources**
- B. Weber State University – Program Deletions**
- C. Salt Lake Community College – Fast Track Skills Center Programs**

Information Calendar (Tab E). Chair Jardine referred to the University of Utah's name and program changes on the Information Calendar and offered to respond to questions. There were none.

Discussion on the Moratorium on New Programs and the Programs in Planning Stages (Tab F). Chair Jardine reported that the exceptions to the moratorium were frustrating for the institutions which would like to do new things in light of stringent budget circumstances, i.e., eliminating some programs and moving the savings over to other programs. The committee confirmed that this would not be an exception. They discussed the meaning and purposes of the moratorium at some length and whether or not there were reasons to reconsider the policy. The consensus of opinion was that the committee should revisit the contours of the moratorium and that there are reasonable and practical things which can be done by going forward. **The committee concluded that some change or modification of the moratorium should be considered and suggested that the Chief Academic Officers (CAOs) and Council of Presidents (COP) make a recommendation, recognizing the tight budget situation.** The committee received word that our message has been received by the Legislature. Chair Jardine said this was not an action item, and a recommendation will be brought to the full Board at a later meeting. He said he did not anticipate that the proposed changes would "open the floodgates" so that every desired program would move forward.

In response to a question, Chair Jardine said the committee had not discussed nursing, which was "on its own track." Committee members wanted to hear the earlier presentation by the nursing panel so they would have better information. Chair Jardine said they were not prepared to move the nursing issue forward as it was still being studied. Regent Sinclair said there is a great need for leadership in all kinds of nursing, not just for BSNs. There is also a strong need for two-year nurses and LPNs. Regent Grant asked about nursing programs in the fall. Chair Jardine responded that the 2+2 programs currently in place will continue to be in place this fall.

Commissioner Foxley noted that Dixie and SUU had planned to begin their programs in 2004. Chair Jardine said there would be a report in September. He said the Program Review Committee (PRC) had discussed the idea of hiring an outside consultant to do a study because they are trying to understand the need, and there are several key factors. Once the committee approves a program, it goes into the regular process. The Academic Committee will not have a fully developed and approved program by September.

Chair Karras said he did not want procedure to get in the way of ensuring that we have good programs for the students. If the committee decides the program makes sense, he would prefer to bring it to the Board to see if they would be willing to make an exception rather than letting it get mired in procedure. Chair Jardine said the committee was implementing Board policy. Before the moratorium, the PRC would have made a preliminary judgment on some of these questions. The Commissioner's Office has asked for feedback from the CAOs, especially those from institutions with nursing programs.

The PRC met earlier in the week, and Regents Barrett and Mantes went to southern Utah on the nursing issue, along with Chair Karras and Commissioner Foxley. Chair Karras said both Presidents are collaborating on future programs and proposing new programs which would be move toward an approval or disapproval process in September or October. Vice Chair Mantes said the PRC was on track, but a good procedure is necessary to make the process work.

Regent Atkin asked if the PRC ensured that proposed programs were adequately funded. Chair Jardine said one of the exceptions if the program can save money or produce efficiencies. A possible modification is when the money will come from eliminating another program. Regent Beesley asked if the process were broad enough to include an overall view of the state. There is a variation between geographic areas and the academic programs needed in the various areas of the state. Chair Jardine said the committee had been charged with making statewide judgments.

Chair Karras thanked Chair Jardine for the good discussion of a difficult issue.

Finance, Facilities, and Accountability Committee

Long-term Enrollment Projections (Tab G). Chair Pitcher referred to the replacement materials in the Regents' folders. The committee approved the report, subject to refinements in the areas of more information on undergraduate, non-resident and graduate students, as well as impact on Custom Fit. He asked the Commissioner's staff to review the report in comparison with the Utah Foundation study. **Chair Pitcher moved approval of the projections. The motion was seconded by Regent Grant and carried unanimously.**

UHEAA – Approving Resolution, SBR Student Loan Revenue Bonds, 2003 Series V (Tab H). Chair Pitcher said the report had been presented to the committee by Regent Grant, a member of the UHEAA Board. The Resolution authorizes an Eleventh Supplemental Indenture to the 1988 General Indenture, providing for an additional series, Series V. The proposed issue consists entirely of refunding bonds for the Loan Purchase Program (LPP). The proposed refunding bonds will refinance existing fixed rate tax-exempt bonds originally issued under the 1993 General Indenture, Series 1993B, C and D, totaling \$43,365,000. Stating that the timing and interest rates were right for this issue, **Chair Pitcher moved approval of the bond resolution. The motion was seconded by Regent Snow and carried with the following vote:**

YEA:	Jerry C. Atkin
	Daryl C. Barrett
	William Edwards
	David J. Grant
	James S. Jardine
	Michael R. Jensen
	Charles E. Johnson
	Nolan E. Karras
	E. George Mantes
	Jed H. Pitcher
	Sara V. Sinclair

Marlon O. Snow

NAY: (None)

Regent Jordan was not present at the time of the vote.

University of Utah – 2003-2004 Budget for University Hospitals and Clinics (Tab I). Chair Pitcher said the committee had heard an excellent presentation by Dr. Lorris Betz, Senior Vice President for Health Sciences; Rick Fullmer, Chief Executive Officer, and Gordon Crabtree, Chief Financial Officer. The committee was very impressed with the hospital's performance. For FY 2003, the hospital generated \$21.1 million, the Utah Neuropsychiatric Institute (UNI) generated \$1.2 million, and the clinics lost \$1.1 million, making a total for capital and transfers of \$21.2 million. For FY 2004, the hospital is expecting to see revenues of \$17.4 million, and another \$1 million from UNI, with the clinics breaking even. **Chair Pitcher commended President Machen, Dr. Betz, Mr. Fullmer and Mr. Crabtree for an excellent report and moved its approval. The motion was seconded by Regent Atkin and carried unanimously.**

Commissioner Foxley asked Dr. Betz to comment. Dr. Betz said the 2002 Legislature had appropriated excise tax funds from tobacco. The University of Utah received \$4.5 million of additional funding from this appropriation, which was used as seed money for matching funds through Medicaid. Approval has been received for this match, which will generate \$14.9 million, which will flow through the University budget and be passed down to the Hospital budget.

Regent Jardine said this had been an item of focus for seven years or longer. When he was Chair of the University of Utah Board of Trustees, health science centers nationally were awash in red ink. The Harvard Medical Center lost \$150 million. He credited this extraordinary turnaround to the leadership of Dr. Betz and Mr. Fullmer and his team and led the Board in applauding their efforts. Commissioner Foxley noted that before he hired Dr. Betz, President Machen had an office in the Health Sciences so he could stay on top of the situation.

Vote was taken on the motion, which carried unanimously.

Utah State University – Potential O&M Costs for Donated Building (Tab J). Chair Pitcher said President Hall had discussed this transaction in committee. USU wishes to accept the donation of the former K-mart building in Brigham City. If the building is ultimately used for instruction, the University will request O&M funding at a later date. **Chair Pitcher moved approval of the acceptance by Utah State University of the proposed donated building and property in Brigham City. The motion was seconded by Regent Johnson and carried.**

Salt Lake Community College – Notice of Potential Property Purchase (Tab K). Chair Pitcher said Interim President Morgan had reported that the item was not ready to be submitted to the Board. **Discussion was deferred, and the transaction may be on a future agenda.**

Consent Calendar (Tab L). Chair Pitcher pointed out that the Regents' folders contained replacements for some of the attachments. **On motion by Chair Pitcher and second by Regent Grant, the following items were approved on the committee's Consent Calendar:**

- A. USHE – 2003-2003 Final Work Program Revisions
- B. USHE – 2003-2004 Work Program Revisions
- C. USHE – 2003-2004 Budget Implementation Reports
- D. USHE – 2003-2004 Appropriated Operating Budgets
- E. USHE – Spring Semester and End-of-Year Enrollment Reports
- F. OCHE – Monthly Investment Report
- G. UofU and USU – Capital Facilities Delegation Reports

Administrative Efficiencies – Collaborative Opportunities Among Institutions (Tab M). Chair Pitcher reported that the committee had heard from various Presidents about collaborative opportunities. Updates will be provided at the September Board meeting.

USHE – Informational Report, Current Institutional Investment Practices (Tab N). Chair Pitcher said the committee had received good news. They found that appropriate policies were in place at all of the institutions and that each Board of Trustees had established an investment policy.

UHEAA – Board of Directors Report (Tab O). Chair Pitcher noted that the UHEAA Board had approved the Loan Purchase Program (LPP) budgets. He referred to the last page of Exhibit E, which highlighted the record low interest rates on student loans. Associate Commissioner Norris said there had been a discussion in committee about matching our sources of capital with our returns. He pointed out that the federal government puts a floor on the revenue.

General Consent Calendar

On motion by Vice Chair Mantes and second by Regent Jensen, the following items were approved on the Regents' General Consent Calendar:

1. Minutes – Approval of the Minutes of the Regular Meeting of the Utah State Board of Regents held May 30, 2003, at the Board Offices in Salt Lake City, Utah.
2. Grant Proposals - Approval to submit the following proposals:
 - A. Utah State University – NASA Langley Research Center, “USURF/SDL Geosynchronous Imaging Fourier Transform Spectrometer (GIFTS),” \$16,361,333. Gail Bingham, Principal Investigator.
 - B. Utah State University – US Air Force/ARDA , “Network Visualization and Exploratory Data Analysis,” \$1,291,426. Dr. Robert F. Erbacher, Principal Investigator.

- C. Utah State University – National Institutes of Health (NIH); “Animal Models of Human Viral Infections for Evaluation of Experimental Therapies;” \$8,487,744. Robert Sidwell, Principal Investigator.
 - D. Utah State University – NIH; “Microbial Metabolism of Aliphatic Alkenes, Epoxides, and Ketones;” \$1,725,600. Scott Ensign, Principal Investigator.
 - E. Utah State University – NIH; “Nitrogenase Mechanism;” \$1,464,021. Lance C. Seefeldt, 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 September 11-12, 2003 at Salt Lake Community College 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.

Adjournment

Chair Karras recognized Phil Bernal, the Regents’ liaison to UCAMHE, who will help prepare a report which has been requested for the September meeting. Chair Karras thanked Mr. Bernal for coming to the meeting.

The Regents convened in Executive Session at 1:22 p.m. and adjourned from there.

Joyce Cottrell CPS
Executive Secretary

Date Approved